

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 7, 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, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan and Roy H. Seaney. Directors Jodine Tate and Steven L. Worner were absent. Also present was Interim Manager Lynn Frasco, the new Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one change to the Agenda, that being the addition of Approval of the February 6 & 7, 2017 Executive Session Minutes. 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 with the addition of Executive Session Minutes for February 6 & 7, 2017 to the Agenda. Motion carried.

Interim Manager Frasco presented the Manager's Report for January, 2017. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Frasco discussed scheduling a Meeting of the Irrigation Committee. The Committee was to have met prior to this Board Meeting to review additional information supplied to the Committee by Cooperative Staff, but there were scheduling problems. After discussion, it was determined to schedule a Meeting of the Irrigation Committee on March 16, 2017, at 9:00 a.m. Manager Frasco reported that for the 2017 year, there were now a total of 12 Irrigation systems or conversion of diesel irrigation systems. He advised that half had been completed. He discussed the Co-Bank Patronage Divided as of March 15, 2017 with a total patronage of \$172,953.45 and cash of \$129,715.09. He advised that future stock to be paid equaled \$43,238.36. He reviewed the status of the LIHEAP Program as well as Menard's bad debts. He reviewed recent correspondence received with regard to the status of matters for the Missouri Electric Works Site. He reported on the status of the Site clean-up. He reminded the Board of the Co-Bank Program entitled No Barriers Program. He had nominated Shannon Richardson to participate in the Program. Manager Frasco advised that he had recently spoken with Shannon, who informed him that he would not be able to participate in the Program. He discussed the Form 790-The L. E. Myers Company. It was moved and seconded that the President be authorized to execute the Form 790 for the L. E. Myers Company. Motion carried. It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Manager Frasco presented the financial report for the month of January. Year to date margins were \$102,314 compared to \$(4,378) last year. Equity at the end of January was 38.11%. Member accounts served was 10,862. Net utility plant was \$45,779,808 compared to \$43,852,654 last year. Co-op meets requirements of RUS, FFB and NRUCFC.

Director Patrick reported on the status of plans for the 2017 Annual Meeting on Thursday, June 15, 2017. He advised that the Meeting would start at 4:30 p.m. He reported on various changes proposed for the Annual Meeting.

Director Goetsch reported on AIEC activities and reviewed the Executive Summary. He discussed the AIEC requested Resolution entitled "Authorize Management to Implement a Disconnect Moratorium for LIHEAP Recipients for the Period Ending March 31, 2017 and the Summer Period when the Temperatures were Forecasted to Exceed 95 Degrees." It was moved and seconded that the following Resolution be adopted:

(See Exhibit A, attached hereto and incorporated herein by reference.)

Motion carried.

Director Martin Reported on Prairie Power, Inc. and reviewed the President's Report. He also discussed matters with regard to Prairie State. Manager Anker also reported on Prairie Power, Inc.

Manager Frasco presented the Capital Credit Estate Refunds Report.

Those Directors who attended the 2017 NRECA Annual Meeting in San Diego reviewed the Meeting and Seminar Sessions.

It was moved and seconded that the Board convene an Executive Session for discussion of personnel issues. It was moved and seconded that the Board adjourn the Executive Session and reconvene the monthly Board Meeting. Motion carried. It was moved and seconded that the Board adopt and approve the actions taken in the Executive Session. Motion carried.

President Frye advised that the next regular Board Meeting was scheduled for March 28, 2017, at 6:00 p.m.

Under other business, President Frye advised that there was a Co-Bank Meeting scheduled for March 13-14, 2017 in Bloomington, Illinois; there was an Irrigation Committee Meeting scheduled for March 16, 2017, at 9:00 a.m.; NRECA Legislative Conference scheduled for April 23-26 in Washington, D.C.; and he reviewed 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