

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
APRIL 24, 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, and Roy H. Seaney. Directors Jodine Tate and Steven L. Worner were absent. Also present was Cooperative Auditor Kevin Kelso, Manager Alisha Anker, Manager of Accounting & Information Systems Chris Hinton 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.

President Frye introduced the Cooperative Auditor, Kevin L. Kelso, who reviewed the 2017 Audit. He also presented a 2 Year Engagement Letter at the rate of \$11,900.00 per year. The Board reviewed the Peer Review Committee Report. It was moved and seconded that the Cooperative enter into the Engagement Letter for the two (2) year time period at said price. Motion carried. Kevin Kelso and Chris Hinton left the Board room.

The Board then discussed and reviewed the terms and provisions of the Conflict of Interest Policy and Disclosure Form. Each Board Member reviewed the Certification and Disclosure and executed such for 2018. After review there were no changes to the Policy. Manager Anker then discussed with the Board an issue that had arisen with regard to a Member, who desired to obtain a Petition so as to be a Candidate for a Directorship at the next Annual Meeting. Director McMillan recused himself from discussion and voting with regard to this issue. She advised that the individual was an employee of Ameren Illinois. She stated that she had discussed this with Attorney Smith and they had both reviewed Article IV, Board of Directors, Section 4.02 Qualifications of the Bylaws. The Bylaws provide that no person shall be eligible to remain a Director or to hold any position of trust in the Cooperative who is not at least 18 years of age or in any way employed by or financially interested in a competing enterprise. Attorney Smith advised that from a clear reading of the Bylaws, that the Member would be ineligible to run as a Director since Ameren was a competing enterprise. The Board Members discussed issues with Ameren being a competing enterprise. After further discussion, it was moved and seconded that Attorney Smith be instructed to send a letter to the Member advising

him that he was not eligible to run for or serve as a Director on the Board of Directors because of the terms and provisions of the Bylaws. Motion carried.

Manager Anker reviewed the NRECA 2018 National Directors Survey Results, being part one (1) of three (3). The other parts would be reviewed at next month's meeting.

Manager Anker presented the Manager's Report for March 2018. She reviewed the Balance Sheet and Budget. She reviewed the Rebate Summary and the Surge Protection Summary. Under the Safety Report, she reported there were no illnesses or injuries for the month. She reviewed the Outage Report and reminded Board Members that they needed to download the App entitled "My MEC" which allowed for reporting outages online and providing other information to Members as to the location of outages and the duration of any outages. Under the Outage Report, Manager Anker reported on the nature of various outages and the cause for each outage. Under the Irrigation Report, she advised that there were three (3) new requests for irrigation services to be installed. Under the Security Report, she advised that PPI was still working on 2 servers to get them virtualized. Manager Anker discussed what would be in the Center Section of Illinois Country Living and reviewed the various articles that would be in that issue. She discussed the four (4) possible Strategic Planning Facilitators. She discussed the qualifications of each Facilitator and reviewed a biography for each of the four (4). It was decided to discuss such further at next month's Board Meeting. She reported on the Sharing Success Program and advised that Menard would soon be installing the materials at the Mason County Fairgrounds. She advised that an application had been received from Theater in the Park at New Salem State Park for funding and advised that a second request had come from the Village of Greenview for playground equipment. It was the consensus of the Board not to make a decision at this time and see if there were further applicants. Manager Anker discussed the CFC Integrity Fund. It was moved and seconded the Cooperative contribute \$500.00 to the Integrity Fund for territory integrity purposes only. Motion carried. It was moved and seconded the Manager's Report be approved. Motion carried.

Manager Anker presented the financial report for the month of March. Year to date margins were \$47,981 compared to \$118,743 last year. Equity at the end of March was 39.22%. Member accounts served was 10,878. Net utility plant was \$47,999,241 compared to \$46,120,964 last year. Co-op meets the requirements of RUS, FFB, NRCFC and CoBank.

Director Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc.

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 May 22, 2018, at 6:00 p.m.

Under other business, President Frye reviewed the May 2018 Co-op Calendar. He reminded the Board that the Prairie Power Annual Meeting was scheduled for June 20, 2018, at the Crowne Plaza, Springfield, Illinois.

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