

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MAY 24, 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, Jerry W. Brooks, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Roy H. Seaney, Jodine Tate and Steven L. Worner. Also present was Manager Eric Hobbie and Attorney Charles K. Smith.

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.

Manager Hobbie presented a proposal from Auditor, Kevin Kelso, for him to continue doing the Cooperative Audit. It was moved and seconded that the proposal presented by Mr. Kelso be approved. Motion carried.

Manager Hobbie discussed possible contribution to the CFC Integrity Fund. He reminded the Board that the Cooperative had contributed \$250.00 the previous year. It was moved and seconded that the Cooperative contribute \$250.00 to the Integrity Fund. Motion carried.

Manager Hobbie discussed the Certification of the AIEC Annual Meeting Delegates. It was moved and seconded that Director Goetsch and Director Worner be the Delegates. Motion carried.

There was then consideration of the Director Per Diem. Manager Hobbie distributed information with regard to per diem amounts within the State of Illinois. After discussion, it was moved and seconded that the Director Per Diem be increased.

Manager Hobbie presented the Manager's Report for April, 2016. He reviewed the Balance Sheet, Budget, as well as the Outage Summary, Safety Report and Operations Report. Manager Hobbie presented the Irrigation Construction Report and presented an irrigation load management update. Manager Hobbie presented a review of AIEC Average Revenue per Kilowatt hours for Illinois Cooperatives. He discussed the Bolivia trip and the Cooperative employee that might participate in the trip. He reviewed the presentation he intended to make at the Annual Meeting with regard to the Resolution to increase the debt limit. 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 April. Year to date margins were \$1,434,711 compared to \$1,224,903 a year earlier. Equity as of the end of April was 38.58% and the number of member accounts served was 10,821 compared to 10,774 a year ago. Net utility plant at the end of April was \$44,199,678 compared to \$43,151,945 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

Director Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. and presented an update on Prairie State.

Director Brooks discussed plans for the Annual Meeting and advised that the Annual Meeting Committee would meet on Wednesday, June 1st at 9:00 a.m. He reminded the Board that the Annual Meeting was scheduled for June 4, 2016 at Porta High School with dinner commencing at 4:30 p.m. and the Business Meeting commencing at 6:30 p.m. The Board discussed and reviewed the plans for the Annual Meeting.

Manager Hobbie presented the Capital Credit Estate Refunds Report.

President Frye reminded the Board that the next regular Board Meeting was June 28, 2016.

Under other business, President Frye advised that the PPI Annual Meeting was scheduled for June 15, 2016 at the Wyndham Springfield Center, Springfield, Illinois, and that the AIEC Annual Meeting was scheduled for June 28-29, 2016 at the Crowne Plaza Hotel, Springfield, Illinois. President Frye recognized Retiring Director Jerry Brooks for his many years of service to the Cooperative and thanked him for his contributions to the Board.

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