

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
SEPTEMBER 26, 2017

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, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Roy H. Seaney, Jodine Tate and Steven L. Worner. Director Warren D. Goetsch was absent. Also present was Manager of Accounting & Information Systems Chris Hinton, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. It was moved and seconded that the Agenda be modified to provide that Item 6. Report on Prairie Power, Inc. be moved to follow the Consensus Agenda. Motion carried. There were no other 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 of Accounting & Information Systems Chris Hinton and Manager Anker presented an overview of Prairie Power, Inc. new design of the Prairie Power bill and bill format. There were proposed changes to change the fixed cost adjustment and allocation. They discussed how that would affect the Cooperative.

Manager Anker presented the Manager's Report for August 2017. She reviewed the Balance Sheet, Budget, Rebate Summary, Outage Summary, and Safety Report. Manager Anker presented a Summary of Outages and the costs, as well as the status of work orders. She reviewed the Irrigation Report. She reviewed the monthly Security Report. Manager Anker reported on discussions with PORTA Elementary with regard to their request discussed at last month's meeting for funds to contribute towards new playground equipment. Manager Anker advised that the school was not yet ready for the new equipment. In light of such, there was discussion about increasing the contribution to the Mason County Fairgrounds for the Equine Project. It was moved and seconded that the contribution to Mason County Fairgrounds be increased from \$4,000.00 to \$5,000.00. Motion carried. Manager Anker gave an update on OMS and reported on the investigations relative to choosing the right outage management system. She advised that the Cooperative signed a contract with Data Voice. She advised that the system should be in place by the end of December or first part of January. She discussed the project schedule for the Cooperative Staff so as to be able to implement the system. She reported on the Employee Project for developing an App for the system. Names would be submitted by Cooperative employees with the winner to be chosen by the Board. Manager Anker reported on the electronic recycling event. She advised that the Cooperative received over 5,200 pounds of electric recycling materials. Manager Anker reported that the ICG Mine was delinquent on its account in September. She discussed provisions of the Contract and advised that a letter had been

drafted requesting a security deposit. Manager Anker advised that this was the second time the mine had been late in making its payment. She advised that the first delinquency had occurred in 2016. After discussion by the Board, it was moved and seconded that the Cooperative send the correspondence requesting the deposit from ICG. Motion carried. It was moved and seconded the Manager's Report be approved as seconded. Motion carried.

Manager Anker presented the financial report for the month of August. Year to date margins were \$1,926,550 compared to \$2,172,063 last year. Equity at the end of August was 39.65%. Member accounts served was 10,880. Net utility plant was \$47,197,057 compared to \$45,125,329 last year. Co-op meets requirements of RUS, FFB, NRUCFC & CoBank.

Those who had attended the NRECA Region V Meeting reported on the Meeting.

Manager Anker reviewed the Capital Credit Estate Refunds Report.

Director Worner reported on the status of matters with regard to Rate 51. After further discussion by the Board and review of proposed Rate 51, it was moved and seconded the Cooperative adopt the Rate, as presented to the Board, effective for the year 2018 and thereafter. Motion carried.

In the absence of Director Goetsch, Manger Anker presented the review of the Policies included in Bundle #2 which were for approval. The Policy with regard to Net Metering was discussed. It was suggested that the Policy limit one net metering account per member. There was discussion by the Board. It was moved and seconded that the issue be tabled until the next Board Meeting. Motion carried. It was moved and seconded that the Policies entitled Bundle #2 be approved, except for Net Metering Policy. Motion carried. Manager Anker then reviewed with the Board the Policies included in Bundle #3 and she reviewed the terms and provisions of the Policies and the proposed changes thereto. Bundle #3 will be considered for approval at next month's Board Meeting.

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 reported that next month's Board Meeting was scheduled for October 24, 2017, at 6:00 p.m.

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