

# **for generations**

## **2019 ANNUAL MEETING**

**MEOW**

**Thursday, June 13, 2019**  
**Registration 4:30-6:30 p.m.**  
**PORTA High School**  
**Petersburg, IL**



Join us on Thursday, June 13th at PORTA High School, Petersburg

## 82<sup>nd</sup> Annual Meeting Program & Agenda

4:30-6:30	Registration Opens - register with the card located on the back of this booklet; receive a \$15 bill credit & gift.
4:30-6:30	Pork Chop Dinner by Mason County Pork Producers
4:30-6:30	Homemade Ice Cream
4:30-6:30	Bucket Truck Rides (weather permitting)
4:30-6:30	Sunshyne the Clown & Tim the Twister
5:30-6:30	Music by Avery Kern
6:30	Registration, Activities & Dinner Service End
6:55	Early Bird Prize Drawn

### Business Meeting Agenda

7:00	Call to Order
	Pledge of Allegiance, National Anthem & Invocation
	Introduction of Guests
	Reading of Notice of Meeting
	Approval of Minutes of 81st Annual Meeting
	Introduction of Director Candidates & Voting
	Approval of Treasurer's Report as Presented
	Board President & General Manager Presentation
	Director Election Results
7:45	New & Unfinished Business
	Adjournment
	Prize Drawings (must be present)



**Kids' Entertainment**



**Grilled Pork Chop Dinner**



**Music by Avery Kern**

**Many prizes  
to be drawn!**

**Grand prize is a  
50-inch LED  
Smart Television.**

## Official Meeting Notice

The 82nd Annual Meeting of members of Menard Electric Cooperative will be held on Thursday, June 13, 2019, at PORTA High School, Petersburg, IL.

For presentation and consideration of and acting upon reports of officers, directors, employees and committees.

For the election of three directors of the cooperative for three-year terms from District 1-Freda Habermehl, Gary Holloway; District 4-Dennis Ryan; District 6-Steve Worner.

To consider and transact such other business as may properly come before said meeting or any adjournment or adjournments thereof.

Dated at Petersburg, Illinois this day of May 23, 2019, A.D.



Michael Patrick, Secretary

## Director Roy Seaney Retires

After 25 years of dedicated service, Roy Seaney retires from serving Menard Electric Cooperative members as Director of District 1.

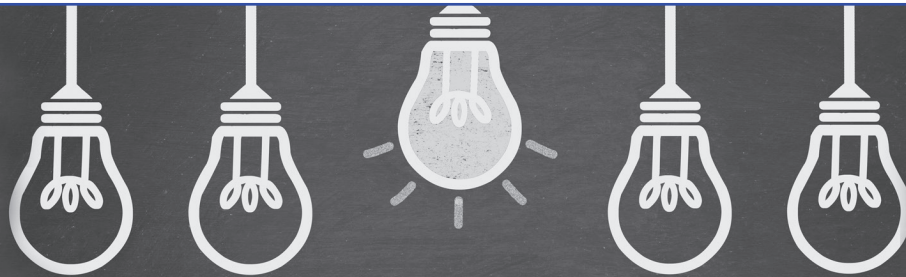
Alisha Anker remarks, "As General Manager of the Co-op, it's been my joy to have Roy Seaney on the Board as Director of District 1. His concern for the membership is unparalleled, and his small business acumen has been a welcome guidance."

During his time serving on the board Roy has lived in the Tallula area, raised three daughters with his wife Beth, farmed in the Athens and Tallula areas, and worked as owner/operator of Seaney's Greenhouse.

President of the Board D. Jay Frye says, "Roy is one of Menard's most experienced directors, and that presence in meetings will not be immediately replaced. He served as a valued member and chairman of several committees over the years and was a longtime Treasurer of the Board. His insight was often sought out by the other directors, especially in moments where decisions were not coming as readily or easily. Roy had a gift that often helped to clarify the best interests of the co-op and the members. He is to be commended for many years of dedicated service."



As he bids goodbye, Roy says, "It has been a privilege to serve on the Board of Directors for the past 25 years. Menard Electric is a superb organization with dedicated employees and a Board that works very hard for the co-op's members. There have been many changes over the years, but Menard Electric has always done what was in the best interest for the membership as a whole."



### Stay Connected!

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Search for Menard Outage in the Google Play or App store

 **www.menard.com**

 **www.facebook.com/MenardElectric**

 **info@menard.com**

 **800-872-1203**

 **PO Box 200**

**14300 IL State Hwy 97  
Petersburg, IL 62675**

Menard Electric Cooperative is an equal opportunity provider and employer.

## President's Report

### Power for the Generations



**D. Jay Frye**  
President

I want to invite all of our members to our 82nd Annual Meeting as we celebrate our modern rural community where we provide *Power for the Generations*.

*Power* is the service your Electric Co-op provides, and your Board of Directors is charged with keeping the organization financially sound and setting policies that can lead it securely into the future. Recently,

we spent a few days completing a very fruitful Strategic Planning process. We were pleased to be able to outline an adequately detailed roadmap that our General Manager and the Co-op's very capable staff can use to help meet our members' needs well into the future. We will talk more about these initiatives at the Annual Meeting.

In addition to planning for the evolving power needs in generations to come, the entire electric industry is planning for workforce changes as we Baby Boomers, born shortly after World War II, are beginning to see retirements within our ranks. This natural transition *emPowers* new employment and service opportunities for new generations of the workforce.

The State Association facilitates the electrical distribution Apprentice Lineman training programs at Lincoln Land Community College in Springfield, and we are proud that some of our more experienced linemen have worked to help train those young apprentices coming into the industry. We have been fortunate also to hire some top-notch graduates from that program.

Your Co-op employees and Directors are working hard to keep current and remain up to speed with industry changes through educational seminars, programs, conferences and certificate programs provided by the National Rural Electric Cooperative Association and the Association of Illinois Electric Cooperatives. These opportunities, led by industry experts from all corners of the country, give us the background and data needed to make confident and deliberate decisions about the necessary details of operating and running your Co-op. I feel that Menard Electric employees are the finest anywhere; I am proud of the work they do, and I hope you are as well. Strong leadership *emPowers* a secure and reliable power system for our future.

It is my hope that you will attend this year's Annual Meeting of Members. Not only does it allow you to meet the employees who serve you, it also gives you the opportunity to vote for three Director positions each year. A Board of Directors elected by and from the membership is the greatest strength of a cooperative business, and your input is important.

Thank you for taking the time to read over this booklet to become familiar with what your Electric Co-op has been working on. I look forward to seeing you June 13th.

## Menard Electric Cooperative by the numbers

**30** 

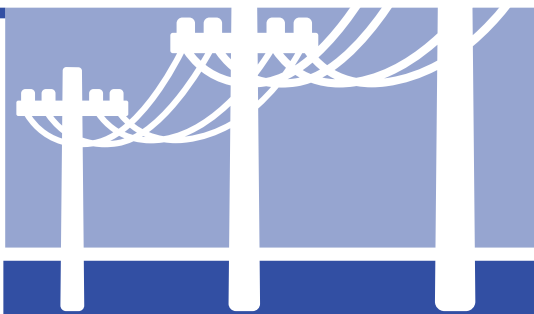
**Employees**

**400+** years of  
**Experience**

**\$600,000**

Capital Credits returned in 2019

**\$10.7** Million+  
in all



**2,564+**

**Miles of Line**

**750+** 

Annual Meeting  
meals served in 2018

**1,563** 

**Followers  
on Facebook**

**10,899** Meters  
Served





## Minutes of the 81<sup>st</sup> Annual Meeting

June 14, 2018

The Eighty First Meeting of the Members of Menard Electric Cooperative was held at PORTA High School in Petersburg, Menard County, Illinois, on Thursday, June 14, 2018, pursuant to legal notice duly given to the members of the Cooperative on the 23rd day of May, 2018.

The meeting was called to order by President D. Jay Frye at 7:00 o'clock P.M. (Central Daylight Time). The meeting was opened with the Pledge of Allegiance led by President D. Jay Frye, and followed by the singing of the National Anthem. Invocation was given by Pastor Greg Holliger, of Bethel Baptist Church, Chandlerville, Illinois.

Manager Alisha Anker introduced guests in attendance at the Meeting.

President Frye reviewed the proposed Agenda for conducting the Annual Meeting. There being no objections to the Agenda as presented, it was approved and adopted. President Frye then appointed the Parliamentarian, Sergeant-at-Arms, and appointed vote tellers.

Michael H. Patrick, Secretary of the Cooperative, was introduced by President Frye. Secretary Patrick read the Notice of the Meeting and the President thereupon declared proof that the Notice was sufficient and ordered the Notice and Certificate of Mailing filed with the minutes of

the Meeting. Secretary Patrick reported that a quorum of members were present in person and/or by proxy. The President directed him, as Secretary, to annex to the minutes of the Meeting, a list of the members present and to file the proxies with the records of the Cooperative. It was thereupon moved and seconded that the reading of the Minutes of the 80th Annual Meeting of June 15, 2017 be dispensed with and the Minutes be approved as recorded and published in the Annual Meeting Book. Motion carried.

President Frye introduced Attorney Smith to conduct the election of Directors. Attorney Smith advised that for District 2, there was one nominee, that being Gary L. Martin, that for District 5, there was one nominee, that being D. Jay Frye, and that for District 9, there was one nominee, that being Donald E. "Chuck" McMillan. Attorney Smith then asked for a motion for District 2 that a unanimous ballot be cast for Gary L. Martin as Director for a three (3) year term. It was moved and seconded and the motion carried. For District 5, he asked that a unanimous ballot be cast for D. Jay Frye as Director for a three (3) year term. It was moved and seconded and the motion carried. For District 9, he asked that a unanimous ballot be cast for Donald E. "Chuck" McMillan as Director for a

three (3) year term. It was moved and seconded and the motion carried.

President Frye then asked Attorney Smith to address the Membership with regard to the proposed Bylaw change to Article IV Board of Directors Section 4.02 Qualifications. Attorney Smith explained the purpose for the change, which provided that a qualified candidate must receive service from the Cooperative, which includes a facility charge and have their residential abode within the District they represent. After discussion and questions, it was moved and seconded that the proposed change and amendment be adopted. Motion carried.

Treasurer Dennis Ryan presented the Treasurer's Report. It was moved and seconded that the Treasurer's Report be approved as presented. Motion carried.

President Frye and Manager Anker presented a joint live President's and Manager's Report.

President Frye then called for new and unfinished business and answered questions from the Members.

There being no further business to come before the Membership, it was moved and seconded the Meeting be adjourned. Motion carried.



# Director Candidate Profiles

Directors are members just like you, elected to serve a 3-year term at the Annual Meeting of Members. Each year three districts are up for election. Members wishing to run for a Board position must submit a signed petition with at least 10 members' signatures. Notice regarding petition due dates and districts up for election is provided each year in several ways - on your bill, in your Illinois Country Living Connect newsletter, on our website and on our Facebook page.

## District 1

(Tallula, Salisbury, Pleasant Plains, Berlin)

**Freda Habermehl, Gary Holloway**



### **Freda Habermehl**

Freda Habermehl graduated from Gillespie High School in 1980 and immediately entered the workforce as a Customer Service Representative at Horace Mann, worked her way through positions in Life Insurance Business to Group Insurance products, then to Retirement Annuities and later to the Property and

Casualty lines before retiring in 2014 as VP of Property and Casualty Operations. "I worked diligently to learn everything I could and quickly found that serving customers was my niche," she says.

"I built my career on hard work, dedication and trust. During my tenure, I acquired extensive knowledge/skill in the areas of customer service, billing and collections, technological advancement strategies, regulatory and judiciary principles, contract law,

project management, auditory and financial requirements, and a sundry of other business practices. A fulfilling career, to say the least," she says.

Freda and her husband, Dan, live in Pleasant Plains. They have a blended family of children, Josh, Jason and Skylar; daughter-in-law Alicia; and grandchild Gabrielle.

Freda says, "As a young retiree, I'm not ready for daytime television. I like to stay busy and I need to be of service. Some folks know me as the Tioli's Lady because I opened my little takeout diner in Salisbury a few years ago. After retiring, I got bored quickly. So, I started to garden, which led to cooking, and serving people is what makes me happy.

"Why am I asking to be a part of the Menard Electric Board of Directors? For starters, it is a learning opportunity. And given my business, leadership and customer service skills, I believe I can make a positive contribution while I'm learning."



### **Gary Holloway**

Gary Holloway and his wife, Staci, live near Petersburg and have three children, Sean, Grant, and Olivia. Gary grew up in Oreana, a small rural town in Macon County, IL. He attended Western Illinois University, was a member of Alpha Gamma Rho Agricultural

Fraternity, and received a Bachelor of Science degree in Ag Business with an emphasis in Economics.

Gary has spent most of his career in the Swine Genetics field. Over the years he has been General Manager of Seghers Inc., a Wisconsin-based company, and Vice President of production for Newsham Choice Genetics, a Des Moines, Iowa-based company. He has resided in Wisconsin, Colorado, and

Iowa prior to returning back to Illinois in 2010.

He is an Owner/Partner in Applewood Farms of Virginia IL LLC with their primary place of business in Oakford, where they employ 70-76 employees. Gary has had to work on a variety of different budgets and financials throughout his career and feels he can bring a wide variety of experience to the Board of Directors of Menard Electric Cooperative.

Gary says, "Our business relies heavily on Menard Electric. It is imperative that we have a safe, reliable, and economical energy source at all times. Over the years Menard Electric has succeeded in these expectations. I would welcome the opportunity to represent District 1 to help ensure that this continues for all members of Menard Electric Cooperative in the future."



## District 4

(Chandlerville, Oakford, Greenview, Petersburg)

### Dennis Ryan



#### Dennis Ryan

Dennis Ryan has completed his first term as Director and currently serves as Board Treasurer, Vice Chairman of our Finance Committee, and as a member of our Building and Irrigation Committees.

He says, "These past three years as a Director were full of learning experiences that gave me a deeper understanding of the electrical industry. I am proud to have earned my Certified Credentialed Director Certificate from NRECA and look forward to further developing knowledge that gives me additional tools to better serve Menard Electric and its members."

Dennis and his wife, Theresa, live in Petersburg. Their daughter, Grace, is a 2017 graduate of PORTA and is currently in the SIUE Army ROTC program. Daughter Ann graduated from Eastern Illinois University and works for Ryan Electrical Solu-

tions. Son Mitch is a captain in the U.S. Marines. They have been blessed with three grandchildren.

Dennis and Theresa have owned and operated Ryan Electrical Solutions for 24 years. Dennis is a New Berlin High School graduate and attended the Capital Area Vocational School, Springfield. He received his Pre-Engineering Associate Degree from Lincoln Land Community College.

Dennis also serves on the Sangamon County SPARC Board, is a member of Trinity Lutheran Church in Springfield and is currently an investor in the Sangamon CEO Program where he works with other business leaders to develop a CEO program for Menard County high school seniors.

Dennis says, "It has been an honor to serve on the Menard Electric Board, and I look forward to fulfilling my commitment to stay engaged through further education and involvement on the Board."

## District 6

(Manito, Forest City, Topeka, San Jose)

### Steve Worner



#### Steve Worner

Director Steve Worner has served as District 6 Director for 15 years. He has earned his Certified Credentialed Director Certificate and currently serves as Chairman of our Irrigation Committee, as a member of our Annual Meeting and Building Committees,

and as our alternate representative on the Association of Illinois Electric Cooperatives and Prairie Power Inc. Boards.

Steve lives in rural Manito with his wife, Lori. He graduated from the University of Illinois with a Bachelor's Degree in Finance. Steve worked for Marine Bank and Archer Daniels Midland before returning to the family farm.

## Your Board of Directors



**D. Jay Frye**  
*President*  
District 5



**Warren Goetsch**  
*Vice President*  
District 8



**Michael Patrick**  
*Secretary*  
District 7



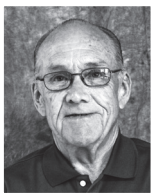
**Dennis Ryan**  
*Treasurer*  
District 4



**Kim Smith**  
*Attorney*



**Gary Martin**  
District 2



**Donald "Chuck" McMillan**  
District 9



**Roy Seaney**  
*Retiring*  
District 1



**Jodine Tate**  
District 3



**Steve Worner**  
District 6

# Balance Sheet

Members' Financial Report as of December 31,	2018	2017	2016
<b>Assets</b>			
Total Utility Plant	\$71,494,706	\$69,324,378	\$66,266,274
Accumulated Depreciation	(22,202,926)	(21,727,939)	(20,540,740)
Net Utility Plant	\$49,291,780	\$47,596,439	\$45,725,534
Investments in Associated Organizations	10,447,849	9,242,155	8,044,957
Other Investments	3,811,172	4,583,238	5,355,237
Cash - General Fund	536,528	557,956	515,671
Cash - Construction Fund	454	454	454
Special Deposits	2,891	2,890	917
Temporary Investments	132,763	563,587	448,107
Notes Receivable	0	0	0
Accounts Receivable (Net of Bad Debt Allowance)	2,572,678	2,624,589	2,553,831
Materials and Supplies	429,297	607,844	397,887
Prepayments of Insurance, Power Costs, etc.	182,810	180,072	179,694
Other Receivables and Current Assets	24,657	81,425	41,949
Deferred Debits	93,600	0	0
Regulatory Assets	0	0	0
<b>Total Assets</b>	<b>\$67,526,479</b>	<b>\$66,040,649</b>	<b>\$63,264,238</b>
<b>Members' Equity and Liabilities</b>			
Members' Patronage Capital	\$24,922,488	\$23,507,690	\$22,145,440
Other Equities	2,880,850	2,713,368	2,537,004
Total Members' Equity	\$27,803,338	\$26,221,058	\$24,682,444
Long-Term Debt RUS	930,455	999,801	1,067,966
Long-Term Debt CFC	0	0	0
Long-Term Debt FFB	21,884,161	18,662,971	17,164,178
Long-Term Debt CoBank	12,987,781	14,295,571	15,464,673
Long-Term Debt Prepayments Unapplied	(2,452,258)	(637,945)	(1,211,776)
Accumulated Provision for Post-Retirement Benefits	840,614	912,012	1,020,002
Notes Payable	0	0	0
Accounts Payable	2,387,257	2,615,315	2,215,477
Security Deposits	155,620	158,350	159,050
Current Maturities Long-Term Debt	2,000,000	1,931,000	1,782,000
Other Current and Accrued Liabilities	442,838	572,631	564,004
Deferred Credits	546,673	309,885	356,220
<b>Total Members' Equity and Liabilities</b>	<b>\$67,526,479</b>	<b>\$66,040,649</b>	<b>\$63,264,238</b>

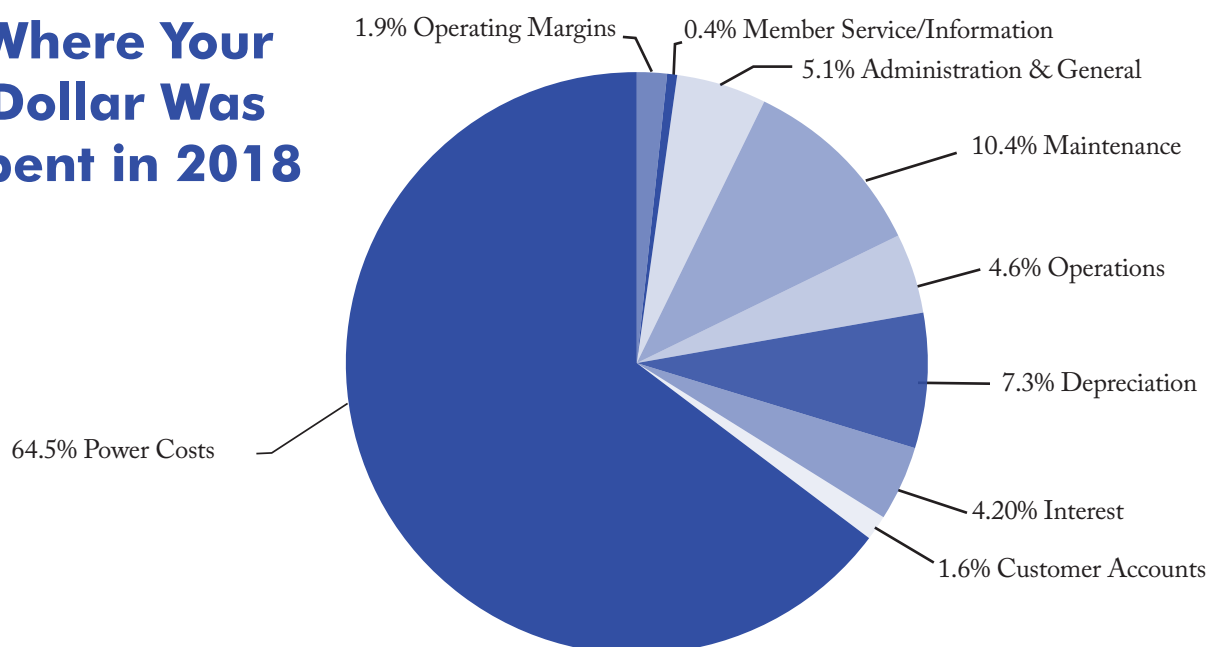
Menard Electric Cooperative is a member of Prairie Power, Inc. (PPI), which is an electric Generation and Transmission cooperative. Menard Electric obtains virtually all of its purchased power from PPI, which amounted to \$19,412,585 and \$18,051,671 for the years ended December 31, 2018 and 2017, respectively. Amounts due PPI at December 31, 2018 and 2017 were \$1,742,001 and \$2,010,620 respectively. Beginning in 2007, PPI developed plans for its members to help stabilize power costs against future fluctuations. Menard Electric's net cost to this program for 2018 and 2017 were \$820 and (\$301,347), respectively. *For a complete set of financial footnotes, please contact Menard Electric Cooperative.*



## Statement of Revenue and Expenses

For the Year Ending December 31,	2018	2017	2016
<b>Revenues</b>			
Sales of Electric Energy to Members	\$30,040,058	\$28,389,096	\$27,998,436
Other Electric Revenues	155,752	113,297	151,156
<b>Total Revenues</b>	<b>\$30,195,810</b>	<b>\$28,502,393</b>	<b>\$28,149,592</b>
<b>Expenses</b>			
Cost of Purchased Power	\$19,462,842	\$18,104,399	\$18,341,088
Operating Expense	1,389,507	1,071,745	1,057,908
Maintenance Expense	3,150,500	3,443,723	2,931,339
Office Expenses	2,135,644	2,092,227	1,821,264
Depreciation Expense	2,192,720	2,010,387	1,973,808
Tax Expense	24,740	36,230	36,901
Interest Expense on Long-Term Debt	1,264,021	1,256,788	1,262,990
<b>Total Expenses</b>	<b>\$29,619,974</b>	<b>\$28,015,499</b>	<b>\$27,425,298</b>
<b>Operating Margins</b>	<b>\$575,836</b>	<b>\$486,894</b>	<b>\$724,294</b>
Non-Operating Margins:			
Interest on Investments	92,982	113,825	133,358
Other Non-Operating Margins	(9,890)	(11,246)	(77,344)
CoBank and Other Patronage Capital	214,285	192,551	213,965
G&T Capital Credits	1,146,478	1,141,366	1,156,406
<b>Total Margins</b>	<b>\$2,019,691</b>	<b>\$1,923,390</b>	<b>\$2,150,679</b>
Members' Patronage Capital Beginning of Year	23,507,690	22,145,440	20,544,278
	\$25,527,381	\$24,068,830	\$22,694,957
Retirement of Capital Credits	(604,893)	(561,140)	(549,517)
<b>Members' Patronage Capital End of Year</b>	<b>\$24,922,488</b>	<b>\$23,507,690</b>	<b>\$22,145,440</b>

### Where Your Dollar Was Spent in 2018



## Comparative Statistics

	2018	2017
End of Year Avg. Interest Rate on Long-Term Debt	3.485%	3.430%
Average Number of Meters Billed (all rates)	10,899	10,878
New Services Connected	78	76
Total Miles of Line Energized	2,564	2,573
Total kWh's Purchased	232,517,183	223,750,745
Total kWh's Sold and Used by MEC	214,319,908	205,482,761
Percent of Line Loss	7.83%	8.16%
<b>Farm and Residential Rate:</b>		
Average Monthly kWh Usage	1,111	1,036
Average Bill per Member per Month	\$175.97	\$162.19
<b>Capital Credits Refunded Cumulative To Date</b>	<b>\$10,320,882</b>	<b>\$9,715,990</b>

## Comparative Income Statements

(Restated in pennies per kilowatt-hour sold)

Per kWh Sold:	2018	2017
Revenue	13.912¢	13.888¢
Power Cost	8.967	8.822
Gross Margin	4.945¢	5.066¢
Operations Expenses	0.640	0.522
Maintenance Expenses	1.452	1.678
Office Expenses	0.984	1.019
Depreciation	1.010	0.980
Taxes	0.011	0.018
Interest	0.582	0.612
<b>Operating Margins</b>	<b>0.266¢</b>	<b>0.237¢</b>
Non-Operating Margins	0.665	0.700
<b>Total Margins</b>	<b>0.931¢</b>	<b>0.937¢</b>

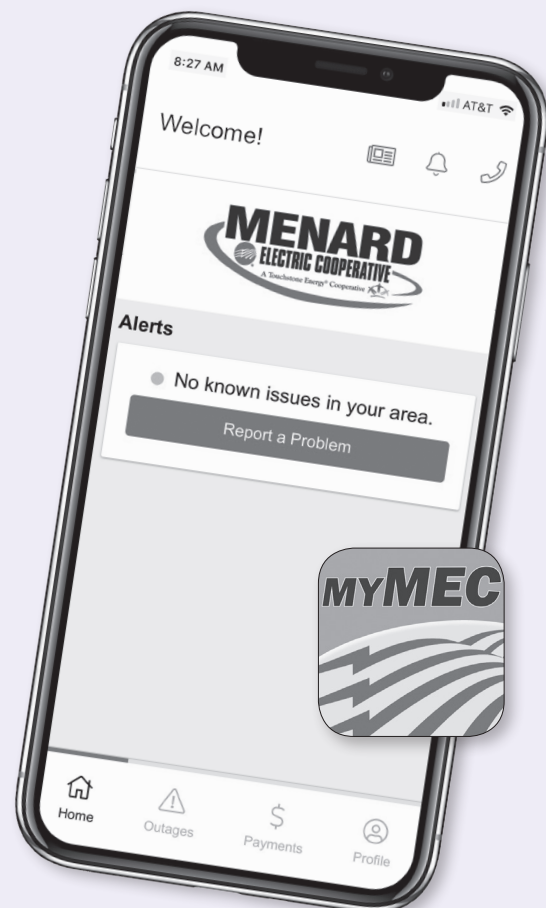
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### Coming Soon!

A new update will allow you to pay your bill through the app!





**Bring this Registration Card  
to the**

# 82<sup>nd</sup> Annual Meeting

**Thursday, June 13  
PORTA High School, Petersburg**

4:30-6:30 p.m.	Registration, Balloons, Face Painting, Bucket Truck Rides
4:30-6:30 p.m.	Dinner & Homemade Ice Cream
5:30-6:30 p.m.	Music by Avery Kern
7:00 p.m.	Business Meeting, Reports, Director Election
7:45 p.m.	Prize Drawings

*Photos taken at this event could be used for advertising and promotional purposes.*



## Unable to attend the meeting?

### Send in this proxy

If you are unable to attend June 13, we still want you to participate in your co-op. Please return this card to assign a proxy to another member to vote on your behalf for your representation on the Board of Directors and any other business occurring at the meeting. Only members who attend the meeting will receive the attendance gifts and be eligible for door prizes. However, we will draw five names from valid proxies to receive a \$15 bill credit.

**Menard Electric  
Cooperative,  
PO Box 200,  
Petersburg, IL 62675**

## PROXY

As a member of MENARD ELECTRIC COOPERATIVE, an Illinois corporation,

I \_\_\_\_\_

*(Please print your name)*

hereby appoint as my proxy \_\_\_\_\_

*(Print name of the member you wish to vote on your behalf-or leave blank if you wish us to assign one for you.)*

who is an active member of Menard Electric Cooperative in his/her own right, to vote in my stead at the Annual Meeting of Members June 13, 2019, at 7:00 p.m. at the PORTA High School, Petersburg, Ill., or any adjournment of such meeting, and to represent, vote and otherwise act for me in the same manner and with the same effect as if I were personally present. I authorize my proxy to substitute any other member to act under this proxy, to revoke a substitution, and to file this proxy and any revocation with the cooperative.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
*(Your signature-must be an active member of the cooperative)*

Account Number \_\_\_\_\_

*(Located on your bill)*

**Proxy votes must be filed in the cooperative office no later than 4:30 p.m. June 10, 2019.**

*No member may vote a proxy for more than three members at the Annual Meeting.*

# Menard Electric Cooperative

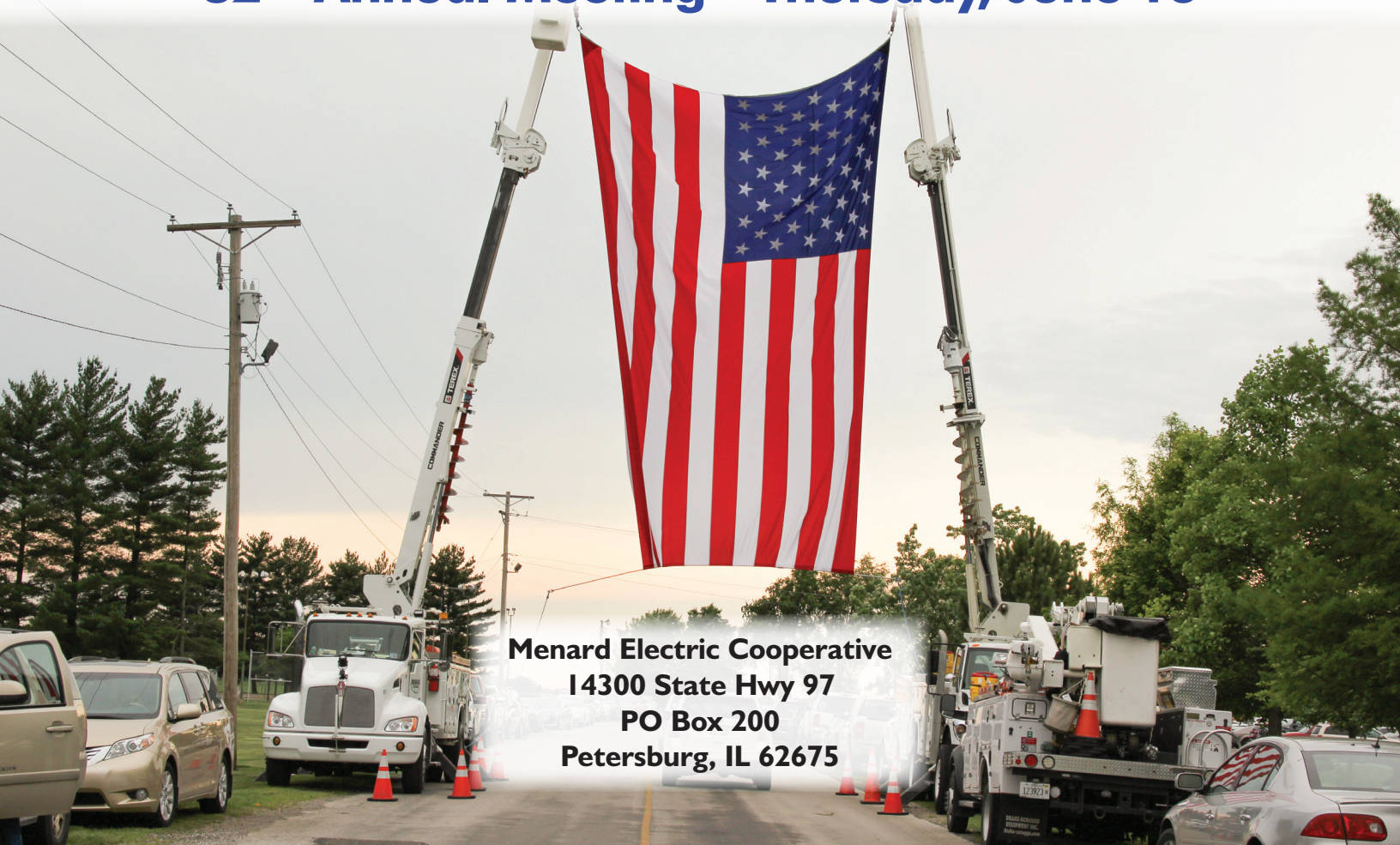
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Petersburg, IL 62675

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**BRING THIS  
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▼ Tear Here ▼

## 82<sup>nd</sup> Annual Meeting - Thursday, June 13



**Menard Electric Cooperative  
14300 State Hwy 97  
PO Box 200  
Petersburg, IL 62675**