

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
OCTOBER 23, 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, Roy H. Seaney, and Steven L. Worner. Director Jodine Tate was absent. 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 introduced Cooperative Staff Members to present their proposed 2019 Budgets. Director of Member Services Trish Michels presented the Insurance Budget and the Front Office/Meter Service Budget. Operations Manager Dalton Whitley reviewed the Work Plan Priority Targets for 2019. He also presented the Operations Department Budget. Engineering Manager Brady Smith presented a Summary of Line Clearance Work and the 2019 Vegetation Management Options. Brady also presented the Engineering Department Budget and the Spoon River Cooperative 2019 Budget for Vegetation Maintenance. Brady discussed the five (5) options for the Vegetation Management. Manager Anker advised that before any option could be chosen they needed further revenue information from Prairie Power, which should be forthcoming. Brady also discussed issues with regard to ongoing meter testing by Anixter. He described the equipment that was being used to find the load factor problems in potential and current transformers. He advised that 70 transformers had been tested and that 10% to 20% of those meters tested were not functioning properly and were not correctly reading energy and demand. He explained that further testing information would need to be obtained before the Board could make a decision with regard to this issue. Manager of Accounting & Information Systems Chris Hinton presented the Accounting Information Systems Budget. Manager Anker presented the Manager's Budget and Directors' Budget.

Manager Anker presented the Manager's Report for September, 2018. She reviewed the Balance Sheet and Budget. She reviewed the Safety Report, as well as the Reliability Report. She advised that there were no injuries for the month. Under the Operations Report, she reviewed the various causes of outages for the month. She also discussed the Apprentice Program Invoicing Issue. She advised that the Cooperative and other Cooperatives had received correspondence

from AIEC advising that there were issues with regard to AIEC invoicing for expenses incurred by AIEC in administering the Apprentice Program. She advised that AIEC had failed to invoice various Cooperatives over a several year time period. After discussion by the Board, it was the consensus that Manager Anker contact AIEC and obtain a detailed bill before any further decisions could be made with regard to whether the Cooperative would pay the bill or not pay the bill. She advised that some Cooperatives were adamant that they were not going to pay the bill as such was due to errors on the part of AIEC. Manager Anker advised that there were two (2) new irrigation services, one (1) being a conversion. She discussed the Monthly IT Security Report and also discussed what would be in the center section of Illinois Country Living. 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 \$2,445,015 compared to \$2,475,480 last year. Equity at the end of September was 41.55%. Member accounts served was 10,885. Net utility plant \$49,172,284 compared to \$47,289,873 last year. Co-op meets requirements of RUS, FFB, NRFC & CoBank.

Manager Anker discussed the NRECA/CFC Governance Task Team Review Series Part three (3) of four (4) parts. Given the late hour, the Board decided to consider such at next Month's Meeting.

Director Goetsch reported on AIEC Activities.

Director Martin discussed matters with regard to Prairie Power, Inc. He discussed the cost of Service Study Results.

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 November 27, 2018, at 6:00 p.m.

Under other business, President Frye reminded the Board that the NRECA 919.1 Cooperative Structure: A Strategic Advantage was scheduled for November 20, 2018, at Northfield Inn & Conference Center, Springfield, Illinois. He also reminded the Board the Strategic Planning Session was scheduled for December 4-5, 2018 at Roots, Petersburg, Illinois.

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