

Menard Electric Cooperative's

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A Touchstone Energy® Cooperative 



A message from General Manager Lynn Frasco

Dear Members,

As my retirement date in early June quickly approaches, I want to take this time to thank all the individuals who are a part of Menard Electric Cooperative for giving me the opportunity to serve as your General Manager.

I first need to recognize the MEC Board of Directors, both current and retired, who have shown me their commitment to following the cooperative principles that are the foundation which our cooperative is built upon. Each of the directors provides a great service to the membership with their investment of time and talent.

Over my 47 year career as an engineer and manager, I can truly say I have enjoyed being part of the Menard Electric Cooperative family these last 16 years. We have great employees who are well trained, hard working, and dedicated to meeting the members' expectation for great service.

Every successful organization has employees who can be relied upon to get the job done, day in and day out. I am very proud of the MEC team and confident that they will continue to provide reliable electric service to all of our members throughout the years ahead.

I have been asked "what are you going to do in retirement?" and my answer is a lot like most people. My wife Judy and I plan on traveling more, spending additional time with our family, and learning to play better golf. Perhaps I will be able to squeeze

in some time for taking a welding class, doing some volunteer work, and maybe building a retirement home.

The future looks very bright for Menard Electric Cooperative. The MEC Board made a great selection of Eric Hobbie as the new General Manager and I expect him to lead the cooperative with the same dedication that the past five managers have shown during our 79-year history.

I wish the Menard Electric Cooperative members, Board of Directors, and employees all the best in the future!

Thanks again,



78th Annual Meeting June 6th

Hear Lynn's final report as General Manager and meet new General Manager Eric Hobbie at this year's meeting.

See page 9 for details about the event.

Did you have service with us in 1991 or 1992?

The Board of Directors has approved a capital credit refund of \$350,000 to finish retiring margins earned in 1991 through a portion of those earned in 1992.

If you were an active member of Menard Electric during that time you may have received a check in the mail, or will see a credit on June's bill.



All about capital credits

We've refunded over \$8.3 million to date to members; it is the cooperative difference!

What are capital credits?

Unlike other utilities, Menard Electric does not exist to earn a profit. Any revenues over and above the cost of doing business are considered margins.

These margins represent an interest-free source of operating capital by you and the rest of the membership to the co-op. This capital allows us to finance operations and new construction, with the intent that this capital be repaid to you in later years. We are currently on a 24-year retirement cycle.

How are capital credits calculated?

Every member who purchases electricity during a year in which margins are earned is allocated capital credits. The amount of credits you earn in a year is based upon the amount of capital you contributed to the co-op through payment of your monthly bill. The more electric service you bought, the more capital credits you earned.

The sum of your monthly bills for the year is multiplied by an allocation factor to determine your capital credits. The allocation factor varies from year to year, depending on the success of the co-op. Capital credits are only allocated

for a year in which the co-op earns margins. Since credits are a member's share of the margins, no credits are allocated for a year without margins.

Will I receive credits every year?

Each year the Board of Directors must approve a capital credit retirement after reviewing the financial health of the co-op. If the board determines that the co-op cannot afford to retire credits, they will not authorize a retirement.

What happens to my capital credits if I leave the co-op service territory?

Your capital credits remain in our system in your name until they are retired. Make sure we always have your current address so we can mail a check to you.

What happens to the capital credits of a member who dies?

Capital credits of a deceased member may be paid at a reduced present value without waiting for a general retirement, or may be transferred to a surviving spouse if the membership was jointly held; contact Michelle for details.

How much is my bill?

Take the guesswork out with Budget Billing

Don't like surprises? Our budget billing plan invoices you the same amount each month July through May. June's bill contains either a credit (if you used less electricity than predicted) or an amount due (if you've used more). To help you plan ahead, you can see what your current credit or amount due balance is each month in the notes section on your bill. Call the office to calculate your monthly budget amount and to sign up.

5 tips to keep you safe during and after summer storms

1) **Avoid wires and water** —

When lightning strikes a home during a storm, the electrical charge can surge through pipes and utility wires. That means you can get zapped if you're touching water or any device that's plugged in, whether it's a landline phone or toaster.

2) **Skip the makeshift shelter** —

During a storm, it's tempting to take cover under a picnic gazebo or golf cart, but in open-sided structures with no conductors to channel strikes, a bolt's path of least resistance to the ground could be you. On top of that, these structures raise your risk of a lightning strike because of their height. Keep moving toward suitable shelter.

3) **Portable generators** —

Take special care with portable generators, which can provide a good source of power, but if improperly installed or operated, can become deadly. Do not connect generators directly

to household wiring. Power from generators can back-feed along power lines and electrocute anyone coming in contact with them, including co-op line workers making repairs. It's best to hire a qualified, licensed electrician to install your generator and ensure that it meets local electrical codes.

4) **Flooded areas** —

Stay away from downed power lines and avoid walking through flooded areas. Power lines could be submerged and still live with electricity. Report any downed lines you see immediately.

5) **Electrical equipment** —

Never use electrical equipment that is wet — especially outdoor



equipment. Water can damage equipment and parts, posing a shock or fire hazard.

For a checklist to assess safety hazards around your home or to take a quick safety quiz, go to www.togetherwesave.com/power-of-community/safety.

Summer Storm Safety Tip

Strong summer storms can create dangerous situations. Always avoid downed power lines - the wire could be live, which could be deadly for those nearby. Quickly report downed power lines to your local electric cooperative.



Board Meeting Report

For full minutes please visit our website at www.menard.com or contact our office.

Present were Manager Lynn Frasco; Manager of Accounting & Information Systems Chris Hinton; Attorney Charles Smith; and Directors Gary Martin, Jerry Brooks, Jay Frye, Warren Goetsch, Donald McMillan, Michael Patrick and Jodine Tate. Directors Roy Seaney and Steven Worner were absent.

Frasco and Hinton presented an overview of issues with regard to the new ICG Power Purchase Agreement. Frasco reported on the status of negotiations for the new contract and discussed various issues that he believed would need to be addressed in the negotiations.

Frasco and Hinton presented a preliminary discussion of the risk and benefits of refinancing the co-op's RUS Loan Portfolio through CoBank with refinancing of existing RUS/FFB debt. They reviewed pros and cons of a possible refinance and it was determined not to proceed at the present time, but continue the evaluation.

Frasco reviewed planned irrigation systems for 2015. He advised that there was a continuing expansion of online bill paying by members. He discussed maintenance work planned for the co-op headquarters. He advised that Wright tree trimming group had started work.

Frasco reviewed the cooperative director and attorney summary comparing costs and fees of each from the AIEC.

Frasco presented the financial report for the month of February. Year to date margins were \$23,597 compared to \$167,643 a year earlier. Equity as of the end of February was 35.92% and the number of member accounts served was 10,771 compared to 10,709 a year ago. Net Utility Plant at the end of February was \$43,041,726 compared to \$41,148,379 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.



Tip of the Month

Taking a vacation?

Did you know that much of your home will run as usual when you're gone? Here are some tips to save energy while your family is on vacation: set your water heater to its lowest setting; raise your thermostat; unplug unneeded phantom loads like phone chargers, TVs, game consoles and anything with an electric clock; and use timers for any lights left on for safety. We recommend you also leave yourself a note to change everything back to normal when you return!