

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JULY 27, 2021

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, Jodine Tate, and Steven L. Worner. 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 a proposed Agreement for Station Power Service with Lincoln Land Wind, LLC. After discussion by the Board, it was moved and seconded that the Agreement be adopted and approved. Motion carried.

General Manager Anker reviewed the terms of the proposed Retiree Health Reimbursement Arrangement (HRA) Plan. It was moved and seconded that the following Resolution be adopted:

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

Motion carried.

General Manager Anker reviewed an updated Alliance Community Bank Cash Management Agreement Schedule F (Authorized Users). It was moved and seconded that the Schedule be approved as presented. Motion Carried.

General Manager Anker presented the Manager's Report for June, 2021. She reviewed the Operating Statement, Balance Sheet and Budget. She presented the Member Services Report, past due notices, generated cut-off tickets and write-offs for the Month. General Manager Anker reviewed the Operations Report and Reliability Report and reported that for the month, there were 114 incidents, with total member outage minutes of 174,560.82, the longest duration of an outage was 498 minutes affecting one member after lightning strike, and total number of Members affected by a single outage was 239 caused by a tree in a three phase line. General

Manager Anker reviewed the IT Security Report. Under the Safety Report, she advised that the number of Lost Days has increased to 57, due to the injury of the Journeyman/Lineman who suffered electric contact burns. She discussed the status of his recovery. General Manager Anker reviewed the Education & Event Course Attendance Report for the month. General Manager Anker also presented the Load Control Report and reviewed the various types of loads that were controlled. She advised that there had been three (3) load control events this year. She discussed the content of the Connect Newsletter. There was discussion about who would be the Delegate and Alternate Delegate for NRECA Region 5. It was moved and seconded that Director Ryan be the Delegate with Director Goetsch as the Alternate Delegate. Motion carried. It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC Activities and advised that there was no Meeting because of the Annual Meeting of AIEC. The Board also viewed a Board governance video on the issue of holding an Executive Session.

Director Martin reported on Prairie Power, Inc. and advised that there was no Meeting during July as well.

General Manager Anker reviewed the Capital Credit Estate Refunds 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. Motion carried.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, August 24, 2021 at 6:00 p.m.

President Frye reminded the Board that the Annual Meeting Committee Meeting was scheduled for August 2, 2021 at 9:00 a.m. and that the Annual Meeting was scheduled for August 5, 2021.

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 | | | | June 2021 | | This Month | | |
|-----------------------------------|------------------|------------------|------------------|------------------|---------------|----------------|-----------------|----------------|--|
| | Last Year | This Year | Budget | Variance | Last Year | This Year | Budget | Variance | |
| 1. Operating Revenue | 12,930,218 | 13,181,058 | 13,129,848 | 51,210 | 3,027,328 | 3,046,417 | 3,015,053 | 31,364 | |
| kWhr Sold | 88,884,766 | 87,924,778 | 90,286,324 | (2,361,546) | 21,937,048 | 20,850,540 | 21,313,331 | (462,791) | |
| 2. Cost of Power | 6,957,250 | 7,038,612 | 7,363,151 | 324,539 | 1,964,204 | 1,956,895 | 2,014,887 | 57,992 | |
| kWhr Purchased | 96,367,792 | 95,244,117 | 97,831,000 | 2,586,883 | 23,590,529 | 22,571,075 | 23,092,500 | 521,425 | |
| 3. Operation Expense | 790,010 | 858,055 | 802,429 | (55,626) | 84,859 | 135,014 | 138,495 | 3,481 | |
| 4. Maintenance Expense | 1,468,537 | 1,617,550 | 1,596,780 | (20,770) | 405,436 | 372,660 | 320,701 | (51,959) | |
| 5. Consumer Accounts & Coll. Exp. | 212,125 | 209,027 | 376,385 | 167,358 | 40,409 | 37,639 | 62,389 | 24,750 | |
| 6. Member Service Expense | 112,896 | 100,109 | 155,067 | 54,958 | 12,034 | 14,363 | 27,950 | 13,587 | |
| 7. General Office Expense | 371,633 | 339,279 | 348,035 | 8,756 | 57,479 | 46,473 | 57,535 | 11,062 | |
| 8. Outside Professional Services | 64,877 | 21,371 | 26,298 | 4,927 | 14,160 | 1,835 | 3,333 | 1,498 | |
| 9. Insurance, Employee & Welfare | 8,491 | 14,020 | 2,400 | (11,620) | 6,186 | 2,686 | 400 | (2,286) | |
| 10. Director's Fee & Mileage | 57,047 | 30,902 | 27,738 | (3,164) | 3,957 | 6,337 | 6,498 | 161 | |
| 11. Dues - Assoc. Organizations | 69,156 | 70,632 | 70,680 | 48 | 11,526 | 11,772 | 11,780 | 8 | |
| 12. Other Misc. General Expense | 130,979 | 178,457 | 241,390 | 62,933 | 13,132 | 16,164 | 50,855 | 34,691 | |
| 13. Depreciation Expense | 1,152,789 | 1,187,432 | 1,208,044 | 20,612 | 194,758 | 198,761 | 204,243 | 5,482 | |
| 14. Tax Expense - Property | 144,150 | 149,550 | 149,550 | 0 | 24,025 | 24,925 | 24,925 | 0 | |
| 15. Tax Expense - Other | 10,921 | 11,045 | 11,644 | 599 | 2,422 | 2,430 | 2,602 | 172 | |
| 16. Interest Expense on L-T Debt | 633,251 | 591,350 | 611,502 | 20,152 | 104,020 | 89,102 | 100,051 | 10,949 | |
| 17. Total Expense less Power | 5,226,862 | 5,378,779 | 5,627,942 | 249,163 | 974,403 | 960,161 | 1,011,757 | 51,596 | |
| 17a. Total Operating Cost | 12,184,112 | 12,417,391 | 12,991,093 | 573,702 | 2,938,607 | 2,917,056 | 3,026,644 | 109,588 | |
| 18. Operating Margins | 746,106 | 763,667 | 138,755 | 624,912 | 88,721 | 129,361 | (11,591) | 140,952 | |
| 19. Non-Operating Margins | 50,631 | 832,213 | 31,700 | 800,513 | 8,175 | 813,314 | 5,100 | 808,214 | |
| 20. G & T Capital Credits | 1,116,929 | 1,092,798 | 1,000,000 | 92,798 | 0 | 0 | 0 | 0 | |
| 21. Other Capital Credits | 143,528 | 140,588 | 60,000 | 80,588 | 0 | 0 | 0 | 0 | |
| 22. Total Margins | 2,057,194 | 2,829,266 | 1,230,455 | 1,598,811 | 96,896 | 942,675 | (6,491) | 949,166 | |

Balance Sheet Analysis

Menard Electric Coop

06/30/20 - 06/30/21

26-Jul-21

| | Prior Yr Balance 06/30/20 | Current Yr Balance 06/30/21 | End of Yr Balance 12/31/20 | Change YTD |
|--|---------------------------------|-----------------------------------|----------------------------------|--------------------|
| ASSETS: | | | | |
| Utility Plant in Service | 75,450,686 | 77,871,429 | 76,456,443 | 1,414,986 |
| Construction Work in Process | 1,355,781 | 1,253,167 | 1,335,167 | (82,000) |
| Total Utility Plant in Service | 76,806,467 | 79,124,596 | 77,791,610 | 1,332,986 |
| Accumulated Depreciation | (23,816,292) | (24,528,165) | (23,732,676) | (795,489) |
| Net Utility Plant | 52,990,175 | 54,596,431 | 54,058,934 | 537,497 |
| Nonutility Property - Net | | | | 0 |
| Inv.in Assoc.Org.-Pat.Cap. | 12,118,419 | 13,260,420 | 12,112,828 | 1,147,592 |
| Inv.in Assoc.Org.- General Funds | | | | 0 |
| Inv.in Assoc.Org.-Non Gen Funds | 704,432 | 681,132 | 681,132 | 0 |
| Investments in Economic Dev. Projects | | | | 0 |
| Other Investments | 2,817,205 | 2,112,905 | 2,112,905 | 0 |
| Special Funds | 231,793 | 253,393 | 303,252 | (49,859) |
| Total Other Prop. & Investments | 15,871,849 | 16,307,850 | 15,210,117 | 1,097,733 |
| Cash-General Funds | 591,456 | 546,437 | 600,926 | (54,489) |
| Cash-Constr.Fund Trustee | 454 | 454 | 454 | 0 |
| Special Deposits | 3,391 | 3,391 | 2,891 | 500 |
| Temporary Investments | 1,044,974 | 0 | 1,296,801 | (1,296,801) |
| Notes Receivable - Net | 0 | 0 | 0 | 0 |
| Accounts Receivable-Net-Energy | 3,117,316 | 2,805,961 | 2,507,929 | 298,032 |
| Accounts Receivable-Net-Other | 25,311 | 25,829 | 23,025 | 2,804 |
| Materials & Supplies | 569,030 | 861,534 | 506,818 | 354,716 |
| Prepayments | 197,220 | 223,191 | 75,885 | 147,306 |
| Other Current & Accrued Assets | 8,072 | 7,898 | 8,651 | (753) |
| Total Current & Accrued Assets | 5,557,224 | 4,474,695 | 5,023,380 | (548,685) |
| Regulatory Assets | 0 | 0 | 0 | 0 |
| Deferred Debits | 0 | 0 | 0 | 0 |
| TOTAL ASSETS & OTHER DEBITS | 74,419,248 | 75,378,976 | 74,292,431 | 1,086,545 |
| OWNER'S EQUITY: | | | | |
| Memberships | 307,265 | 316,715 | 312,520 | 4,195 |
| Patronage Capital | 23,364,427 | 24,664,958 | 25,564,451 | (899,493) |
| Operating Margins-Prior Years | 2,269,313 | 1,744,439 | 0 | 1,744,439 |
| Operating Margins-Current Year | 2,057,200 | 2,829,269 | 1,744,439 | 1,084,830 |
| Non-Operating Margins | 0 | 0 | 0 | 0 |
| Other Margins & Equities | 2,753,600 | 2,964,128 | 2,789,759 | 174,369 |
| Total Margins & Equities | 30,751,805 | 32,519,509 | 30,411,169 | 2,108,340 |
| LIABILITIES: | | | | |
| Long Term Debt-RUS | 895,483 | 827,625 | 860,516 | (32,891) |
| Long Term Debt Other - RUS Guar. | 25,175,704 | 24,468,872 | 24,826,749 | (357,877) |
| Long Term Debt - Other | 13,495,293 | 11,301,531 | 12,810,678 | (1,509,147) |
| Long Term Debt Other - Adv Payments | (254,900) | (265,896) | (260,699) | (5,197) |
| Total Long Term Debt | 39,311,580 | 36,332,132 | 38,237,244 | (1,905,112) |
| Accumulated Operating Provisions | 941,320 | 1,027,546 | 1,050,650 | (23,104) |
| Total Other Noncurrent Liabilities | 941,320 | 1,027,546 | 1,050,650 | (23,104) |
| Notes Payable | 0 | 1,914,794 | 0 | 1,914,794 |
| Accounts Payable | 2,584,444 | 2,791,352 | 3,115,942 | (324,590) |
| Deposits | 164,815 | 160,606 | 161,330 | (724) |
| Other Current & Accrued Liabilities | 469,720 | 503,071 | 465,279 | 37,792 |
| Total Current & Accrued Liabilities | 3,218,979 | 5,369,823 | 3,742,551 | 1,627,272 |
| Deferred Credits | 195,564 | 129,964 | 850,817 | (720,853) |
| Miscellaneous Operating Reserves | | | | 0 |
| TOTAL LIAB.'S & OTHER CREDITS | 74,419,248 | 75,378,974 | 74,292,431 | 1,086,543 |

| | | | | |
|------------------------------------|--|--|--|--|
| MENARD ELECTRIC COOPERATIVE | | | | |
|------------------------------------|--|--|--|--|

| | | | | |
|-------------------|--|--|--|--|
| This Month | | | | |
|-------------------|--|--|--|--|

| | June17 | June18 | June19 | June20 | June21 |
|-----------------------------------|------------|------------|------------|------------|------------|
| 1. Operating Revenue | 3,255,167 | 3,174,463 | 2,483,267 | 3,027,328 | 3,046,417 |
| kWhr Sold | 25,284,814 | 23,746,886 | 16,211,571 | 21,937,048 | 20,850,540 |
| 2. Cost of Power | 2,150,571 | 2,130,207 | 1,678,890 | 1,964,204 | 1,956,895 |
| kWhr Purchased | 27,481,639 | 26,040,927 | 17,397,125 | 23,590,529 | 22,571,075 |
| 3. Operation Expense | 59,011 | 130,769 | 161,413 | 84,859 | 135,014 |
| 4. Maintenance Expense | 263,433 | 305,318 | 397,555 | 405,436 | 372,660 |
| 5. Consumer Accounts & Coll. Exp. | 39,142 | 45,251 | 46,708 | 40,409 | 37,639 |
| 6. Member Service Expense | 8,271 | 11,220 | 15,892 | 12,034 | 14,363 |
| 7. General Office Expense | 83,929 | 66,922 | 39,220 | 57,479 | 46,473 |
| 8. Outside Professional Services | 1,385 | 3,300 | 2,273 | 14,160 | 1,835 |
| 9. Insurance, Employee & Welfare | 0 | 956 | 1,125 | 6,186 | 2,686 |
| 10. Director's Fee & Mileage | 12,332 | 8,626 | 9,885 | 3,957 | 6,337 |
| 11. Dues - Assoc. Organizations | 11,477 | 11,391 | 11,516 | 11,526 | 11,772 |
| 12. Other Misc. General Expense | 46,030 | 58,563 | 57,961 | 13,132 | 16,164 |
| 13. Depreciation Expense | 167,396 | 173,612 | 186,044 | 194,758 | 198,761 |
| 14. Tax Expense - Property | 20,900 | 22,375 | 23,400 | 24,025 | 24,925 |
| 15. Tax Expense - Other | 3,913 | 2,525 | 1,974 | 2,422 | 2,430 |
| 16. Interest Expense | 103,636 | 104,682 | 112,554 | 104,020 | 89,102 |
| 17. Total Expense less Power | 820,855 | 945,510 | 1,067,520 | 974,403 | 960,161 |
| 17a. Total Operating Cost | 2,971,426 | 3,075,717 | 2,746,410 | 2,938,607 | 2,917,056 |
| 18. Operating Margins | 283,741 | 98,746 | (263,143) | 88,721 | 129,361 |
| 19. Non-Operating Margins | 18,474 | 23,659 | 35,810 | 8,175 | 813,314 |
| 20. G & T Capital Credits | 0 | 0 | 0 | 0 | |
| 21. Other Capital Credits | 0 | 0 | 0 | 0 | |
| 22. Total Margins | 302,215 | 122,405 | (227,333) | 96,896 | 942,675 |