

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 26, 2019

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, Directors 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 discussed the proposed Power Line Right of Way Clearance and Vegetation Management Contract for clearance of three (3) circuits at Mason City substation. She advised that all lump sum bids received by the Cooperative for this scope of work exceeded the estimated budget. She recommended accepting the bid of Oil Field Tree Service, as their bid was cost competitive, and the references and reviews for Oil Field were much better than the other bidders. It was moved and seconded that the Board accept the bid by Oil Field Tree Service and approve the Contract. Motion carried.

Manager Anker presented the Manager's Report for February, 2019. Manager Anker discussed four (4) different proposals with regard to modification of the Co-op Mission Statement. The Board voted on their preference. By majority vote, proposal number one (1) was adopted by the Board, "To provide reliable electrical service at a reasonable cost with concern for the safety and well-being of the members, the employees, and the communities of the cooperative." Manager Anker reviewed the Operating Statement, Balance Sheet and Budget, as well as the Losses Analysis Report. The Losses Analysis Report provided line loss survey data and the approximate two-year financial impact of line losses resulting from known and corrected metering potential transformer failures. The Board discussed how to proceed as a result of the Report. After discussion, it was moved and seconded that the matter be tabled until there was further analysis of the data by Staff. After further discussion, it was agreed that the motion to table be withdrawn. A motion was then made not to pursue collection of any unbilled revenue deficiency, but that the Cooperative have in place appropriate control mechanisms so as to

prevent this from occurring in the future. Motion carried. Manager Anker presented the Member Services Report and the Reliability Report. She advised that there were 46 incidents for the month. She presented the Operations Report and discussed outage causes by consumer-hours. She reported that 43.3% were related to equipment and 38.7% were related to the weather. She presented the Irrigation Report and reviewed the status of new irrigation construction. She discussed the IT Security Report. Manager Anker advised that she and Chris Hinton had met with Representatives from Petefish, Skiles & Company Bank in Petersburg due to the fact that National Bank of Petersburg (NBP) and Athens State Bank had merged into Alliance Community Bank. There had been previous discussions about the possible need to choose a new Bank for diversification in light of that merger as the Cooperative held accounts at both NBP and Athens State Bank. She discussed the results of the Meeting with Petefish and their insured cash sweep program offering. She advised that no decision had been made and that she planned a meeting with Representatives from Alliance Community Bank in the near future. Manager Anker discussed what would be in the Connect Newsletter. 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 February. Year to date margins were (\$42,307) compared to (\$240,163) last year. Equity at the end of February was 40.54%. Member accounts served was 10,914. \$49,352,257 compared to \$47,853,345 last year. The cooperative continues to meet the requirements of RUS, FFB, NRUCFC & CoBank.

Director Patrick reported on the Annual Meeting Committee meeting. He advised that Nominating Petitions were due by April 29, 2019. He discussed the Agenda for the Annual Meeting. He confirmed that the meal would be served by Mason County Pork Producers.

Manager Anker presented the Safety Report. As guest Director to the safety meeting this month, Director Seaney discussed his involvement with the Safety Inspections that were conducted and discussed and reviewed what was involved in the safety equipment inspections.

Director Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. It was moved and seconded to appoint Director Martin as Delegate with Director Worner as Alternate Delegate for the Prairie Power Annual Meeting. Motion carried. It was further moved and seconded that Director Martin be appointed as Director to Prairie Power, Manager Anker be appointed as Director to Prairie Power, and Director Worner be appointed as Alternate Director for Prairie Power. Motion carried.

Those that attended the NRECA Annual Meeting discussed the various presentations they attended and their opinion as to the usefulness of the information given at those sessions.

Manager Anker presented the monthly 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 advised that the next regular Board Meeting was scheduled for Tuesday, April 23, 2019 at 6:00 p.m.

Under other business, President Frye reminded the Board of the NRECA Legislative Conference in Washington, D.C. on April 28 – May 1, 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