

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
NOVEMBER 24, 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 D. Jay Frye, Jerry W. Brooks, Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Roy H. Seaney, and Jodine Tate. Director Steve L. Worner was absent. Also present was Manager of Accounting & Information Systems Chris Hinton, 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 of Accounting & Information Systems, Chris Hinton and Manager Hobbie reviewed the proposed 2016 Financial Budget Summary and discussed various budget options with the Board. They discussed the Prairie Power, Inc. Deferred Revenue Options for 2015 and 2016. After discussion, it was moved and seconded that for 2015, the Cooperative proceed with the Revenue Deferral at the \$1.00 level. Motion carried. Manager Hobbie advised that as to 2016, the Staff would review the matter further and report back to the Board at the next monthly Board Meeting.

Manager Hobbie presented the Manager's Report for October, 2015. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Hobbie reported on the status of various delinquent State of Illinois Accounts and discussed what action, if any, was being taken by other Cooperatives. He advised that State delinquent accounts currently totaled \$87,962.56. He discussed early registration for the NRECA Annual Meeting scheduled for New Orleans on February 14-17, 2016. There was discussion as to who planned to attend the Annual Meeting. It was moved and seconded that the Board go into Executive Session to discuss personnel matters. Motion carried. President Frye reconvened the regular Board Meeting. It was moved and seconded that the Manager's Report be approved. Motion carried.

Hobbie presented the financial report for the month of October. Year to date margins were \$2,228,928 compared to \$2,063,798 a year earlier. Equity as of the end of October was 38.71% and the number of member accounts served was 10,824 compared to 10,766 a year ago.

Net Utility Plant at the end of October was \$43,958,360 compared to \$42,855,308 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

Director Goetsch reported on the AIEC Activities. He reviewed the Executive Summary and discussed AIEC guidelines for State of Illinois delinquent accounts. He also discussed the Bolivia Project Request from AIEC. Director Goetsch advised that this was an International Program sponsored by the State Association. He discussed the merits of the Project and recommended that the Board consider donating \$5,000.00 to the Project. It was moved and seconded that the Board contribute \$5,000.00 to the Bolivia Project. Motion carried.

Director Martin reported on Prairie Power, Inc. He reviewed the October Energy Charge. He discussed the PPI Solar Energy Options.

Manager Hobbie presented the Capital Credit Estates Refunds Report.

President Frye reminded the Board the next regular Meeting was December 22, 2015, at 6:00 p.m.

Under other business, President Frye reminded the Board that the Menard Electric Christmas Party was scheduled for December 4, 2015 at Hill Prairie Winery. He advised that the RSI/CWCG Meeting was scheduled for December 9, 2015 at AIEC. He also advised that the Co-Bank Central Customer Meeting was scheduled for March 10-11, 2016 at Bloomington-Normal, Illinois.

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