

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
AUGUST 24, 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.

The Board reviewed the minutes of the August 5, 2021 Reorganizational Meeting. It was moved and seconded that the Minutes be approved. Motion carried. President Frye discussed Committee assignments and advised that he left Committee assignments unchanged, however did assign Labor Committee representative Director Holloway as the Vice Chair of that committee.

General Manager Anker reviewed a series of documents all related to the pending RUS loan. She reviewed the Loan AY8 Designation Notice, the RUS Loan Contract, the FFC Note and FFC Reimbursement Note. She reviewed the terms of the CoBank Amended Multi-Advance Note, the RUS Restated Mortgage and Security Agreement, as well as the Certification and Resolution. It was moved and seconded that the Resolution be passed. Motion carried. She also reviewed the Organizational Certification. She advised this document was certifying the current Bylaws and recent changes to the Bylaws. It was moved and seconded that the Certification be adopted. Motion carried.

General Manager Anker reviewed a revised Cash Management Agreement from Alliance Community Bank. It was moved and seconded that the Agreement, as revised, be adopted. Motion carried.

General Manager Anker discussed and reviewed the 2020 KRTA Summary.

General Manager Anker presented the Manager's Report for July, 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 106 incidents. The longest duration of an outage was 455 minutes and largest total number of Members affected by any one outage was 765. Under the Safety Report, General Manager Anker reported on the Safety Meeting, as did Director Ryan. General Manager Anker reviewed the Education Event Course Attendance Report for the month. She also reviewed the Load Control Report. She discussed the content of the Connect Newsletter and advised that there was information on the Cooperative's Sharing Success Program with CoBank. She also advised that there was an article in the Newsletter which discussed the 83rd Annual Meeting of Members. The Board discussed the CoBank Director Election Ballot. General Manager Anker advised that there were two (2) candidates for the Directorship. After discussion by the Board, it was the consensus to support the candidacy of Robert N. McLennan. General Manager Anker also discussed the CFC Director Election Ballot and the consensus of the Board was to support the candidacy of Shane Larson. The Board also discussed the Delegate for the Federated Director Election. It was determined that the Delegate be Director McMillan and the Alternate Delegate be Director Ryan. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC Activities.

Director Martin reported on 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.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, September 28, 2021 at 6:00 p.m.

President Frye reminded the Board that the NRECA Director Education & Region 5 Meeting was scheduled for September 15-17, 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				July 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance	
1. Operating Revenue	16,415,800	16,443,275	16,678,210	(234,935)	3,485,582	3,262,217	3,548,362	(286,145)	
kWhr Sold	115,539,421	110,239,990	116,755,059	(6,515,069)	26,654,655	22,315,212	26,468,735	(4,153,523)	
2. Cost of Power	9,506,250	9,165,829	9,933,108	767,279	2,549,000	2,127,217	2,569,957	442,740	
kWhr Purchased	125,150,869	119,431,216	126,508,500	7,077,284	28,783,077	24,187,099	28,677,500	4,490,401	
3. Operation Expense	912,820	1,011,762	933,585	(78,177)	122,810	153,707	131,156	(22,551)	
4. Maintenance Expense	1,744,055	1,869,306	1,914,504	45,198	275,518	251,756	317,724	65,968	
5. Consumer Accounts & Coll. Exp.	246,034	245,268	419,575	174,307	33,909	36,241	43,190	6,949	
6. Member Service Expense	129,845	116,079	180,808	64,729	16,949	15,970	25,741	9,771	
7. General Office Expense	424,250	399,607	405,229	5,622	52,617	60,328	57,194	(3,134)	
8. Outside Professional Services	69,875	28,189	29,631	1,442	4,998	6,818	3,333	(3,485)	
9. Insurance, Employee & Welfare	14,586	(16,932)	2,800	19,732	6,095	(30,952)	400	31,352	
10. Director's Fee & Mileage	64,682	35,543	38,386	2,843	7,635	4,641	10,648	6,007	
11. Dues - Assoc. Organizations	80,928	82,420	83,105	685	11,772	11,788	12,425	637	
12. Other Misc. General Expense	166,154	211,833	260,823	48,990	35,175	33,376	19,433	(13,943)	
13. Depreciation Expense	1,348,505	1,386,292	1,413,297	27,005	195,716	198,860	205,253	6,393	
14. Tax Expense - Property	168,175	174,475	174,475	0	24,025	24,925	24,925	0	
15. Tax Expense - Other	13,769	13,660	14,673	1,013	2,848	2,615	3,029	414	
16. Interest Expense on L-T Debt	740,132	691,322	719,307	27,985	106,881	99,972	107,805	7,833	
17. Total Expense less Power	6,123,810	6,248,824	6,590,198	341,374	896,948	870,045	962,256	92,211	
17a. Total Operating Cost	15,630,060	15,414,653	16,523,306	1,108,653	3,445,948	2,997,262	3,532,213	534,951	
18. Operating Margins	785,740	1,028,622	154,904	873,718	39,634	264,955	16,149	248,806	
19. Non-Operating Margins	55,992	835,206	36,800	798,406	5,361	2,993	5,100	(2,107)	
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	2,102,189	3,097,214	1,251,704	1,845,510	44,995	267,948	21,249	246,699	

Balance Sheet Analysis

Menard Electric Coop

07/31/20 - 07/31/21

18-Aug-21

	Prior Yr Balance 07/31/20	Current Yr Balance 07/31/21	End of Yr Balance 12/31/20	Change YTD
ASSETS:				
Utility Plant in Service	75,711,724	78,010,392	76,456,443	1,553,949
Construction Work in Process	1,377,560	1,485,304	1,335,167	150,137
Total Utility Plant in Service	77,089,284	79,495,696	77,791,610	1,704,086
Accumulated Depreciation	(23,963,202)	(24,652,676)	(23,732,676)	(920,000)
Net Utility Plant	53,126,082	54,843,020	54,058,934	784,086
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	704,332	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	254,893	303,252	(48,359)
Total Other Prop. & Investments	15,871,749	16,309,350	15,210,117	1,099,233
Cash-General Funds	484,333	800,257	600,926	199,331
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,468	3,468	2,891	577
Temporary Investments	933,247	0	1,296,801	(1,296,801)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,740,801	3,250,337	2,507,929	742,408
Accounts Receivable-Net-Other	37,438	56,673	23,025	33,648
Materials & Supplies	579,931	814,533	506,818	307,715
Prepayments	173,861	196,026	75,885	120,141
Other Current & Accrued Assets	10,822	10,589	8,651	1,938
Total Current & Accrued Assets	5,964,355	5,132,337	5,023,380	108,957
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	74,962,186	76,284,707	74,292,431	1,992,276
OWNER'S EQUITY:				
Memberships	308,120	317,420	312,520	4,900
Patronage Capital	25,633,740	24,661,311	25,564,451	(903,140)
Operating Margins-Prior Years	0	1,744,439	0	1,744,439
Operating Margins-Current Year	2,102,195	3,097,217	1,744,439	1,352,778
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,753,600	2,964,397	2,789,759	174,638
Total Margins & Equities	30,797,655	32,784,784	30,411,169	2,373,615
LIABILITIES:				
Long Term Debt-RUS	890,132	822,090	860,516	(38,426)
Long Term Debt Other - RUS Guar.	25,175,704	24,468,872	24,826,749	(357,877)
Long Term Debt - Other	13,440,088	11,243,675	12,810,678	(1,567,003)
Long Term Debt Other - Adv Payments	(254,900)	(265,896)	(260,699)	(5,197)
Total Long Term Debt	39,251,024	36,268,741	38,237,244	(1,968,503)
Accumulated Operating Provisions	946,270	1,033,396	1,050,650	(17,254)
Total Other Noncurrent Liabilities	946,270	1,033,396	1,050,650	(17,254)
Notes Payable	0	2,464,794	0	2,464,794
Accounts Payable	3,040,063	2,840,469	3,115,942	(275,473)
Deposits	162,630	160,345	161,330	(985)
Other Current & Accrued Liabilities	568,980	602,212	465,279	136,933
Total Current & Accrued Liabilities	3,771,673	6,067,820	3,742,551	2,325,269
Deferred Credits	195,564	129,964	850,817	(720,853)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	74,962,186	76,284,705	74,292,431	1,992,274

MENARD ELECTRIC COOPERATIVE				
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This Month				
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	July17	July18	July19	July20	July21
1. Operating Revenue	3,361,404	3,413,429	4,025,058	3,485,582	3,262,217
kWhr Sold	26,013,355	25,431,079	29,462,766	26,654,655	22,315,212
2. Cost of Power	2,152,165	2,400,837	2,405,468	2,549,000	2,127,217
kWhr Purchased	28,467,041	27,996,716	31,793,611	28,783,077	24,187,099
3. Operation Expense	100,179	110,600	50,132	122,810	153,707
4. Maintenance Expense	256,167	290,363	316,900	275,518	251,756
5. Consumer Accounts & Coll. Exp.	32,901	48,903	36,917	33,909	36,241
6. Member Service Expense	4,758	11,743	19,987	16,949	15,970
7. General Office Expense	71,965	73,568	46,124	52,617	60,328
8. Outside Professional Services	2,037	3,400	8,472	4,998	6,818
9. Insurance, Employee & Welfare	1,393	318	976	6,095	(30,952)
10. Director's Fee & Mileage	4,117	11,040	10,251	7,635	4,641
11. Dues - Assoc. Organizations	11,391	11,516	11,526	11,772	11,788
12. Other Misc. General Expense	29,894	15,293	28,292	35,175	33,376
13. Depreciation Expense	167,377	173,813	186,318	195,716	198,860
14. Tax Expense - Property	20,900	22,375	23,400	24,025	24,925
15. Tax Expense - Other	4,094	2,818	3,253	2,848	2,615
16. Interest Expense	106,805	107,864	114,910	106,881	99,972
17. Total Expense less Power	813,978	883,614	857,458	896,948	870,045
17a. Total Operating Cost	2,966,143	3,284,451	3,262,926	3,445,948	2,997,262
18. Operating Margins	395,261	128,978	762,132	39,634	264,955
19. Non-Operating Margins	(9,673)	3,599	4,355	5,361	2,993
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
22. Total Margins	385,588	132,577	766,487	44,995	267,948