

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 28, 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, Michael E. Patrick, Dennis Ryan, Roy H. Seaney, Jodine Tate and Steven L. Worner. Director Donald E. McMillan was absent. Also present was Interim Manager Lynn Frasco, new 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 as presented. Motion carried.

Manager Frasco advised a new Wifi system had been installed in the Boardroom.

Director Worner gave a Report on the Meeting of the Irrigation Committee. Director Worner and System Engineer Brady Smith reported on the status of plans with regard to the three (3) different software vendors.

Brady Smith reviewed the terms of the proposed Contract with Wright Tree Service, Inc. for April 1, 2017 through March 31, 2018. It was moved and seconded that the Contract be approved. Motion carried.

Interim Manager Frasco presented the Manager's Report for February, 2017. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Frasco discussed the 2017 Irrigation construction and advised that there was one (1) additional new system. He reviewed the Federated Interest Compensation Trend Analysis and Field Audit Results. He reported on the various areas the Field Auditors found fault with. He reviewed their recommendations. Manager Frasco reviewed the CoBank 2016 Patronage Distribution Statement. He also discussed the 2017 Sharing Success Program. The Cooperative participated in the Program in the past and he asked Board Members for possible Programs for this year. He reported on the AIEC Engineering Conference Topic whose topic was Global Reach, Inc. He also discussed the Statewide Outage Map and Emergency

Resources as a result of the outages. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Interim Manager Frasco presented the financial report for the month of February. Year to date margins were \$47,375 compared to \$75,736 last year. Equity at the end of February was 38.11%. Member accounts served was 10,863. Net utility plant was \$46,043,860 compared to \$43,840,784 last year. Co-op meets requirements of RUS, FFB and NRUCFC.

Interim Manager Frasco advised that there was a Resolution to approve Alisha Anker as Menard's Representative for other Cooperatives, Banks and Governmental Agencies. It was moved and seconded the following Resolution be adopted:

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

Motion carried.

Manager Frasco discussed approving Membership in NISC. The Board had discussed this at a previous Board Meeting. NISC is a software vendor. After discussion of the benefits in becoming a Member and the fee of \$100.00, it was moved and seconded that the Cooperative become a Member of NISC. Motion carried.

Director Patrick reported on the status of plans for the Menard Electric Annual Meeting.

Director Goetsch reported on AIEC Activities. He and Manager Frasco reviewed the AIEC Board & Attorney Survey. After discussion, it was moved and seconded that Attorney Smith's hourly rate increase from \$175.00 to \$200.00. Motion carried. There was discussion about the Cooperative's Travel Reimbursement Policy and several Board Members discussed concerns that it was somewhat confusing. It was determined to schedule a Meeting of the Policy Committee to review the Policy and to suggest changes to the Board.

Director Martin and Manager Anker reported on the status of matters with Prairie Power, Inc. Director Martin reviewed the President's Report.

It was moved and seconded that the Board convene into Executive Session. Motion carried. It was moved and seconded that the Board reconvene its monthly Meeting. Motion carried.

President Frye advised that the next Board Meeting was April 25, 2017 at 6:00 p.m.

Under other business, President Frye reminded the Board of the NRECA Legislative Conference scheduled for April 23-26 in Washington, D.C.

There was discussion about adoption of a Resolution recognizing Manager Frasco for his

service as Interim Manager. The Board thanked Mr. Frasco for his service to the Board and the Cooperative in filling in while a new Manager was selected. It was moved and seconded that Manager Frasco be recognized for his able service and leadership to the Cooperative in making himself available to the Cooperative until a new Manager could be hired. Motion carried. The Board Members wished him well in his future endeavors and his retirement.

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