

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
AUGUST 30, 2016

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, Roy H. Seaney, Jodine Tate and Steven L. Worner. Also present was Manager Eric Hobbie and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was an addition to the Agenda, that being 3. I. A Approval of Sick Leave Attendance Monitoring Policy and Bereavement@. There were no further 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. Motion carried.

Manager Hobbie presented to the Board the new Policy entitled Sick Leave, Attendance Monitoring Policy and Bereavement. After discussion it was moved and seconded the Policy be adopted and approved. Motion carried.

Trish Michels presented the ACSI Report.

Trish Michels also presented a review of the 2017 NRECA Health Insurance and R&S Rates. She advised that she had received the new rates for health insurance. She reported that rates were lower for several of the classifications and that there were not any major changes of the rates overall. She advised that the Cooperative should not see much of a change in premium expense.

Manager Hobbie reviewed with the Board the proposed IBEW Contract. After discussion by the Board, it was moved and seconded that the Contract be adopted. Motion carried.

Manager Hobbie discussed with the Board the NRECA 401k Pension Loan Option & Adoption Agreement. After discussion by the Board, it was moved and seconded that the Agreement be entered into reflecting the change. Motion carried.

Manager Hobbie discussed the Amendments and changes to the Wholesale Power Contract. It was moved and seconded that the Contract, as amended, be approved and adopted. Motion carried.

President Frye discussed a donation request from Louisiana Cooperative employees for a donation for flood relief. After discussion, it was moved and seconded that the Cooperative contribute \$1,000.00 to the Relief Fund through the Association of Louisiana Cooperatives. Motion carried.

Manager Hobbie presented the Manager's Report for July, 2016. He reviewed the

Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Hobbie reported on the work done by the Cooperative Crews for the month. He advised that they had received information with regard to LEP Limited English Proficiency. He discussed what could be required of the Cooperative if they met the LEP standards. The program would require Menard to have information in Spanish for Cooperative Members. Manager Hobbie advised that he did not think Menard qualified to be required to comply with the Limited English Proficiency Program. Manager Hobbie discussed the upcoming CoBank election of Directors. He also discussed the plans for the Christmas Party and advised that per previous discussions, the Party would not be an evening event, but would be a lunch provided at the Cooperative Headquarters on December 22nd. Manager Hobbie discussed the Irrigation Load Control Project and gave an update of the Project. He advised that Aaron Stallings would be present at next month's Board Meeting to present the KRTA Review. It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Hobbie presented the financial report for the month of July. Year to date margins were \$2,133,718 compared to \$1,422,428 a year earlier. Equity as of the end of July was 38.59% and the number of member accounts served was 10,851 compared to 10,796 a year ago. Net utility plant at the end of July was \$44,813,676 compared to \$43,561,957 last year. The cooperative continue to meet the requirements of the RUS, FFB and NRUCFC.

Director Goetsch reported on AIEC Activities and reviewed the Executive Summary.

Director Martin reported on Prairie Power, Inc. He reviewed the July energy charge and presented a Report on the status of Prairie State.

It was moved and seconded that the Board enter into Executive Session, Motion carried. It was moved and seconded that the Board adjourn the Executive Session and reconvene the monthly Meeting. Motion carried. It was moved and seconded that the Board approve the actions taken by the Board in Executive Session. Motion carried.

Manager Hobbie presented the Capital Credit Estate Refunds Report.

President Frye advised that the next Meeting was scheduled for September 27, 2016, at 6:00 p.m.

President Frye reported that the NRECA Region V Meeting was scheduled for September 20-22, 2016 in Minneapolis, Minnesota. The Board discussed who would be attending the Region V Meeting and the plans for the Region V Meeting.

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