

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
DECEMBER 27, 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, Dennis Ryan, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Roy H. Seaney and Steven L. Worner. Director Jodine Tate and Attorney Charles K. Smith were absent. Also present was Manager Eric Hobbie, Lynn Frasco and Chris Hinton.

The Agenda of the meeting was read. There were three (3) additions to the Agenda for approval of three (3) Resolutions, being Approval for Lynn Frasco to sign as General Manager for Menard Electric Cooperative, USDA Responsible Party and Prairie Power, Inc. Director Position. There were no other changes or corrections 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.

There was a detailed discussion by the Staff and the Board in reviewing the proposed 2017 Financial Budget. After discussion, it was moved and seconded to approve the 2017 Financial Budget. Motion carried.

Manager Hobbie presented the Manager's Report for November, 2016. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Hobbie advised that the present inventory adjustment was negative \$1,286.00. It was moved and seconded to make the adjustment. Motion carried. It was moved and seconded the Manager's Report be approved as presented.

Manager Hobbie presented the financial report for the month of November. Year to date margins were \$2,618,726 compared to \$2,241,785 last year. Equity at the end of November was 39.67%. Member accounts served was 10,884. Net utility plant was \$45,760,792 compared to \$43,943,760 last year. Co-op meets requirements of RUS, FFB and NRUCFC.

Director Goetsch discussed and reviewed the Executive Summary and also discussed AIEC personnel issues.

Director Martin presented a Report on Prairie Power, Inc. and reviewed the President's Report, as well as the November Energy Charge. He presented an update on Prairie State.

Manager Hobbie discussed his schedule to move into the CEO position of Prairie Power.

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

There was discussion about the 2016 Sick Leave Bonus Plan. It was moved and seconded to adopt and approve the Sick Leave Bonus Plan for 2017. Motion carried.

The Board discussed the 2017 Holiday Schedule and adjusted the December 25-26, 2017, so that they were days off and the Board also adjusted the December Board Meeting to Wednesday, December 27, 2017. Otherwise, the schedule was approved.

Manager Hobbie reviewed the Capital Credit Estate Refunds Report.

President Frye advised that the next Board Meeting was scheduled for Tuesday, January 24, 2017, at 6:00 p.m.

Under other business, President Frye reminded the Board of the NRECA Annual Meeting scheduled for February 26 - March 1, 2017, in San Diego, California. The Board approved changing the February Board Meeting to March 7, 2017 and moving the March Board Meeting to March 28, 2017.

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