

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
OCTOBER 27, 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, 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 advised that the various members of the staff would present their proposed 2017 budgets. He introduced Office Manager Bart Bailey who presented the General Office budget. Director of Member Services Trish Michels presented the Member Services and Insurance budget. Engineering Manager Brady Smith presented the Engineering Department budget and reviewed the work plan projects for 2017. Operations Manager Dalton Whitley presented the Operations Department budget. Manager of Accounting and Information Systems Chris Hinton presented the Accounting Department Budget. Manager Hobbie presented the Manager budget and Board budget.

Manager Hobbie presented the Manager's Report for September 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 and advised that 42,500 feet of underground had been installed during the month. He discussed the scoreboard advertisement for PORTA High school. He reported on the finalization of the Arch Coal Bankruptcy and advised that the Cooperative had been made whole through the process. He also reported on the plans for the 2016 Christmas Party. It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Manager Hobbie gave the financial report for month of September. Year to date margins were \$2,508,251 compared to \$1,912,791 last year. Equity at the end of September was 39.33%.

Member accounts served was 10,866. Net utility plant was \$45,535,502 compared to \$43,824,322 last year. Co-op meets requirements of RUS, FFB, & NRUCFC.

Director Goetsch reported on the AIEC activities and reviewed the Executive Summary. It was moved and seconded that President Frye and Manager Hobbie be the Delegate and Alternate Delegate for the ICWCG/RSI Annual Meeting on December 8, 2016. Motion carried.

Director Martin reported on Prairie Power, Inc. and gave an update on Prairie State. He advised that Manager Hobbie had been selected to be the new General Manager for Prairie Power, Inc.

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.

Manager Hobbie presented the Capital Credit Estate Refunds Report.

President Brooks reminded the Board that the next monthly Board Meeting was November 29, 2016 at 6:00 p.m.

Under other business, President Frye advised that there would be an NRECA Course 943.1 Effective Communications In Your Community, which is scheduled for November 2, 2016.

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