

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 24, 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 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 advised that the various members of the Staff were present to review their 2018 budget proposals. She introduced Office Manager Bart Bailey who presented the General Office Budget. Director of Member Services Trish Michels presented the Insurance Budget and Members Services Budget. Engineering Manager Brady Smith presented the Engineering Department Budget. He also reviewed the schedule and status of vegetation management. He reviewed the various vegetation management options. Brady discussed the various options for future vegetation management. Operations Manager Dalton Whitley presented the Operations Department Budget. He also reviewed the Work Plan Priority Projects. Manager of Accounting and Information Chris Hinton presented the Accounting Department Budget. Manager Anker presented the Manager Budget and Director Fees and Expenses Board Budget.

Manager Anker presented the Manager's Report for September 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 reviewed the Irrigation Report. She reviewed the monthly Security Report. Manager Anker gave an OMS update. She advised that the Staff was "fairly" on target with the integration. She reviewed the submissions for the OMS app design. The Board chose among the various app designs. Manager Anker presented an update on the new Irrigation Rate 51. She reported on the status of finalizing matters with regard to the new Rate. She discussed the Sharing Success Program. She advised that the cooperative had received the funds from CoBank for the Mason County Fairgrounds. She advised that the Cooperative would be doing a check presentation for recognition of the contribution. 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 September. Year to date margins were \$2,475,480 compared to \$2,508,251 last year. Equity at the end of September was 40.56%. Member accounts served was 10,885. Net utility plant was \$47,289,873 compared to \$45,535,502 last year. Co-op meets requirements of RUS, FFB, NRCFC & CoBank.

Director Goetsch reported on AIEC Activities. He reviewed the Executive Summary.

Director Martin reported on Prairie Power. Director Martin discussed the By-Law change with regard to Directors compensation and the Alternate Directors Compensation. It was now necessary to designate which Director would receive the Prairie Power Per Diem. Compensation for the Alternate Director would be the responsibility of Menard. There was discussion by the Board. It was determined that Director Martin be named as the Director to receive the Prairie Power Per Diem and that if Director Anker could not attend, then the Alternate Director who attended the Meeting would be paid the Prairie Power Per Diem by Menard. Motion carried. It was moved and seconded that Secretary Patrick be authorized to sign the Designation of Director's Per Diem and Retained in such manner. Motion carried.

Manager Anker reviewed the Capital Credit Estate Refunds Report.

Director Goetsch reviewed the Policies included in Bundle #3 which were for approval. The Board reviewed proposed changes to those By-Laws. It was moved and seconded that the Net Metering Policy and the Interconnection of Qualifying Facilities under PURPA Policy, as revised, be tabled, and that all other Policies of Bundle #3, be approved. 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 in the Executive Session be confirmed and ratified. Motion carried.

Under other business, President Frye discussed the upcoming Menard Electric Meetings and classes.

President Frye reported that next month's Board Meeting was scheduled for November 28, 2017, at 6:00 p.m.

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