

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 27, 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, Jodine Tate, and Steve 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 advised the Board that the Staff would present their 2016 proposed Budgets. He introduced Bart Bailey, Office Manager, who presented the proposed General Office Department Budget. Trish Michels, Director of Member Services, presented her proposed Member Services Budget and proposed Insurance Budget. Brady Smith, System Engineer, presented the proposed Engineering Department Budget and Operations Department Budget, along with Brandon Blair. Chris Hinton, Manager of Accounting & Information Systems, presented the proposed Accounting Department Budget. Manager Hobbie presented the proposed Directors' Budget and the proposed Manager's Budget. Staff Members answered questions from the Board with regard to their respective Budgets.

Manager Hobbie presented the Manager's Report for September, 2015. He reviewed the Balance Sheet, Budget, as well as the Outage Summary and Safety Report. Under the Operations Report, Manager Hobbie reported on work done by the Cooperative Crews for the month. He discussed the status of various State of Illinois delinquent accounts and what actions any other Cooperatives were taking in that regard. He presented a Technology/Cyber Security Update. President Frye advised that the Board needed to go into Executive Session to discuss personnel issues. It was moved and seconded that the Board go into Executive Session. 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 September. Year to date margins were \$1,912,791 compared to \$1,589,431 a year earlier. Equity as of the end of September was 38.09% and the number of member accounts served was 10,827 compared to 10,766 a year ago.

Net Utility Plant at the end of September was \$43,824,322 compared to \$42,877,901 last year. The cooperative continues to meet the requirements of the RUS, FFB and NRUCFC.

Director Goetsch reported on the AIEC Activities and reviewed the Executive Summary. He also discussed the Engineering and IT Conference.

Director Martin and Manager Hobbie reported on the status of matters with regard to Prairie Power, Inc. They discussed the Technology Committee Update.

Manager Hobbie presented the Capital Credit Estates Refunds Report.

President Frye reminded the Board the next regular Meeting was November 24, 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 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.