

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JUNE 28, 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 either in person or by Zoom: President D. Jay Frye, Directors Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate, and Steven L. Worner. Director Warren D. Goetsch was absent. Also present were General Manager Alisha Anker, Director of Finance & Accounting Julie Atwater, Auditor Kevin Kelso, 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. Motion carried.

General Manager Anker introduced Cooperative Auditor, Kevin Kelso, who presented his report to the Cooperative Board and a Review of the 2021 Financial Audit. It was moved and seconded that the Financial Audit for 2021 be approved. Motion carried. Following the motion, Mr. Kelso departed.

President Frye advised that he had received a proposed engagement letter from Auditor Kelso to perform audit and Form 990 tax filing services for the Cooperative for years ending 2022 and 2023. It was moved and seconded that the Auditor Engagement Letter be approved. Motion carried. Following the motion, Ms. Atwater departed.

Attorney Smith reviewed with the Board the terms and provisions of the Conflict of Interest Policy annual review. Attorney Smith discussed the definitions employed in the Policy overview and discussed the eight "commandments." He advised that the purpose of the Policy was to protect Menard's interest when Menard is contemplating entering into a transactional arrangement that might benefit the private interest of the Director or the Manager. Each Director submitted to Attorney Smith their Disclosure form.

General Manager Anker reviewed the regular Meeting dates for July, 2022 through June, 2023 on the fourth Tuesday each month. It was recommended by General Manager Anker that the Meeting date for the November Board Meeting be changed from November 22, 2022 to

November 29, 2022. It was recommended to change the Meeting date for December from December 27, 2022 to December 22, 2022. It was moved and seconded that the dates as proposed and alternates as recommended be approved. Motion carried.

General Manager Anker presented the Manager's Report for May, 2022. She advised that she believed it was necessary to schedule a Meeting of the Finance Committee and ByLaw Committee. The Board discussed possible dates. General Manager Anker reviewed the Operating Statement, Balance Sheet and Budget. She advised that the Interest Rate Notice had been received for the Draw advanced from RUS funds by the Federal Financing Bank. 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 62 incidents, the longest duration of an outage was 343 minutes, total member hours were 1,261.81 and largest number of Members affected was 301. General Manager Anker presented the Safety Report. She advised that Director Martin was the Guest Director for the Safety Meeting. He reviewed matters discussed at the Meeting. General Manager Anker discussed the Irrigation and Load Control Report. General Manager Anker reviewed the contents of the Connect Newsletter. She reviewed the status of the Sharing Success Grant Program Applications and advised that there were seven (7) applications. After discussion it was moved and seconded to submit to CoBank an application for matching donations in the amount of: \$1,750.00 to Athens Area Food Pantry, \$3,000.00 to Niantic Christian Church, \$3,750.00 to Petersburg Town & Country Women's Club and \$1,500.00 to Virginia Christian Women's Fellowship. Motion carried. General Manager Anker reviewed the Rate Comparison Report prepared by AIEC. She discussed a proposed amendment to the NRECA Resolution in support of Diversity, Equity and Inclusion. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

In the absence of Director Goetsch, General Manager Anker reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. He reported on the Annual Meeting.

General Manager Anker presented the Capital Credit Estates Refund Report and General Retirement Summary.

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.

President Frye advised the next regular Board Meeting was scheduled for Tuesday, July 26, 2022, at 6:00 p.m.

Under Other Business, President Frye advised that the Co-Bank Directors Conference was July 13-14, 2022 at Chicago Marriott Marquis and that the AIEC Annual Meeting and Continuing Education Course was scheduled for July 27-29, 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			May 2022		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	10,134,641	10,336,090	10,174,555	161,535	2,145,112	2,325,888	2,334,957	(9,069)
kWhr Sold	67,074,238	69,533,700	67,561,246	1,972,454	11,835,318	13,025,937	13,321,394	(295,457)
2. Cost of Power	5,081,717	4,475,569	5,023,442	547,873	1,113,919	1,254,500	1,397,246	142,746
kWhr Purchased	72,673,042	75,379,452	72,624,278	(2,755,174)	12,815,216	14,275,931	13,105,475	(1,170,456)
3. Operation Expense	723,041	917,321	749,659	(167,662)	151,498	197,469	148,729	(48,740)
4. Maintenance Expense	1,244,890	1,220,995	1,321,607	100,612	337,273	273,035	316,967	43,932
5. Consumer Accounts & Coll. Exp.	171,388	184,290	216,459	32,169	35,754	43,830	39,309	(4,521)
6. Member Service Expense	85,746	113,022	109,272	(3,750)	12,368	24,590	21,944	(2,646)
7. General Office Expense	292,806	296,385	237,317	(59,068)	47,113	39,921	48,617	8,696
8. Outside Professional Services	19,536	15,086	32,715	17,630	4,470	2,173	4,083	1,911
9. Insurance, Employee & Welfare	11,334	(317)	2,000	2,317	2,431	750	400	(350)
10. Director's Fee & Mileage	24,565	63,480	38,386	(25,094)	3,513	9,681	5,127	(4,554)
11. Dues - Assoc. Organizations	58,860	58,940	60,500	1,560	11,772	11,788	12,100	312
12. Other Misc. General Expense	162,293	146,164	181,454	35,290	17,649	18,345	35,857	17,512
13. Depreciation Expense	988,671	1,011,872	1,014,008	2,136	197,109	204,306	205,778	1,472
14. Tax Expense - Property	124,625	133,156	130,125	(3,031)	24,925	26,025	26,025	0
15. Tax Expense - Other	8,615	16,950	9,049	(7,901)	1,845	1,948	2,050	102
16. Interest Expense on L-T Debt	502,248	476,107	483,334	7,227	102,018	97,696	98,387	691
17. Total Expense less Power	4,418,618	4,653,448	4,585,885	(67,563)	949,738	951,556	965,373	13,817
17a. Total Operating Cost	9,500,335	9,129,017	9,609,327	480,310	2,063,657	2,206,056	2,362,619	156,563
18. Operating Margins	634,306	1,207,073	565,228	641,845	81,455	119,832	(27,662)	147,494
19. Non-Operating Margins	18,899	29,345	18,000	11,345	2,842	3,079	3,600	(521)
20. G & T Capital Credits	1,092,798	1,062,294	1,000,000	62,294	0	0	0	0
21. Other Capital Credits	140,588	137,044	90,000	47,044	0	0	0	0
22. Total Margins	1,886,591	2,435,755	1,673,228	762,527	84,297	122,910	(24,062)	146,972

Balance Sheet Analysis

05/31/2021 - 5/31/2022

22-Jun-22

	Prior Yr Balance 05/31/2021	Current Yr Balance 5/31/2022	End of Yr Balance 12/31/2021	Change YTD
ASSETS:				
Utility Plant in Service	77,247,296	80,856,482	79,123,303	1,733,179
Construction Work in Process	1,571,078	893,627	1,291,261	(397,634)
Total Utility Plant in Service	78,818,374	81,750,109	80,414,564	1,335,545
Accumulated Depreciation	(24,399,479)	(24,939,417)	(24,277,381)	(662,036)
Net Utility Plant	54,418,895	56,810,692	56,137,183	673,509
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	13,260,420	14,386,306	13,266,945	1,119,361
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	251,893	234,187	284,884	(50,697)
Total Other Prop. & Investments	16,306,350	16,710,230	15,641,566	1,068,664
Cash-General Funds	455,441	777,791	711,595	66,196
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,314	11,991	2,891	9,100
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,934,044	2,182,740	2,451,975	(269,235)
Accounts Receivable-Net-Other	84,410	1,102	23,565	(22,463)
Materials & Supplies	775,966	1,006,444	747,887	258,557
Prepayments	105,260	109,995	192,782	(82,787)
Other Current & Accrued Assets	5,294	5,294	7,985	(2,691)
Total Current & Accrued Assets	3,364,183	4,095,811	4,139,134	(43,323)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	74,089,428	77,616,733	75,917,883	1,698,850
OWNER'S EQUITY:				
Memberships	316,020	324,970	321,540	3,430
Patronage Capital	24,674,625	26,192,022	26,361,694	(169,672)
Operating Margins-Prior Years	1,744,439	2,782,379	0	2,782,379
Operating Margins-Current Year	1,886,594	2,435,756	2,782,379	(346,623)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,918,195	3,028,635	2,980,966	47,669
Total Margins & Equities	31,539,873	34,763,762	32,446,579	2,317,183
LIABILITIES:				
Long Term Debt-RUS	833,365	765,481	794,120	(28,639)
Long Term Debt Other - RUS Guar.	24,647,505	25,677,937	25,866,804	(188,867)
Long Term Debt - Other	12,166,679	10,014,266	10,627,351	(613,085)
Long Term Debt Other - Adv Payments	(263,270)	0	0	0
Total Long Term Debt	37,384,279	36,457,684	37,288,275	(830,591)
Accumulated Operating Provisions	1,021,695	1,069,431	1,114,466	(45,035)
Total Other Noncurrent Liabilities	1,021,695	1,069,431	1,114,466	(45,035)
Notes Payable	500,000	2,300,000	325,000	1,975,000
Accounts Payable	1,904,761	1,976,932	3,299,660	(1,322,728)
Deposits	160,056	204,860	188,770	16,090
Other Current & Accrued Liabilities	1,448,800	617,485	473,712	143,773
Total Current & Accrued Liabilities	4,013,617	5,099,277	4,287,142	812,135
Deferred Credits	129,964	226,579	781,420	(554,841)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	74,089,428	77,616,733	75,917,882	1,698,851

MENARD ELECTRIC COOPERATIVE

	This Month				
	May18	May19	May20	May21	May22
1. Operating Revenue	2,533,142	2,273,414	2,155,030	2,145,112	2,325,888
kWhr Sold	17,425,112	13,957,380	12,266,727	11,835,318	13,025,937
2. Cost of Power	1,542,253	1,171,893	1,156,093	1,113,919	1,254,500
kWhr Purchased	18,757,394	14,485,210	13,352,179	12,815,216	14,275,931
3. Operation Expense	69,373	137,568	64,954	151,498	197,469
4. Maintenance Expense	184,250	294,460	141,014	337,273	273,035
5. Consumer Accounts & Coll. Exp.	38,238	30,181	27,594	35,754	43,830
6. Member Service Expense	11,111	17,852	20,454	12,368	24,590
7. General Office Expense	82,598	43,518	54,976	47,113	39,921
8. Outside Professional Services	3,818	0	21,601	4,470	2,173
9. Insurance, Employee & Welfare	607	0	3,303	2,431	750
10. Director's Fee & Mileage	5,780	7,894	8,212	3,513	9,681
11. Dues - Assoc. Organizations	11,391	11,516	11,526	11,772	11,788
12. Other Misc. General Expense	34,729	27,009	14,031	17,649	18,345
13. Depreciation Expense	173,170	185,578	193,030	197,109	204,306
14. Tax Expense - Property	22,375	23,400	24,025	24,925	26,025
15. Tax Expense - Other	2,146	2,021	1,733	1,845	1,948
16. Interest Expense	109,175	117,093	107,543	102,018	97,696
17. Total Expense less Power	748,761	898,090	693,996	949,738	951,557
17a. Total Operating Cost	2,291,014	2,069,983	1,850,089	2,063,657	2,206,057
18. Operating Margins	242,128	203,431	304,941	81,455	119,831
19. Non-Operating Margins	4,717	9,823	7,144	2,842	3,079
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
22. Total Margins	246,845	213,254	312,085	84,297	122,910