

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 22, 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 and Jodine Tate. Directors Steven L. Worner and Gary Holloway were absent. Also present were Operations Manager Dalton Whitley, Director of Member Services Trish Michels, Manager of Accounting & Information Systems Chris Hinton, Engineering Manager Brady Smith, 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 Members of the Cooperative Staff to present their respective Budgets. Director of Member Services Trish Michels presented the Member Services Budget and the Insurance Budget. Operations Manager Dalton Whitley presented the Operations Department Budget. Operations Manager Dalton Whitley and Engineering Manager Brady Smith reviewed the Capital Work Plan. Brady Smith then presented the Right of Way and Engineering Department Budget. Brady Smith discussed three (3) different options with regard to future vegetation management. There was discussion by the Board and the Board decided to choose option #2 with regard to vegetation management. Brady Smith also discussed the Meter Testing Program. Manager of Accounting & Information Systems Chris Hinton presented the Accounting and Information Dept Budget. Manager Anker submitted the Director's Budget and the Manager's Budget.

Manager Anker presented the Manager's Report for September 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. Manager Anker reviewed the monthly Security Report, the internal critical vulnerability breakdown, as well as the internal high vulnerability breakdown. She discussed the monthly Connect Newsletter and the materials that would be in the newsletter. She advised that there would be photographs in the Petersburg Observer with regard to Co-Bank's Sharing Success Program and the donations made by the Cooperative/Co-Bank to assist Menard County Trails and Greenways and the

Petersburg Elementary PTO. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Manager Anker reviewed the Safety Report. She reported that there were no occupational injuries and illnesses for the month. She reviewed the Education and Event Course attendance by Cooperative employees. She reviewed the Property Loss Trend Analysis.

Director Goetsch reported on AIEC activities.

Director Martin reported on Prairie Power, Inc.

Manager Anker presented the Capital Credit Estate Refunds Report. The Board discussed the status of funds for retirement of Capital Credits. It was recommended to add to the Estate Capital Credit balance the sum of \$20,000.00 to increase the balance to \$160,000.00. It was so moved and seconded to adopt the following Resolution:

RESOLUTION

WHEREAS, Menard Electric Cooperative's 2018 pre-audit margins are in excess of approximately \$2,035,768; and,

WHEREAS, Menard Electric Cooperative's Board of Directors desire to retire an increased total of \$760,000 in Capital Credits in the year 2019; and,

WHEREAS, Menard Electric Cooperative's equity on December 31, 2018 in approximately 41.38%; and,

WHEREAS, Menard Electric Cooperative's equity will be 40.90% after retirement of \$600,000; and,

WHEREAS, Menard Electric Cooperative desire to retire 1995 and portion of 1996 in general retirement for a total amount not to exceed \$600,000; and,

WHEREAS, the Cooperative Board of Directors desire to retire an increase in estates up to \$160,000 during the calendar year 2019,

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Menard Electric Cooperative now wish to declare the general retirement of capital credits for the balance of 1995 and a portion of 1996 totaling an amount not to exceed \$600,000 and the amount remaining for the retirement of estates up to \$160,000 during the calendar year 2019 for a total retirement of \$760,000.

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.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, November 26, 2019 at 6:00 p.m.

Under other business, 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