

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
FEBRUARY 22, 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, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, and Jodine Tate. Director Steven L. Worner 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 reviewed the 2022 Electric System Construction Summary, as well as the Contract. It was moved and seconded that the Contract be approved. Motion carried. She also reviewed the Power Line Right of Way Clearance and Vegetation Management Summary and Contract. It was moved and seconded that the Contract be approved. Motion carried.

General Manager Anker reviewed and presented an update to Schedule F of the Wire Transfer Agreement with Alliance Community Bank to accommodate new personnel. It was moved and seconded that the revision be approved. Motion carried. She then reviewed and presented a revised Corporate Authorization Resolution for the account held at Petefish, Skiles & Co. bank to accommodate new personnel. It was moved and seconded that the Corporate Authorization Resolution be approved. Motion carried.

General Manager Anker discussed Rural Development Utility Program (RDUP) Form 674 and the need to revise to accommodate new personnel. It was moved and seconded Form 674 and its associated Resolution be approved. Motion carried. She discussed RUS Form 675 and the need to revise to accommodate new personnel. It was moved and seconded Form 675 and its associated Resolution be approved. Motion carried.

(See Exhibits A and B, attached hereto and incorporated herein by reference.)

General Manager Anker presented the Manager's Report for January 2022. She reviewed the Operating Statement, Balance Sheet and Budget. 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 for the Month and advised there were 21 incidents, the longest duration of an outage was 167 minutes, total member minutes were 29,211 and largest number of Members affected by a single outage was 92. General Manager Anker presented the Irrigation Report. She reported that there was one system currently under construction. She discussed the contents of the Connect Newsletter. No changes were made for the 2022 Voting Delegate for CRC Annual Meeting. She reviewed recent solar industry discussions. General Manager Anker reviewed the NRECA Annual Meeting PowerXchange schedule. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Tate presented a Report of the Annual Meeting Committee and advised that the Cooperative Annual Meeting was scheduled for August 4, 2022. She discussed other plans for the Annual Meeting.

Director Goetsch presented the Bylaw/Policy Committee report. He proposed a motion to table the Net Metering Policy, Net Billing Policy and Interconnection of and Service to Qualifying Facilities Under PURPA Policy until action is taken by PPI, if any, on provisions in their policies. Motion moved and seconded. Motion carried. Goetsch then reviewed changes recommended by the Committee to the Agreement for Interconnection and Parallel Operation of Distributed Generation related to member insurance coverage. It was moved and seconded the revised Agreement be approved. Motion carried. Manager Anker reviewed changes to the Resale of Service, Paid Time Off, and Health Savings Account Policies and the addition of an Employee Resignation and a Member Identity Protection policy recommended by the Committee. Goetsch presented motion to approve all changes and additions. Motion moved and seconded. Motion carried.

Director Frye discussed the Irrigation Committee Report. He discussed the Committee's recommendations regarding the load control program to increase the pivot rebate from \$600 to \$675 for Rate 51 and to continue installing DRU equipment in the manner described. After discussion, it was moved and seconded that the recommendations be approved. 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, March 22, 2022.

Under Other Business, President Frye advised that the NRECA Annual Meeting was scheduled for March 6-9, 2022 and CoBank Central Regional Customer Meeting was March 10-11, 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			January 2022		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	2,169,400	2,294,364	2,202,301	92,063	2,169,400	2,294,364	2,202,301	92,063
kWhr Sold	15,996,173	17,119,988	15,786,333	1,333,655	15,996,173	17,119,988	15,786,333	1,333,655
2. Cost of Power	1,418,588	1,235	191,940	190,705	1,418,588	1,235	191,940	190,705
kWhr Purchased	17,211,161	18,509,629	16,859,630	(1,649,999)	17,211,161	18,509,629	16,859,630	(1,649,999)
3. Operation Expense	120,112	215,772	153,803	(61,969)	120,112	215,772	153,803	(61,969)
4. Maintenance Expense	168,016	224,957	264,815	39,858	168,016	224,957	264,815	39,858
5. Consumer Accounts & Coll. Exp.	32,700	29,260	39,977	10,717	32,700	29,260	39,977	10,717
6. Member Service Expense	12,692	21,182	22,011	829	12,692	21,182	22,011	829
7. General Office Expense	57,620	108,885	49,459	(59,426)	57,620	108,885	49,459	(59,426)
8. Outside Professional Services	2,313	800	5,583	4,783	2,313	800	5,583	4,783
9. Insurance, Employee & Welfare	2,750	(3,225)	400	3,625	2,750	(3,225)	400	3,625
10. Director's Fee & Mileage	4,577	10,829	6,377	(4,452)	4,577	10,829	6,377	(4,452)
11. Dues - Assoc. Organizations	11,772	11,788	12,100	312	11,772	11,788	12,100	312
12. Other Misc. General Expense	26,492	46,103	44,021	(2,082)	26,492	46,103	44,021	(2,082)
13. Depreciation Expense	199,144	201,156	200,582	(574)	199,144	201,156	200,582	(574)
14. Tax Expense - Property	24,925	26,025	26,025	0	24,925	26,025	26,025	0
15. Tax Expense - Other	1,875	1,890	1,944	54	1,875	1,890	1,944	54
16. Interest Expense on L-T Debt	94,006	94,383	100,098	5,715	94,006	94,383	100,098	5,715
17. Total Expense less Power	758,994	989,806	927,195	(62,611)	758,994	989,806	927,195	(62,611)
17a. Total Operating Cost	2,177,582	991,040	1,119,135	128,095	2,177,582	991,040	1,119,135	128,095
18. Operating Margins	(8,182)	1,303,324	1,083,166	220,158	(8,182)	1,303,324	1,083,166	220,158
19. Non-Operating Margins	2,571	3,855	3,600	255	2,571	3,855	3,600	255
20. G & T Capital Credits	0	0	0	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0	0	0	0
22. Total Margins	(5,611)	1,307,179	1,086,766	220,413	(5,611)	1,307,179	1,086,766	220,413

Balance Sheet Analysis

Menard Electric Coop

01/31/2021 - 01/31/2022

22-Feb-22

	Prior Yr Balance 01/31/2021	Current Yr Balance 01/31/2022	End of Yr Balance 12/31/21	Change YTD
ASSETS:				
Utility Plant in Service	76,365,666	79,475,303	79,123,303	352,000
Construction Work in Process	1,538,525	1,141,608	1,291,261	(149,653)
Total Utility Plant in Service	77,904,191	80,616,911	80,414,564	202,347
Accumulated Depreciation	(23,792,685)	(24,381,685)	(24,277,381)	(104,304)
Net Utility Plant	54,111,506	56,235,226	56,137,183	98,043
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	12,112,828	13,266,945	13,266,945	0
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	1,408,605	0
Special Funds	245,143	227,883	284,884	(57,001)
Total Other Prop. & Investments	15,152,008	15,584,565	15,641,566	(57,001)
Cash-General Funds	426,486	962,883	711,595	251,288
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	2,968	14,968	2,891	12,077
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,989,438	2,032,415	2,451,975	(419,560)
Accounts Receivable-Net-Other	142,050	1,497	23,565	(22,068)
Materials & Supplies	610,961	808,899	747,887	61,012
Prepayments	161,767	180,908	192,782	(11,874)
Other Current & Accrued Assets	10,676	10,676	7,985	2,691
Total Current & Accrued Assets	3,344,800	4,012,700	4,139,134	(126,434)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	72,608,314	75,832,491	75,917,883	(85,392)
OWNER'S EQUITY:				
Memberships	313,020	322,245	321,540	705
Patronage Capital	24,739,686	26,361,694	26,361,694	0
Operating Margins-Prior Years	795,133	1,307,179	0	1,307,179
Operating Margins-Current Year	1,744,439	2,782,380	2,782,379	1
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,796,618	2,979,008	2,980,966	(1,958)
Total Margins & Equities	30,388,896	33,752,506	32,446,579	1,305,927
LIABILITIES:				
Long Term Debt-RUS	855,107	788,572	794,120	(5,548)
Long Term Debt Other - RUS Guar.	24,826,749	25,866,804	25,866,804	0
Long Term Debt - Other	12,754,193	10,575,721	10,627,351	(51,630)
Long Term Debt Other - Adv Payments	(260,699)	0	0	0
Total Long Term Debt	38,175,350	37,231,097	37,288,275	(57,178)
Accumulated Operating Provisions	1,015,424	1,049,202	1,114,466	(65,264)
Total Other Noncurrent Liabilities	1,015,424	1,049,202	1,114,466	(65,264)
Notes Payable	300,000	2,325,000	325,000	2,000,000
Accounts Payable	990,798	565,759	3,299,660	(2,733,901)
Deposits	161,365	186,230	188,770	(2,540)
Other Current & Accrued Liabilities	1,382,245	557,896	473,712	84,184
Total Current & Accrued Liabilities	2,834,408	3,634,885	4,287,142	(652,257)
Deferred Credits	194,235	164,799	781,420	(616,621)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	72,608,313	75,832,489	75,917,882	(85,393)