

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
NOVEMBER 27, 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: Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Roy H. Seaney, and Steven L. Worner. President D. Jay Frye and Director Jodine Tate were absent. Also present was Brady Smith, Chris Hinton, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one change to the Agenda, that being (3c). Manager Anker advised that Mr. Douglas would not be present and such should be removed from the Agenda. There were no other changes or additions to the Agenda. Thereafter, with Vice President Goetsch 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).

Engineering Manager Brady Smith presented a System Loss Analysis Report.

Manager Anker reviewed the Agenda for the upcoming Strategic Planning Meeting. Manager Anker advised that the Planning Session would commence on December 4, 2018, around 8:30 a.m. and she reviewed the issues to be discussed on said date, as well as the Meeting to be held on December 5, 2018.

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

Manager Anker reviewed the proposed 2019 Financial Budget. There was discussion with regard to Prairie Power Deferred Revenue determination. It was moved and seconded that the revenue deferral be revised to 3.75 mills per kwh for 2018. Motion carried.

Manager Anker reviewed the two new CFC Line of Credit Agreements and the terms thereof. She advised that the Cooperative was still negotiating with CoBank as to the terms of the renewal for that lender. It was moved and seconded that the CFC Line of Credit Agreements be approved. Motion carried.

Manager Anker advised that the Cooperative received a request for the Cooperative to enter into an agreement with regard to the renewal of a IDNR License Agreement No. 6621. It was moved and seconded to table adoption of the License Agreement. Motion carried.

Manager Anker presented the Manager's Report for October, 2018. She reviewed the Operating Statement, Balance Sheet and Budget. She reviewed the Safety Report, Reliability Report and Operations Report. She reported on the status of matters with regard to the Irrigation Report, as well as the Monthly IT Security Report. She discussed what information would be in the Connect monthly publication. 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 October. Year to date margins were \$2,695,860 compared to \$2,803,199 last year. Equity at the end of October was 41.84%. Member accounts served was 10,898. Net utility plant was \$49,212,169 compared to \$47,380,785 last year. The cooperative continues to meet the requirements of RUS, FFB, NRFC and CoBank.

Manager Anker presented the Report of the Bylaw and Policy Committee. She advised that the Committee had not met, but that Staff recommended adoption of a new Operations Employee Expense Policy. It was so moved and seconded that the Policy, as presented, be adopted. Motion carried. Manager Anker also reviewed the Fixed Expenses for approval. It was so moved and seconded to approve those Fixed Expenses. Motion carried. She also reviewed the cell phone reimbursement and advised that she believed there was no need to change the current reimbursement at the present time. It was so moved and seconded to approve. Motion carried.

There was discussion with regard to the liability insurance requirement of \$2.5 million for solar interconnects. It was suggested the Cooperative reduce the minimum Policy limits from \$2.5 million to \$2 million. Other changes to the Policy were discussed with regard to the additional insured provision. After discussion, it was moved and seconded that the proposed changes to the Agreement be tabled for consideration at next Month's Meeting. A roll call vote was called for and that motion failed by a vote of 4 to 2. It was moved and seconded that the revisions to the Policy and Agreement be adopted. A roll call vote was called for and that motion passed 4 to 2. With the recommended changes, the Agreement now reads as follows to-wit:

Certificate of Insurance. Member shall provide a certificate of insurance in full force and effect, demonstrating member has public liability and property damage insurance with minimum coverage limits of liability of no less than stipulated in the Agreement between Cooperative and member. If member carries Commercial General Liability insurance and proposes to interconnect Distributed Generation facilities having an aggregate Nameplate Rating in excess of 10 kW, member must include and endorse the Cooperative as an additional insured. Otherwise, as stipulated in the Agreement between the Cooperative and member, for interconnections of any capacity and at member's sole discretion, member shall either (I) endorse Cooperative as an additional insured, or (ii) shall proactively provide Cooperative with a renewed copy of insurance certificate every six (6) months indicating member maintains such insurance in full force and effect.

Vice President Goetsch reported on AIEC activities and discussed the draft of the FEJA Position Paper.

Director Martin reported on Prairie Power, Inc. and reviewed the Presidents' Report. He also discussed the 2019 Budget for Prairie Power, Inc., as well as the October energy charge.

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.

Vice President Goetsch reported that next month's Board Meeting was scheduled for Friday, December 21, 2018, at 9:00 a.m.

Under other business, Vice President Goetsch reminded the Board of the 2019 CoBank Central Regional Customer Meeting Sign up and reviewed the December 2018 Co-op Calendar. He reminded the Board that the Strategic Planning Session was scheduled for December 4-5, 2018 at Roots in Petersburg, Illinois and of the NRECA 2600 Directors Duties & Liabilities was January 15, 2019.

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

Respectfully submitted,

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Secretary

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Vice-President