

December 22, 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 D. Jay Frye, Jerry W. Brooks, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, 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 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 Hobbie discussed with the Board the proposed 2016 Financial Budget. After further discussion by the Board, it was moved and seconded that the 2016 Financial Budget be approved. Motion carried.

Manager Hobbie presented the Manager's Report for November, 2015. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Hobbie discussed the status of the various delinquent State of Illinois Accounts. He advised that one Cooperative had cut off service to certain State of Illinois services in its territory. He also reported on work done by the Cooperative crews for the month. He advised that Dalton Whitley was hired as the new Operations Manager and that he had posted the Area Serviceman position. He discussed the status of filling that position. He advised that the Yearly Physical Inventory had been completed and that there was an adjustment of negative \$2,463.07. It was moved and seconded that the Inventory Adjustment be approved. Motion carried. President Frye advised that it was necessary to go into Executive Session to discuss personnel matters. It was moved and seconded that the Board go into Executive Session. Motion carried. President Frye reconvened the regular Board Meeting. It was moved and seconded that the Manager's Report be approved. Motion carried.

Hobbie presented the financial report for the month of November. Year to date margins were \$ 2,241,785 compared to \$ 2,148,706 a year earlier. Equity as of the end of November was 38.96% and the number of member accounts served was 10,827 compared to 10,782 a year ago. Net Utility Plant at the end of November was \$ 43,943,760 compared to \$ 42,831,385 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

Director Brooks reported on AIEC Activities and the AIEC Monthly Board Meeting. He also discussed planned changes for the NRECA Annual Meeting.

Director Martin reported on Prairie Power, Inc. He reviewed the November Energy Charge. Manager Hobbie discussed an update as to the Technology Committee.

Manager Hobbie reviewed the results of the 2015 Sick Leave Bonus Plan Summary. He advised that it was his recommendation to renew the Plan for 2016. It was moved and seconded that the Cooperative approve the Sick Leave Bonus Plan for 2016. Motion carried.

Manager Hobbie reviewed the Policy Section VII Vacation being the current Policy for Non-Union Employees. He discussed revisions to the Policy. After discussion by the Board, it was moved and seconded that the Policy, as revised, be adopted. Motion carried.

Manager Hobbie reviewed the Capital Credit Estate Refunds Report.

President Frye reminded the Board the next regular Meeting was January 26, 2016, at 6:00 p.m.

Under other business, President Frye reminded the Board of the NRECA Annual Meeting on February 14-17, 2016, in New Orleans. He also reminded the Board of the Co-Bank Meeting scheduled for March 10-11, 2016 in Bloomington-Normal. President Frye advised that Director Martin was the Voting Delegate for the NRECA Annual Meeting with Manager Hobbie as the Alternate and that Director Goetsch was the Voting Delegate for the NRTC with Director Worner as the Alternate. President Frye also discussed the need to schedule a Meeting of the Irrigation Committee. He suggested scheduling the Meeting for the latter part of January and Manager Hobbie advised that he would arrange a Meeting date for the Committee Members.

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