

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
NOVEMBER 29, 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, Donald E. McMillan, Michael E. Patrick, Roy H. Seaney and Steven L. Worner. Director Jodine Tate was absent. Also present was Manager Eric Hobbie, Lynn Frasco 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).

There was one change to the October 27, 2016 Board Meeting minutes, that being on Page 2, the reference to President Brooks in Paragraph 4 was changed to President Frye. President Frye reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved with the change to the October 27, 2016 Board Meeting minutes. Motion carried.

Manager Hobbie presented a Summary of the 2017 Financial Budget. He discussed various options for revenue producing purposes. He also discussed the PPI Deferred Revenue for 2015, 2016 and 2017.

Manager Hobbie reported on the Meeting of the Finance Committee. It was moved and seconded that the Board authorize an increase in the Facility Charge with an average increase of 7.5%. There was then an amendment to that motion with regard to the Security Light Charge to include that there would be a \$1.00 facilities charge increase for 2017 and a .50 cent increase for 2018. It was moved and seconded that the amendment be approved. Motion carried. The motion, as amended, was approved.

It was moved and seconded that Director Martin be the NRECA Voting Delegate with Director Goetsch as the Alternate for the Regional NRECA Meeting. Motion carried.

Manager Hobbie presented the Manager's Report for October, 2016. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Hobbie reported on the work done by the Cooperative crews for the month. He distributed materials with regard to early registration for the NRECA Annual Meeting. He presented an update as to the State Energy Bill that was before the Legislature and discussed the terms of the potential financial Power Plant Bailout. He also discussed the death of Doris Bell. It was moved and seconded that the Cooperative contribute \$100.00 to the AIEC Scholarship Fund

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

Manager Hobbie presented the financial report for the month of October. Year to date margins were \$3,033,523 compared to \$2,228,928 last year. Equity at the end of October was 40.06%. Member accounts served was 10,873. Net utility plant was \$45,755,241 compared to \$43,958,360 last year. Co-op meets requirements of RUS, FFB, and NRUCFC.

Director Goetsch reported on AIEC Activities and reviewed the Executive Summary.

Director Martin reported on Prairie Power, Inc. He gave an update on Prairie State and Aalsey 6.

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. It was moved and seconded that the actions of the Board taken in Executive Session be approved. Motion carried.

Manager Hobbie reviewed the Capital Credit Estate Refunds Report. He advised that the Finance Committee had also discussed a proposal whereby Capital Credits from Prairie Power be assigned to Cooperative Members based on their kilowatt hour usage. He discussed the reasons for that possible change and assignment of capital credits to Cooperative Members. He advised that he and Mr. Hinton would present further information to the Board for the consideration at next Month's Meeting.

President Frye advised that the next Board Meeting was scheduled for Tuesday, December 27, 2016 at 6:00 p.m.

Under other business, President Frye reminded the Board of the Menard Electric Christmas Party on December 22, 2016, 11:00 a.m. at Cooperative Headquarters. President Frye reviewed the schedule for upcoming meetings for the Manager search.

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