

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JULY 24, 2018

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 6:00 P.M. at the Headquarters of the Cooperative, 14300 State Highway 97, Petersburg, County of Menard and State of Illinois.

On roll call the following Directors were present: President D. Jay Frye, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Roy H. Seaney, and Steven L. Worner. Director Jodine Tate was absent. Also present was Manager of Accounting & Information Systems Chris Hinton, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was no changes or additions to the Agenda. Thereafter, with President Frye presiding and with these minutes being transcribed by or under the direction of Secretary Patrick, the following procedures were had (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the Board, or without dissenting vote or abstention, unless otherwise stated).

President Frye reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

Manager Anker reviewed the CFC Key Ratio Trend Analysis Summary.

Manager Anker advised that she had received a request from Direct Energy for the Cooperative to consent to act as an Aggregate representing ICG Illinois, LLC. Manager Anker distributed her Analysis with regard to the request by Direct Energy and what impact, if any, that could have on Menard Electric. After discussion, it was moved and seconded that the following Resolution be adopted:

(See Exhibit A, attached hereto and incorporated herein by reference.)

Motion carried.

Manager Anker reviewed a proposed Switching Arrangement Agreement between PPI, Ameren IL and Menard Electric. There was no action taken by the Board. After further consideration, it was determined to look into the matter further and consider the Agreement at next Month's Board Meeting.

Manager Anker presented the Manager's Report for June, 2018. She reviewed the Balance Sheet and Budget. She reviewed the Rebate Summary. Under the Safety Report, she advised that there were no accidents. She presented the Reliability Report. Under the Operations Report, she advised of the causes for the various outages. She presented the Irrigation Report and advised that a list had been started for 2019. She presented the monthly IT Security Report. She

reported on various vulnerabilities of the Cooperative and Cooperative equipment. She reported on the status of the various Co-Bank Programs. She advised that the Mason County Fairgrounds Horse Show Ring had been energized. She advised that presentations to Marbold Farmstead and Theatre in the Park had occurred, however she had been in contact with the Representative for Logan County Fair, but no date had yet been set for the presentation of the funds to the Fair. She reported on the individual who had participated in the No Barriers Program. Manager Anker reviewed what would be in the Illinois Country Living Center Section. She advised that there would be information on the Annual Meeting as well as Board highlights. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Manager Anker presented the financial report for the month of June. Year to date margins were \$1,522,093 compared to \$1,895,601 last year. Equity at the end of June was 40.21%. Member accounts served was 10,897. Net utility plan was \$48,607,774 compared to \$46,776,298 last year. Co-op meets requirements of RUS, FFB, NRCFC & CoBank.

Director Goetsch reported on AIEC Activities and advised that there was no Meeting due to the Annual AIEC Meeting. He discussed the schedule for the Annual Meeting.

Director Martin reported on Prairie Power, Inc. He advised that likewise, there had been no Meeting for the month. He reviewed the June Energy Charge Report.

Director Goetsch reported that the Bylaw/Policy Committee had met immediately before the monthly Board Meeting to review Bylaw Section 4.05 and Policy Bundle 5. Manager Anker discussed the proposed change to Bylaw Section 4.05 was a result of the changes that had been made in the Bylaws at the last Annual Meeting. It was moved and seconded that the language that referenced "of the Cooperative" be removed as is set forth in each director district geographical description. Motion carried. The Committee then discussed the Three Phrase Service Policy. After discussion, it was moved and seconded that the language be approved. Motion carried. The Committee began discussion of the Metering Equipment Policy, however decided to consider the matter at next month's Board Meeting. There was not sufficient time to review the other proposed Policy changes in Bundle 5 and there would need to be another Committee Meeting scheduled.

Manager Anker presented the Capital Credit Estate Refunds Report.

It was moved and seconded that the Board enter into Executive Session. Motion carried. It was moved and seconded that the Board reconvene the monthly Board Meeting. Motion carried. It was moved and seconded that the Board confirm and ratify all action taken in the Executive Session. Motion carried.

President Frye reported that next month's Board Meeting was scheduled for August 28, 2018, at 6:00 p.m.

Under other business, President Frye reminded the Board that on July 25, 2018, the NRECA 977.1 Seminar entitled Equity Management & Boardroom Decision Making would be held at the Crowne Plaza, Springfield, Illinois and that the Strategic Planning Session was

scheduled for December 4-5, 2018, at Roots, which is located across the highway from the Cooperative Headquarters.

There being no further business to come before the Board, it was moved and seconded the Meeting be adjourned. Motion carried.

Respectfully submitted,

Secretary

President