

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 2, 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 Jodine Tate. Director Steven L. Worner was absent. Also present was Operations Manager Dalton Whitley, Director of Member Services Trish Michels, Manager of Accounting & Information Systems Chris Hinton, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were 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.

Dalton Whitley and Trish Michels presented a review of the Rural Electric Safety Achievement Program. They advised, as was the practice, that the Cooperative had a surprise safety review. He and Trish discussed with the Board the result of the review.

Trish Michels presented a review of the Cooperative past and present collections procedures. She reminded the Board that the Cooperative, in the past, had filed its own small claims to pursue collection of delinquent accounts. She confirmed that it was a time-consuming process. It was the consensus of the Board that the current process was better than the previous collection procedure.

Trish Michels reviewed the Resolution to approve the revision to the Section 125 Plan Administration. It was moved and seconded the following Resolution be adopted.

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

Motion carried.

Manager Anker presented the Manager's Report for August, 2018. She reviewed the Balance Sheet and Budget. She reviewed the Safety Report, as well as the Reliability Report. She advised that there were no accidents for the month. Under the Operations Report, Manager

Anker reported on the cause of the various outages for the month. She presented the Irrigation Report. She discussed the various contacts and information she had obtained relative to Solar installations and whether Menard could be shown as an additional insured on a Member's Homeowner Policy. She advised that there was correspondence indicating that some insurance companies were not willing to include the Cooperative as an additional insured. She advised that they were still looking into this matter and that additional information was being obtained by Attorney Smith in that regard. The pictures taken of the Cooperative crew working an area affected by Hurricane Florence were reviewed. She reviewed the final results from the water heater survey. 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 August. Year to date margins were \$1,905,690 compared to \$1,926,550 last year. Equity at the end of July was 40.49%. Member accounts served was 10,887. Net utility plant was \$49,075,774 compared to \$47,197,057 last year. Co-op meets requirements of RUS, FFB, NRCFC & CoBank.

Manager Anker reviewed the NRECA/CFC Governance Task Team Report, Series Part Two (2) of four (4) parts.

Director Goetsch reported on AIEC Activities and advised that there had been no Board Meeting for the month. He discussed the International Program that had been discussed at the August Board Meeting. There had been a proposal to finance an International Program in Guatemala. After discussion, it was moved and seconded that the Cooperative contribute \$1,000.00 to the State Association only if they determined to proceed with the Program. Motion carried. Manager Anker also discussed the Illinois Cooperative Worker's Compensation Group and the Rochdale Services Annual Meeting. Director Frye was named as the Delegate to the Annual Meeting with Trish Michels as the Alternate. It was moved and seconded that they be so appointed. Motion carried.

The individuals who had attended the NRECA Region V Meeting discussed their impressions and thoughts on the Meeting.

Director Martin and Manager Anker reported on Prairie Power, Inc. Director Martin advised that there had been no Meeting for the month. He suggested reviewing the President's Report and the August Energy Charge Report.

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 October 23, 2018, at 6:00 p.m.

Under other business, President Frye reminded the Board 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