

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
APRIL 28, 2015

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 Gary L. Martin, Jerry W. Brooks, D. Jay Frye, Warren D. Goetsch, Donald E. McMillan, Michael E. Patrick, Roy H. Seaney, Jodine Tate and Steven L. Worner. Also present was Manager of Accounting & Information Systems, Chris Hinton, Eric Hobbie, Attorney Charles K. Smith and Manager Lynn A. Frasco.

The Agenda of the meeting was read. There were no changes or additions to the Agenda. Thereafter with President Martin presiding and with these minutes being transcribed by or under the direction of Secretary Frye, 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 Martin reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved as presented. Motion carried.

President Martin introduced Kevin Kelso, Cooperative Auditor, to discuss the 2014 Financial Audit. Mr. Kelso then answered questions from Board Members with regard to the Audit. Manager Frasco and Eric Hobbie exited the Board room so the Board could discuss any issues with regard to the Audit with Mr. Kelso. It was moved and seconded that the Board approve the 2014 Financial Audit as presented. Motion carried.

Manager Frasco and Eric Hobbie returned to the Board room.

President Martin introduced Aaron Johnson from Co-Bank. Mr. Johnson presented to the Board an analysis of the possibility of the Cooperative refinancing its RUS-FFB Loan Portfolio and that such refinancing be through Co-Bank. Manager Frasco and Chris Hinton also discussed their analysis of the refinance with the Board. It was moved and seconded that the Cooperative refinance the two (2) smallest RUS Direct Notes with Co-Bank. Motion carried. Manager Frasco advised that the Staff would continue to review the potential refinance with the Board and that there would be further discussions in that regard.

Manager Frasco presented the Manager's Report for March, 2015. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Frasco reviewed the status of new Irrigation for 2015 and advised that all requested systems would be completed within the week. He reported on the status of the tree trimming work by the various Crews. He also reported on the results of the recent MISO Capacity Auction. It was moved and seconded the Manager's Report be approved as presented. Motion

carried.

Frasco presented the financial report for the month of March. Year to date margins were \$239,003 compared to \$445,682 a year earlier. Equity as of the end of March was 36.38% and the number of member accounts served was 10,779 compared to 10,722 a year ago. Net Utility Plant at the end of March was \$43,064,182 compared to \$41,589,069 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

Director Goetsch reported on AIEC Activities. Director Goetsch reported that there was no AIEC Meeting, but reported on the AIEC Scholarship Fund.

President Martin advised that there was no Prairie Power Board Meeting. Manager Frasco discussed the Revised Ameren Transmission Charge resulting in a credit to the Cooperative. It was moved and seconded that President Martin and Director Brooks be appointed as Director and Alternate Director respectively for the Prairie Power Annual Meeting and that Eric Hobbie and Director Martin be appointed the Prairie Power Board Directors and that Director Brooks would serve as Alternate Director. Motion carried.

President Martin called the Board into Executive Session. President Martin reconvened the Board Meeting.

Director Brooks reported on the status of plans for the 2015 Annual Meeting.

Manager Frasco reported on Capital Credit Estate Refunds Report.

President Martin advised that the next Board Meeting was scheduled for Tuesday, May 26, 2015.

Under other business, President Martin advised that the NRECA Legislative Conference was scheduled for May 4-6, 2015, and that Trish Michels planned to attend. He reminded the Board that the Menard Electric Annual Meeting was scheduled for Saturday, June 6, 2015 at PORTA High School, Petersburg, Illinois.

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