

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
NOVEMBER 28, 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 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 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 of Accounting & Information Systems Chris Hinton and Manager Anker presented a review and summary of the 2018 Financial Budget. Chris Hinton discussed with the Board a proposed Amendment to the CoBank Master Loan Agreement and Revolving Line of Credit Agreement. He reviewed the terms and provisions of the documents and what changes there were in those documents. No action was taken at this time on adoption of the Amendments. It was suggested that President Frye have Attorney Smith review the CoBank documents before the Board would enter into those documents.

Manager of Accounting & Systems Chris Hinton and Manager Anker reported on changes that were made by Staff to the proposed 2018 Budget. Manager Anker advised that she had requested that the Cooperative Staff make some reductions in their Budget and advised that the net savings were a difference of \$320,000.00. Manager Anker and Chris Hinton presented the Prairie Power 2017 Deferred Revenue Option and Offer to re-defer 2015-16 monies into 2018-19. There was discussion by the Board. It was determined no changes would be made to the current 2017 revenue deferral of 0.25 mills per kWh. It was determined that the Cooperative would defer \$400,000.00 of the revenue deferred during 2015-16 for use in 2018-19. Motion carried. It was moved and seconded that Staff be authorized to accept such Offer from Prairie Power. Motion carried.

Manager Anker presented the Manager's Report for October 2017. She reviewed the Balance Sheet, Budget, Rebate Summary, Outage Summary, and Safety Report. Manager Anker presented a Summary of Outages and costs, as well as the status of work orders. She advised that

there were no injuries for the month and she also reported on classes attended by Staff and Employees. Under the Operations Report, Manager Anker reviewed the cause of Cooperative outages for the month. Under the Irrigation Report, she advised that there were two new additions and advised that status of completion of the new irrigation systems. Manager Anker discussed Rate 51. She reviewed the terms of the Agreement and what would be required for enrolling in the Rate 51 Program. She advised that, to date, there had been substantial interest in Rate 51 and there had been over 32 inquiries. Manager Anker presented the Monthly Security Report and advised the status of the Sharing Success Program and the Cooperative's contribution to the Mason County Fair. She advised that she and President Frye were presenting the check to the Mason County Fair Board the following week and advised that the funds in the amount of \$10,000.00 had already been given to the Fair. She reported on the status of matters with regard to the Outage Management System and advised that they now had access to the "Sandbox." She believed that the System would be up and running by February 1, 2018. She advised that there would be onsite training in January. She also gave a demonstration of the System. 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 \$2,803,199 compared to \$3,033,523 last year. Equity at the end of October was 40.90%. Member accounts served was 10,898. Net utility plant was \$47,380,785 compared to \$45,755,241 last year. Co-op meets requirements of RUS, FFB, NRCFC & CoBank.

Director Goetsch was not present for the AIEC Meeting, so Director Worner reported on AIEC Activities. Manager Anker discussed the Plan for Directors to make their ACRE contribution in June and July, from per diem.

Manager Anker discussed continuing participation in the Youth Tour/Youth Day. She suggested that due to lack of interest in the Program that the Cooperative possibly consider using the money that was usually utilized to pay for participation in the Program for Scholarship purposes. There was also discussion about lack of interest in the Youth Day at Springfield, but possible continued participation in the Youth Tour to Washington, D.C. No action was taken by the Board on the issue.

Director Martin reported on Prairie Power, Inc., as did Manager Anker. She reviewed the October energy charge. Director Martin reviewed the President's Report.

Manager Anker reviewed the Capital Credit Estate Refunds Report.

Manager Anker reviewed the Policy to replace the existing Tree Trimming Policy with a new Vegetation Management Policy. It was moved and seconded that the Vegetation Management Policy be adopted, as presented. Motion carried.

Manager Anker reviewed the changes to Section V-Computer Policy regarding computer network, e-mails, and internet usage. It was moved and seconded the Policy be adopted as presented. Motion carried.

Manager Anker reviewed the Sick Leave Bonus Plan Policy. It was moved and seconded that the Policy as presented, be adopted. Motion carried.

Manager Anker reviewed the Net Metering Policy. It was moved and seconded that the Policy as presented, be adopted. Motion carried.

Manager Anker reviewed the Interconnection of and Service to Qualifying Facilities Policy. It was moved and seconded that the Policy as presented, be adopted. Motion carried.

There was then discussion about the Committee consideration of possible changes to the ByLaws with regard to a Director having to have his/her primary residence in the Cooperative territory in the respective District and possible changes to that requirement. No action was taken by the Board at this time.

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.

President Frye reported that next month's Board Meeting was scheduled for December 19, 2017, at 6:00 p.m.

Under other business, President Frye reminded the 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. There was discussion about who would attend the NRECA Annual Meeting.

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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President