

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
DECEMBER 19, 2017

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, Jodine Tate, and Steven L. Worner. 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 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.

Manager Anker discussed possible termination of the Cooperative's participation in the Illinois State Renewable Energy Program. 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 of Accounting & Information Systems Chris Hinton and Manager Anker discussed changes to the proposed 2018 Financial Budget. They reviewed the 2017 Inventory adjustment, which resulted in a negative adjustment of \$6,882.44. It was moved and seconded that the adjustment be approved. Motion carried. Manager Anker and Mr. Hinton presented expected year-ending 2017 financials as they relate to PPI's offer to re-defer 2015-2016 monies into 2018-2019. There was discussion by the Board. It was determined that an additional \$300,000.00 would be re-deferred, for a total of \$700,000.00. Motion carried. It was moved and seconded that the 2018 Financial Budget be approved. Motion carried.

Manager Anker presented the Manager's Report for November 2017. She reviewed the Balance Sheet, Budget, Rebate Summary, Outage Summary and Safety Report. Under the Operations Report, Manager Anker reported on the Cooperative's outages for the month and reviewed the Irrigation Report. She reported on the status of matters with regard to the New Rate 51 and advised that there were approximately 90 Members who had executed the Rate

Agreement. It was expected that there would be at least 10 more Members participating in Rate 51. Manager Anker reviewed the monthly Security Report. She reviewed the results of the 2017 Sick Leave Bonus Program. It was her recommendation that the Board adopt the Program for 2018. It was so moved and seconded. Motion carried. She presented the OMS Update and advised that the Cooperative was close to going online. dataVoice was working on the app and other issues. Manager Anker reviewed a proposed Rate Rider NM for Net Metering. She discussed the reasons for the need for a Rate Rider NM. It was moved and seconded that the Rate Rider NM be adopted. Motion carried. Manager Anker also discussed various alternatives for the Youth Day/Youth Tour. At last month's Board Meeting she had recommended considering cessation of the Cooperative's participation in the Youth Day/Youth Tour due to lack of interest. It was her recommendation to consider some form of Scholarship. She reviewed various methods for awarding scholarships. After discussion, it was the consensus of the Board to adopt the option involving three scholarships awarded by an impartial judging panel. It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Manager Anker presented the financial report for the month of November. Year to date margins were \$2,631,451 compared to \$2,618,726 last year. Equity at the end of November was 40.57%. Member accounts served was 10,895. Net utility plant was \$47,409,921 compared to \$45,760,792 last year. Co-op meets requirements of RUS, FFB, NRCFC & CoBank.

Director Goetsch advised that there had not been an AIEC Board Meeting as of yet, so there was no report.

Director Martin and Manager Anker reported on Prairie Power, Inc.

Manager Anker reviewed the Capital Credit Estate Refunds Report.

There was discussion about the need to appoint a Delegate and Alternate Delegate to the NRECA Annual Meeting. It was moved and seconded that Director Martin be named the Delegate with Manager Anker as the Alternate. Motion carried.

There was discussion about the need to appoint a Delegate and Alternate Delegate to the NRTC Meeting. It was moved and seconded that Director McMillan be named the Delegate with Manager Anker as the Alternate Delegate. Motion carried.

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 actions of the Board taken into Executive Session be approved and ratified. Motion carried.

President Frye reported that next month's Board Meeting was scheduled for January 23, 2018, at 6:00 p.m.

Under other business, President Frye reminded Board Members that the Cooperative Christmas Party was scheduled for December 22, 2017, at Roots from 12:00 p.m. to 3:00 p.m. He

also advised that the NRECA Annual Meeting was scheduled for February 25-28, 2018, in Nashville, Tennessee.

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