

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
DECEMBER 21, 2018

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 9:00 A.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, Directors 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 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 introduced AIEC Vice President of Member Services Nancy McDonald to present a review of the 2018 Menard Member Satisfaction Survey results.

Trish Michels presented a review of the 2018 Sick Leave Bonus program. It was moved and seconded that the Cooperative continue the Sick Leave Bonus Plan for 2019. Motion carried.

President Frye reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

Manager Anker and Chris Hinton reviewed with the Board the proposed Menard Electric 2019 Financial Budget. The Board discussed proposed changes to the Budget. After consideration, it was moved and seconded that the Budget with the proposed changes be adopted and approved. Motion carried. Mr. Hinton discussed the 2018 Inventory adjustment, which was a net gain of \$15,754.51. It was moved and seconded that the Inventory adjustment be made. Motion carried. The Board discussed the Deferred Revenue Options for Prairie Power, Inc. for 2019. After discussion, it was moved and seconded that the Board approve a 0.25 mills per kwh deferral. Motion carried.

The Board discussed again the IDNR License Agreement Renewal. Manager negotiated fee to same as prior term. It was moved and seconded that the Renewal be approved. Motion carried.

Manager Anker presented the Manager's Report for November 2018. She reviewed the Operating Statement, Balance Sheet, and Budget. She reviewed the Safety Report, Reliability Report, and Operations Report. She reported on the status of matters with regard to the Irrigation Report, as well as the Monthly IT Security Report. Manager Anker distributed examples on how one would access locking and unlocking of exterior Board Room door using a registered user pin code. Manager Anker discussed the 2019 Farm Progress Show and the proposed changes that were being discussed with regard to participation in the Farm Progress Show. Manager Anker discussed what articles would be in the January Connect and advised that a feature promoting Budget Billing would be highlighted. She discussed the retirement of Rhonda Satorius. The Board decided to table review of the Cooperative's Mission Statement until next month's Meeting. 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 November. Year to date margins were \$2,373,776 compared to \$2,631,451 last year. Equity at the end of November was 41.56%. Member accounts served was 10,930. Net utility plant was \$49,232,197 compared to \$47,409,921 last year. The cooperative continues to meet the requirements of RUS, FFB, NRFC and CoBank.

Director Goetsch reported on AIEC activities and reviewed the Executive Summary.

Director Martin reported on Prairie Power, Inc. and reviewed the President's Report. He also discussed the December Board Executive Summary, as well as the November energy charge.

Manager Anker presented the Capital Credit Estate Refunds Report.

President Frye advised that it was necessary to appoint a Voting Delegate and Alternate Voting Delegate for both NRECA and NRTC. It was determined that for NRTC, Director McMillan would be the Delegate with Director Patrick as the Alternate. It was so moved and seconded. Motion carried. It was determined that for NRECA, Director Ryan would be the Delegate with Director Patrick as the Alternate Delegate. It was so moved and seconded. 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 Board confirm and ratify all action taken in the Executive Session. Motion carried.

President Frye advised that next month's Board Meeting was scheduled for Tuesday, January 22, 2019, at 6:00 p.m.

Under other business, President Frye reminded the Board of the 2019 CoBank Central Regional Customer Meeting Sign up and reviewed the January 2019 Co-op Calendar. He reminded the Board that the NRECA 2600 Directors Duties & Liabilities course would be available on January 15, 2019.

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