

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 31, 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 Gary L. Martin, Jerry W. Brooks, D. Jay Frye, Warren D. Goetsch, Donald E. McMillan, Michael E. Patrick, and Jodine Tate. Directors Roy H. Seaney and Steven L. Worner were absent. Also present was Manager of Accounting & Information Systems Chris Hinton, 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. It was moved and seconded that the Consensus Agenda be approved as presented. Motion carried.

Manager Frasco and Manager of Accounting & Information Systems Chris Hinton presented to the Board an overview of various issues with regard to the new ICG Power Purchase Agreement. Manager Frasco reported on the status of negotiations for the new Contract and discussed various issues that he believed would need to be addressed in the negotiations.

Manager Frasco and Chris Hinton presented a Preliminary Discussion of the risk & benefits of refinancing the Cooperative's RUS Loan Portfolio. The Refinancing would be through CoBank with refinancing of existing RUS/FFB debt. They reviewed the pros and cons of a possible refinance and it was determined not to proceed with a refinance of RUS debt at the present time, but continue the evaluation.

Manager Frasco presented the Manager's Report for February 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 planned irrigation systems for 2015. He reported on the health condition of Bob Burris. Manager Frasco advised that there was a continuing expansion of online bill paying by Cooperative Members. He discussed maintenance work that was planned for the Cooperative Headquarters. He advised that Wright Tree Trimming Group had started work. He advised that Coles-Moultrie had hired a new General Manager. Manager Frasco reported on a Member request to not be required to provide his social security number to the Cooperative. This matter was discussed by the Board. The Board discussed various options for handling this request. Manager Frasco also reviewed the Director and Attorney Summary from AIEC, which compared the Director fees and costs and attorneys fees and costs among Members of AIEC. He also

discussed the Co-Bank-2015 Sharing Success Program and suggested that if any Board Members had suggestions for the Program to let him know. He advised that the Cooperative had used its electrical work at the Menard County Fairgrounds for participation in the Sharing Success Program. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Frasco presented the financial report for the month of February. Year to date margins were \$23,597 compared to \$167,643 a year earlier. Equity as of the end of February was 35.92% and the number of member accounts served was 10,771 compared to 10,709 a year ago. Net Utility Plant at the end of February was \$43,041,726 compared to \$41,148,379 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

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

Director Goetsch reported on AIEC Activities.

President Martin reported on Prairie Power, Inc. He reviewed the President's Report and also discussed the PPI Solar Project.

Director Brooks reported on the status of plans for the 2015 Annual Meeting.

Manager Frasco presented the Capital Credit Estates Refunds Report.

President Martin advised that the next regular board meeting was scheduled for April 28, 2015 at 6:00 p.m.

Under other business, President Martin reminded the Board that the NRECA Legislative Conference was scheduled for May 4-6, 2015. He advised that Trish Michels would be attending the Conference.

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