

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 3, 2015 (February Board Meeting)

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, Jodine Tate, and Steven L. Worner. Director Roy H. Seaney was absent. Also present was Manager of Accounting & Information Systems, Chris Hinton, System Engineer, Brady Smith, 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. There was a correction to the January 27, 2015 minutes, being on page 2 in the 5th paragraph of the Resolution, the letter Ap@ needed to be removed. It was moved and seconded that the Consensus Agenda be approved with the change to the January 27, 2015 minutes. Motion carried.

Manager Frasco introduced System Engineer Brady Smith, who presented to the Board the various bids for line clearance for 2015 submitted by the various contractors. It was his recommendation that the Cooperative accept the bid of Wright. It was moved and seconded that the Cooperative accept the Clearance Contract bid from Wright. Motion carried.

Manager Frasco and Manager of Accounting & Information Systems, Chris Hinton presented to the Board the Revised Rate Adjustment Proposal for 2015. They reviewed the terms and provisions of the proposal. After discussion, it was moved and seconded that the Board approve the rate adjustment, to be effective for the April, 2015 billing. Motion carried. They also discussed the Revenue Deferral Repayment Schedule. It was their recommendation that the Cooperative delay receipt of any remaining deferred revenue and take the remaining deferred revenue possibly later in the year. After discussion, it was moved and seconded that the Board accept the recommendations of Manager Frasco and delay receipt of any further deferred revenue until further action of the Board. Motion carried.

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

Manager Frasco presented the Manager's Report for January 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 irrigation construction for 2015. He advised that the Home 3.0 Rebate Program was on hold at the present time. The Board discussed and reviewed the General Manager Candidate Interview Schedule. It was moved and seconded the Manager's Report be approved. Motion carried.

Frasco presented the Financial Report for the month of January. Year to date margins were (\$1,956) compared to \$177,186 a year earlier. Equity as of the end of January was 35.70% and the

number of member accounts served was 10,777 compared to 10,710 a year ago. Net Utility Plant at the end of January was \$42,905,363 compared to \$41,210,661 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

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

Director Brooks reported on Prairie Power, Inc.

Manager Frasco reviewed the Sherman Franchise as approved by the Sherman Village Council. It was his recommendation that the Board adopt and approve the Franchise Agreement. It was moved and seconded that the Board approve the Franchise Agreement and authorize the President to enter into such. Motion carried.

Director Brooks reported that there had been a Meeting of the Annual Meeting Committee and discussed various plans for the 2015 Annual Meeting. There was discussion about the need for a Bylaw change with regard to debt limit of the Cooperative. After discussion, it was determined to not present the issue to the membership at the 2015 Annual Meeting.

Manager Frasco presented the Capital Credit Estates Refund Report.

Those who attended the NRECA Annual Meeting gave an overview of their opinions of the meeting.

President Martin advised that the next Board Meeting was scheduled for March 31, 2015, at 6:00 p.m.

Under other business, President Martin reminded the Board of the Co-Bank Meeting on March 19-20, 2015, in Bloomington, Illinois. The Board had previously discussed the General Manager Interview Schedule for March 23, 24 and 25 at the Hilton Garden Inn in Springfield, Illinois.

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