

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
NOVEMBER 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 Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steven L. Worner. Also present were 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 reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

Manager Anker and Chris Hinton presented the proposed 2020 Budget and the Prairie Power Deferred Revenue Plan Summary. Manager Anker discussed the revenue deferral as it related to the 2020 Budget. She discussed and reviewed the terms of the Revenue Deferral Plan. She advised the purpose of the Plan was to allow Cooperative Members to smooth a wholesale rate increase impact into their various retail rate structures. Each month, in addition to the Member's balance due for power supply, PPI will collect 5.00 mills/kwh (\$0.005/kwh) from each Member. This collection is segregated into a special fund for the Member, then returned to the Member as a credit against purchase power costs in future years, at the direction of the Member. Mr. Hinton discussed the fact that a Member could request a complete waiver for all or parts of the 5.00 mills/kwh collection each calendar year. Mr. Hinton advised that for 2019, Menard had waived to defer 0.25 mills/kwh, while returning \$877,500.00 deferred from 2018. There was discussion about leaving the Revenue Deferral waiver for 2019 as it presently existed with no changes. It was moved and seconded to leave the deferral for 2019 at 0.25 mills/kwh. Motion carried. The Board then discussed the revenue deferral for 2020. It was moved and seconded that the deferral rate remain at the 0.25 mills/kwh. Motion carried. It was moved and seconded that the Budget for 2020 be approved. Motion carried. President Frye was authorized to execute the Waiver Request Forms for 2019 and 2020.

Manager Anker presented a Corporate Authorization Resolution for Petefish, Skiles & Co. Bank authorizing those individuals who would be authorized to sign transactions as set forth in the Resolution, that being Manager Alisha Anker, Manager of Accounting & Information Systems Chris Hinton and Director of Members Services Patricia Michels. Motion carried.

Manager Anker discussed becoming a Member of Cooperative Response Center, Inc. (CRC). She advised that the Cooperative call center was formed by Cooperatives and was Member-owned. She reviewed those Illinois Cooperatives that were now using the service and discussed the reasons for proposing to change to CRC. After discussion, it was moved and seconded that the Cooperative become a Member in CRC. Motion carried.

Manager Anker presented the Manager's Report for October, 2019. She reviewed the Operating Statement, Balance Sheet and Budget. She reviewed the Member Services Department Report and past due notices, generated cut-off tickets and write-offs for the month. She discussed the Meter Report as of November, 2019 and reviewed the final results of the 400 meters in the Zero-Read Audit. She advised that 319 of the meters in the Audit performed correctly, but that 34 meters did not. She advised that the Cooperative employees replacing those meters as soon as possible. Under the Operations Report and Reliability Report, she reported that for the month there were 54 total incidents, total member outage minutes of 34,542.43 and the longest incident duration was 174 minutes. Under the Irrigation Report, she reviewed the three (3) Members who are seeking service to irrigation systems for 2020. Manager Anker reviewed the contents of the Connect Newsletter. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Manager Anker reviewed the Safety Report. She advised that there were no lost time incidents. She also reviewed the various training courses attended by Cooperative employees.

Director Goetsch reported on AIEC activities. Board also discussed the Illinois Cooperative Worker's Compensation Group and the Rochdale Services Annual Meeting. Director D. Jay Frye was named as the Delegate to the Annual Meeting with Alisha Anker as the Alternate. It was moved and seconded that they be so appointed. Motion Carried.

Director Martin reported on Prairie Power, Inc.

Manager Anker presented the Capital Credit Estate Refunds Report.

President Frye advised that the next regular Board Meeting was scheduled for Monday, December 23, 2019 at 9:00 a.m.

Under Other Business, Manager Anker discussed the fact that long time Cooperative Auditor Kevin Kelso was no longer going to be affiliated with Jackson Thornton Accounting Firm. He has pledged to complete the 2019 Audit in accordance with the 2-year engagement letter approved by the Board in April 2018 for fiscal years 2018 and 2019. The Board took no further action, however did instruct Staff to seek quotes for the 2020 audit. President Frye reminded the Board of upcoming Meetings and Classes.

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