

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JANUARY 25, 2022

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, Directors Warren D. Goetsch, Gary Holloway, Gary L. Martin, Michael E. Patrick, Dennis Ryan, Jodine Tate, and Steven L. Worner. Director Donald E. McMillan was absent. Also present were General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were no changes 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. Motion carried.

General Manager Anker discussed the IEMA Public Assistance Program Application documents for FEMA-3577-EM-IL, as well as the Grant Agreement, the Risk Assessment, and the Federal Funding Accountability and Transparency Act Certification. She advised that the Grant Agreement was to provide the Cooperative with reimbursement of approximately 75% of its total cost, that being estimated at \$75,000.00, related to eligible costs for restoration following recent storm damage for the Cooperative. It was moved and seconded that the Grant Agreement, Risk Assessment, and Transparency Act Certificate be approved. Motion carried.

General Manager Anker discussed the desire to amend the recently re-adopted 125 Plan. She explained that the Staff had recently met with Representatives from the Homestead Funds. There was discussion about the ability for the existing 125 Plan to have a Limited-Use FSA benefit. After discussion by the Board, it was moved and seconded the following Resolution be adopted to add the Limited-Use FSA benefit to the 125 Plan:

(See Resolution marked Exhibit A, attached hereto and incorporated herein by reference.)

Motion carried.

General Manager Anker presented the Manager's Report for December, 2021. She discussed the accomplishments that had been achieved for 2021. She advised that among those accomplishments were Plant Reliability Improvements, Work Plan and Line Construction Projects, Vegetation Management Projects, Technology-Related Improvements, Business-Practice Improvements, Financial Security Enhancements, and Heightened Member Relations.

She reviewed the Operating Statement, Balance Sheet and Budget. General Manager Anker discussed a Schedule she had prepared with regard to Long Term Debt Maturity. General Manager Anker presented the Member Services Report, past due notices, generated cut-off tickets and write-offs for the Month. She reviewed the Operations Report and Reliability Report and reported that for the month, there were 119 incidents, the longest duration of an outage was 2,627 minutes, total member outage minutes were 3,046,033.08 and the largest number of Members affected by one outage was 1,143. General Manager Anker presented Net Metered Kilowatt Hour Banks schedule for 2021. She discussed the Sugar Creek Wind Farm development and margins from its first full year of Station Power Service. General Manager Anker reviewed the Irrigation Report. She discussed the IT Security Report which set forth an internal critical vulnerability breakdown, as well as an internal high vulnerability breakdown analysis. Under the Safety Report, General Manager Anker reported on the Safety Meeting and advised that Director McMillan was the Guest Director. She reported that there were no injuries or illnesses to report. General Manager Anker reviewed the event attendance schedule for Cooperative employees and Staff. She discussed the content of the Connect Newsletter, as well as the Continuing Education Report for Directors. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Tate discussed the Manager Compensation ad hoc Committee Report. It was moved and seconded the Board accept the recommendations of the Committee and discuss the topic further in Executive Session. Motion carried.

Director Martin presented the Finance Committee Report. He reviewed a history of the Capital Credit allocations. After discussion by the Committee, it was the Committee's recommendation that the Cooperative retire \$250,000.00 in Estates and \$1,000,000.00 in General Retirements. It was moved and seconded the following Resolution be adopted:

(See Resolution marked Exhibit B, attached hereto and incorporated herein by reference.)

Motion carried.

Director Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc.

General Manager Anker presented the Capital Credit Estates Refund Report.

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 and that the actions taken in Executive Session be approved and adopted by the Board. Motion carried.

President Frye advised the next regular Board Meeting was scheduled for Tuesday, February 22, 2022.

Under other business, President Frye advised that the NRECA Annual Meeting was scheduled for March 6-9, 2022, the CoBank Central Regional Customer Meeting was March 10-11, 2022, and that a Strategic Planning Session was scheduled for March 31, 2022.

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

MENARD ELECTRIC COOPERATIVE
MONTHLY OPERATING REPORT

	Year to Date			December 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	28,744,229	29,246,621	29,321,032	(74,411)	2,112,935	2,091,975	2,212,658	(120,683)
kWhr Sold	199,542,166	192,971,852	200,021,906	(7,050,054)	15,101,802	14,174,449	15,714,812	(1,540,363)
2. Cost of Power	18,060,406	17,709,250	17,792,303	83,053	2,472,134	2,596,741	1,436,073	(1,160,668)
kWhr Purchased	216,098,654	208,901,266	216,726,000	7,824,734	17,087,063	15,406,005	17,027,500	1,621,495
3. Operation Expense	1,643,729	1,733,724	1,607,024	(126,700)	219,179	159,957	143,596	(16,361)
4. Maintenance Expense	2,992,062	3,187,827	3,363,291	175,464	498,701	232,815	252,452	19,637
5. Consumer Accounts & Coll. Exp.	420,411	409,289	654,544	245,255	38,545	12,687	45,081	32,394
6. Member Service Expense	221,596	212,184	309,890	97,706	19,472	19,744	26,465	6,721
7. General Office Expense	746,745	809,206	684,049	(125,157)	131,301	65,635	58,361	(7,274)
8. Outside Professional Services	78,701	51,157	54,796	3,640	2,610	5,948	7,333	1,386
9. Insurance, Employee & Welfare	54,163	(11,709)	4,800	16,509	37,987	4,518	400	(4,118)
10. Director's Fee & Mileage	87,309	80,620	65,376	(15,244)	4,320	6,587	4,248	(2,339)
11. Dues - Assoc. Organizations	139,788	141,360	147,230	5,870	11,772	11,788	12,425	637
12. Other Misc. General Expense	341,532	358,172	367,486	9,314	75,005	(474)	31,854	32,328
13. Depreciation Expense	2,330,184	2,382,932	2,461,249	78,317	198,325	200,739	211,786	11,047
14. Tax Expense - Property	0	291,555	299,100	7,545	(261,568)	22,410	24,925	2,515
15. Tax Expense - Other	27,588	24,053	25,738	1,685	3,705	1,695	1,960	265
16. Interest Expense on L-T Debt	1,260,768	1,187,399	1,244,549	57,150	104,421	106,222	105,369	(853)
17. Total Expense less Power	10,344,576	10,857,768	11,289,122	431,354	1,083,775	850,269	926,255	75,986
17a. Total Operating Cost	28,404,982	28,567,018	29,081,425	514,407	3,555,909	3,447,010	2,362,328	(1,084,682)
18. Operating Margins	339,247	679,603	239,607	439,996	(1,442,974)	(1,355,036)	(149,670)	(1,205,366)
19. Non-Operating Margins	143,905	869,281	58,300	810,981	80,141	4,197	4,100	97
20. G & T Capital Credits	1,116,929	1,092,798	1,000,000	92,798	0	0	0	0
21. Other Capital Credits	144,350	161,532	60,000	101,532	0	0	0	0
22. Total Margins	1,744,431	2,803,214	1,357,907	1,445,307	(1,362,833)	(1,350,839)	(145,570)	(1,205,269)

Balance Sheet Analysis

Menard Electric Coop

12/31/2020 - 12/31/2021

21-Jan-22

	Prior Yr Balance 12/31/2020	Current Yr Balance 12/31/2021	End of Yr Balance 12/31/20	Change YTD
ASSETS:				
Utility Plant in Service	76,456,443	79,123,303	76,456,443	2,666,860
Construction Work in Process	1,335,167	1,291,261	1,335,167	(43,906)
Total Utility Plant in Service	77,791,610	80,414,564	77,791,610	2,622,954
Accumulated Depreciation	(23,732,676)	(24,277,381)	(23,732,676)	(544,705)
Net Utility Plant	54,058,934	56,137,183	54,058,934	2,078,249
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	12,112,828	13,266,945	12,112,828	1,154,117
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	681,132	681,132	681,132	0
Investments in Economic Dev. Projects				0
Other Investments	2,112,905	1,408,605	2,112,905	(704,300)
Special Funds	303,252	263,143	303,252	(40,109)
Total Other Prop. & Investments	15,210,117	15,619,825	15,210,117	409,708
Cash-General Funds	600,926	711,595	600,926	110,669
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	2,891	2,891	2,891	0
Temporary Investments	1,296,801	0	1,296,801	(1,296,801)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,507,929	1,836,733	2,507,929	(671,196)
Accounts Receivable-Net-Other	23,025	23,427	23,025	402
Materials & Supplies	506,818	747,887	506,818	241,069
Prepayments	75,885	192,782	75,885	116,897
Other Current & Accrued Assets	8,651	7,985	8,651	(666)
Total Current & Accrued Assets	5,023,380	3,523,754	5,023,380	(1,499,626)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	74,292,431	75,280,762	74,292,431	988,331
OWNER'S EQUITY:				
Memberships	312,520	321,540	312,520	9,020
Patronage Capital	25,564,451	26,361,694	25,564,451	797,243
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	1,744,439	2,803,217	1,744,439	1,058,778
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,789,759	2,980,966	2,789,759	191,207
Total Margins & Equities	30,411,169	32,467,417	30,411,169	2,056,248
LIABILITIES:				
Long Term Debt-RUS	860,516	794,265	860,516	(66,251)
Long Term Debt Other - RUS Guar.	24,826,749	25,866,804	24,826,749	1,040,055
Long Term Debt - Other	12,810,678	10,627,351	12,810,678	(2,183,327)
Long Term Debt Other - Adv Payments	(260,699)	0	(260,699)	260,699
Total Long Term Debt	38,237,244	37,288,420	38,237,244	(948,824)
Accumulated Operating Provisions	1,050,650	1,063,401	1,050,650	12,751
Total Other Noncurrent Liabilities	1,050,650	1,063,401	1,050,650	12,751
Notes Payable	0	325,000	0	325,000
Accounts Payable	3,115,942	3,299,660	3,115,942	183,718
Deposits	161,330	188,770	161,330	27,440
Other Current & Accrued Liabilities	465,279	481,917	465,279	16,638
Total Current & Accrued Liabilities	3,742,551	4,295,347	3,742,551	552,796
Deferred Credits	850,817	166,177	850,817	(684,640)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	74,292,431	75,280,762	74,292,431	988,331

MENARD ELECTRIC COOPERATIVE

	This Month				
	December17	December18	December19	December20	December21
1. Operating Revenue	2,231,035	2,171,232	2,208,468	2,112,935	2,091,975
kWhr Sold	16,742,533	16,013,754	15,707,879	15,101,802	14,174,449
2. Cost of Power	2,009,618	1,741,737	2,216,480	2,472,134	2,596,741
kWhr Purchased	18,131,444	17,316,045	17,164,812	17,087,063	15,406,005
3. Operation Expense	194,107	63,505	84,121	219,179	159,957
4. Maintenance Expense	489,280	484,154	514,048	498,701	232,815
5. Consumer Accounts & Coll. Exp.	38,563	35,542	26,781	38,545	12,687
6. Member Service Expense	7,601	10,712	15,581	19,472	19,744
7. General Office Expense	68,094	34,466	93,824	131,301	65,635
8. Outside Professional Services	3,253	8,095	4,515	2,610	5,948
9. Insurance, Employee & Welfare	20,651	21,562	15,608	37,987	4,518
10. Director's Fee & Mileage	12,291	12,801	3,948	4,320	6,587
11. Dues - Assoc. Organizations	11,391	11,516	11,526	11,772	11,788
12. Other Misc. General Expense	59,932	74,199	49,844	75,005	(474)
13. Depreciation Expense	168,758	182,985	189,580	198,325	200,739
14. Tax Expense - Property	(229,900)	(244,130)	(257,400)	(261,568)	22,410
15. Tax Expense - Other	2,618	1,756	1,855	3,705	1,695
16. Interest Expense	104,733	106,626	107,852	104,421	106,222
17. Total Expense less Power	951,372	803,789	861,683	1,083,775	850,271
17a. Total Operating Cost	2,960,990	2,545,526	3,078,163	3,555,909	3,447,012
18. Operating Margins	(729,955)	(374,294)	(869,695)	(1,442,974)	(1,355,037)
19. Non-Operating Margins	21,891	19,466	57,554	80,141	4,197
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	744	10	0	
22. Total Margins	(708,064)	(354,084)	(812,131)	(1,362,833)	(1,350,840)