

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
July 26, 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, Michael E. Patrick, Roy H. Seaney, Jodine Tate and Steven L. Worner. Also present were Manager Eric Hobbie and Chris Hinton.

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.

Chris Hinton along with Eric Hobbie presented the Form 990 report for calendar year 2015. The Board reviewed various items on the report. It was moved and seconded that the 990 report be approved by the Board. Motion carried.

Manager Hobbie presented the Manager's Report for June, 2016. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Manager Hobbie reported that June 2016 was the highest kWh sales for any June on record. Under the Operations Report, Manager Hobbie reported on work done by the Cooperative Crews for the month. He reviewed the State of Illinois delinquent accounts, which were approximately \$203,000.00; however the State of Illinois began paying some past due bills and the total past due amount had dropped from \$272,000 from the prior month. Manager Hobbie presented an Irrigation Load Management Update, and he provided an update on the status of the Arch Coal bankruptcy proceedings. 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 June. Year to date margins were \$1,969,116 compared to \$1,286,421 a year earlier. Equity as of the end of June was 38.30% and the number of member accounts served was 10,848 compared to 10,791 a year ago. Net utility plant at the end of June was \$44,605,542 compared to \$43,401,866 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

Director Goetsch reported that there was no AIEC board meeting in June and reminded the board that the AIEC annual meeting was on July 28<sup>th</sup> & 29<sup>th</sup>.

Director Gary Martin reported that there was no PPI board meeting in June. Director Martin discussed performance from Prairie State power plant and the strong performance of the units for June.

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.

Manager Hobbie presented the Capital Credit Estate Refunds Report.

President Frye advised that the next Board Meeting was scheduled for August 30, 2016, at 6:00 p.m.

Under other business, President Frye advised that the AIEC Annual Meeting was scheduled for July 28-29, 2016, at the Crowne Plaza Hotel, 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,

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Secretary

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President