

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MAY 26, 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, Michael E. Patrick, Roy H. Seaney, Jodine Tate and Steven L. Worner. Director Donald E. McMillan was absent. Also present was Manager of Accounting & Information Systems, Chris Hinton, General Manager Eric Hobbie, 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 reported on the status of refinancing the RUS Loans through Co-Bank.

Manager Frasco presented the Manager's Report for April, 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 new Irrigation for 2015 and advised that all requested systems were completed. He reviewed the AIEC Survey on Rates. Manager Frasco reviewed the Ameren Rate Increase for 2015. Manager Frasco presented a proposed Resolution removing himself as responsible party for the Cooperative and in his place inserting Eric Hobbie. It was moved and seconded that the following Resolution be adopted:

RESOLUTION

WHEREAS, Lynn Frasco is retiring from the position of General Manager of Menard Electric Cooperative on June 8, 2015, and

WHEREAS, Eric Hobbie has assumed the position as General Manager of Menard Electric Cooperative on May 26, 2015;

NOW, it is required that the Responsible Party for all bank accounts, formal contacts and the official representatives of Menard Electric Cooperative be transferred from Lynn Frasco to Eric Hobbie.

Motion carried.

It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Frasco presented the financial report for the month of April. Year to date margins were \$1,224,903 compared to \$1,175,001 a year earlier. Equity as of the end of April was 37.44% and the number of member accounts served was 10,774 compared to 10,727 a year ago. Net Utility Plant at the end of April was \$43,151,945 compared to \$41,813,521 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.

Manager Frasco discussed the proposed Amendment to the ICG/Menard Agreement for Electric Service. The Board had previously approved an extension of the Contract through September 30, 2015. After discussion, it was moved and seconded that the President be authorized to enter into the Amendment. Motion carried. The Board also asked Manager Frasco to advised ICG that there would be no further extensions.

Director Goetsch reported on AIEC Activities. It was moved and seconded that Director Goetsch be appointed Director of the AIEC Board and Director Brooks appointed the Alternate Director for the AIEC Business Meeting on July 30, 2015. Motion carried. It was also moved and seconded that Director Goetsch and Director Brooks be the Delegate and Alternate Delegate to the AIEC Annual Meeting. Motion carried.

Director Martin reported on Prairie Power, Inc. and reviewed the Kroll Bond Rating Report.

Manager Frasco discussed revisions to Policy Section VII-Board Policies-Non-Union Employees-Major Medical Insurance for Early Retirement. It was moved and seconded that the Policy, as revised, be adopted. Motion carried.

Manager Frasco also reviewed the Policy Section VII-Board Policies-Non-Union Employees-401K Plan with proposed revisions. It was moved and seconded that the Policy, as revised, be adopted. Motion carried.

Director Brooks discussed plans for the Annual Meeting to be held on June 6, 2015 at PORTA High School, Petersburg, Illinois. He also advised that the Annual Meeting Committee Meeting would be Thursday, June 4, 2015 at 9:00 a.m.

Manager Frasco reviewed the Capital Credit Estate Refunds Report.

President Martin reminded the Board that the next Board Meeting was scheduled for June 23, 2015 at 6:00 p.m.

Under other business, President Martin reminded the Board that the AIEC Annual Meeting was scheduled for July 30-31, 2015 at the Crowne Plaza Hotel in Springfield, Illinois.

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