

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 26, 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 in person: 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 Manager of Accounting & Information Systems Chris Hinton, Director of Accounting & Finance Brian Hartsock, 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 September 28, 2021 Board Meeting. It was moved and seconded that the Minutes be approved. Motion carried.

Manager Anker introduced Members of the Cooperative Staff to present their respective Budgets. Chris Hinton and Brian Hartsock presented the Accounting Department Budget. Director of Member Services Trish Michels presented the Insurance Budget and the Member Services Budget. Operations Manager Dalton Whitley presented the Operations Department Budget. Engineering Manager Brady Smith presented the Right of Way Budget and Engineering Department Budget, including the Work Plan projects included in 2022. He also reviewed the Right of Way Clearance schedule and reviewed and discussed the Meter Testing Program. General Manager Anker submitted the Director's Budget, the Manager's Budget, and a final compilation of all non-capitalized expense budgets for review.

General Manager Anker presented the Manager's Report for September, 2021. She reviewed the Operating Statement, Balance Sheet and Budget. General Manager Anker advised that the Cooperative had received correspondence from Rural Utilities Services, which advised that they had received all of the required loan documents for the Cooperative in connection with the Federal Financing Bank Guaranteed Loan Designated "AY8". RUS further advised that Menard could now requisition loan funds. The letter also stated that the last date for advances from the AY8 Loan is July 1, 2026. General Manager Anker 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 53 incidents, the total number of member-minutes outaged was 82,479, longest duration of an outage was 282 minutes and largest number of Members affected by a single outage was 176. Under the Safety Report, General Manager Anker reported on the Safety Meeting held October 19, 2021. General Manager Anker reviewed the Education Event Course Attendance Report for the month. She also reviewed the Irrigation Report. She discussed the content of the Connect Newsletter. General Manager Anker reviewed a Resolution to amend the 125 Plan to provide for a carry-over of unused Health FSA balances of up to the maximum carry over amount, as indexed by the IRS code from time to time, to be effective January 1, 2022. It was moved and seconded the Resolution be adopted. Motion carried. 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. He reviewed the Financial Forecast Income Statement from their 2022 Budget approved earlier in the month, and the monthly Energy Supply 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 that the next regular Board Meeting was scheduled for Tuesday, November 23, 2021 at 6:00 p.m.

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			September 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	22,173,398	22,579,661	22,476,157	103,504	2,369,415	2,806,058	2,602,292	203,766
kWhr Sold	155,694,974	150,116,032	155,339,610	(5,223,578)	14,386,679	17,219,356	15,966,433	1,252,923
2. Cost of Power	12,933,570	12,180,917	13,653,972	1,473,055	1,293,036	1,503,611	1,513,449	9,838
kWhr Purchased	168,508,249	162,528,451	168,291,375	5,762,924	15,577,225	18,674,451	17,307,500	(1,366,951)
3. Operation Expense	1,154,712	1,253,995	1,190,534	(63,461)	91,525	167,797	128,232	(39,565)
4. Maintenance Expense	2,221,127	2,442,204	2,582,171	139,967	279,579	275,140	318,609	43,469
5. Consumer Accounts & Coll. Exp.	305,392	309,556	506,037	196,481	27,476	32,329	43,003	10,674
6. Member Service Expense	167,055	150,903	232,525	81,622	15,101	18,073	25,609	7,536
7. General Office Expense	511,277	548,405	517,484	(30,921)	40,406	76,628	55,410	(21,218)
8. Outside Professional Services	65,263	31,459	36,297	4,838	1,530	1,875	3,333	1,458
9. Insurance, Employee & Welfare	15,554	(14,826)	3,600	18,426	556	241	400	159
10. Director's Fee & Mileage	75,067	65,144	49,882	(15,262)	5,103	10,962	7,498	(3,464)
11. Dues - Assoc. Organizations	104,472	105,996	107,955	1,959	11,772	11,788	12,425	637
12. Other Misc. General Expense	222,431	282,177	300,900	18,723	31,784	19,538	20,525	987
13. Depreciation Expense	1,739,885	1,783,673	1,828,566	44,893	195,108	199,047	208,982	9,935
14. Tax Expense - Property	216,225	224,325	224,325	0	24,025	24,925	24,925	0
15. Tax Expense - Other	20,126	18,594	19,692	1,098	3,556	2,253	2,272	19
16. Interest Expense on L-T Debt	949,249	886,841	930,297	43,456	102,529	95,799	103,399	7,600
17. Total Expense less Power	7,767,835	8,088,445	8,530,265	441,820	830,050	936,395	954,622	18,227
17a. Total Operating Cost	20,701,405	20,269,362	22,184,237	1,914,875	2,123,086	2,440,006	2,468,071	28,065
18. Operating Margins	1,471,993	2,310,299	291,920	2,018,379	246,329	366,052	134,221	231,831
19. Non-Operating Margins	55,599	849,394	46,000	803,394	5,037	10,774	4,100	6,674
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	160,879	60,000	100,879	12	20,291	0	20,291
22. Total Margins	2,788,871	4,413,369	1,397,920	3,015,449	251,378	397,117	138,321	258,796

Balance Sheet Analysis

Menard Electric Coop

09/30/20 - 09/30/21

21-Oct-21

	Prior Yr Balance 09/30/20	Current Yr Balance 09/30/21	End of Yr Balance 12/31/20	Change YTD
ASSETS:				
Utility Plant in Service	75,458,167	77,894,584	76,456,443	1,438,141
Construction Work in Process	1,811,193	2,062,203	1,335,167	727,036
Total Utility Plant in Service	77,269,360	79,956,787	77,791,610	2,165,177
Accumulated Depreciation	(23,492,566)	(24,608,539)	(23,732,676)	(875,863)
Net Utility Plant	53,776,794	55,348,248	54,058,934	1,289,314
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	12,112,828	13,270,657	12,112,828	1,157,829
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	2,112,905	1,408,605	2,112,905	(704,300)
Special Funds	231,793	258,643	303,252	(44,609)
Total Other Prop. & Investments	15,161,858	15,619,037	15,210,117	408,920
Cash-General Funds	1,058,071	934,063	600,926	333,137
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,381	3,661	2,891	770
Temporary Investments	622,065	34,823	1,296,801	(1,261,978)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,679,493	2,966,094	2,507,929	458,165
Accounts Receivable-Net-Other	492,507	44,085	23,025	21,060
Materials & Supplies	512,872	932,733	506,818	425,915
Prepayments	144,127	157,485	75,885	81,600
Other Current & Accrued Assets	16,232	15,883	8,651	7,232
Total Current & Accrued Assets	5,529,202	5,089,281	5,023,380	65,901
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	74,467,854	76,056,566	74,292,431	1,764,135
OWNER'S EQUITY:				
Memberships	310,270	319,185	312,520	6,665
Patronage Capital	25,604,927	26,405,751	25,564,451	841,300
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,788,880	4,413,373	1,744,439	2,668,934
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,769,348	2,960,880	2,789,759	171,121
Total Margins & Equities	31,473,425	34,099,189	30,411,169	3,688,020
LIABILITIES:				
Long Term Debt-RUS	877,849	810,941	860,516	(49,575)
Long Term Debt Other - RUS Guar.	25,001,787	24,290,831	24,826,749	(535,918)
Long Term Debt - Other	13,154,772	10,953,903	12,810,678	(1,856,775)
Long Term Debt Other - Adv Payments	(258,104)	0	(260,699)	260,699
Total Long Term Debt	38,776,304	36,055,675	38,237,244	(2,181,569)
Accumulated Operating Provisions	956,170	1,045,098	1,050,650	(5,552)
Total Other Noncurrent Liabilities	956,170	1,045,098	1,050,650	(5,552)
Notes Payable	0	1,614,794	0	1,614,794
Accounts Payable	2,225,893	2,342,795	3,115,942	(773,147)
Deposits	164,200	185,945	161,330	24,615
Other Current & Accrued Liabilities	676,245	582,117	465,279	116,838
Total Current & Accrued Liabilities	3,066,338	4,725,651	3,742,551	983,100
Deferred Credits	195,614	130,953	850,817	(719,864)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	74,467,851	76,056,566	74,292,431	1,764,135

MENARD ELECTRIC COOPERATIVE

	This Month				
	September17	September18	September19	September20	September21
1. Operating Revenue	2,537,127	2,770,576	2,698,473	2,369,415	2,806,058
kWhr Sold	17,317,503	17,554,804	17,059,884	14,386,679	17,219,356
2. Cost of Power	1,460,082	1,564,957	1,497,744	1,293,036	1,503,611
kWhr Purchased	18,810,514	19,021,376	18,511,111	15,577,225	18,674,451
3. Operation Expense	45,509	62,978	62,560	91,525	167,797
4. Maintenance Expense	93,862	208,538	180,309	279,579	275,140
5. Consumer Accounts & Coll. Exp.	26,465	29,807	23,289	27,476	32,329
6. Member Service Expense	3,102	9,185	12,043	15,101	18,073
7. General Office Expense	51,359	47,604	35,996	40,406	76,628
8. Outside Professional Services	1,250	1,588	0	1,530	1,875
9. Insurance, Employee & Welfare	400	417	168	556	241
10. Director's Fee & Mileage	6,777	1,143	8,656	5,103	10,962
11. Dues - Assoc. Organizations	11,391	11,516	11,526	11,772	11,788
12. Other Misc. General Expense	9,295	30,592	29,638	31,784	19,538
13. Depreciation Expense	168,876	174,154	187,671	195,108	199,047
14. Tax Expense - Property	20,900	22,375	23,400	24,025	24,925
15. Tax Expense - Other	3,485	2,286	2,173	3,556	2,253
16. Interest Expense	102,578	103,547	103,193	102,529	95,799
17. Total Expense less Power	545,249	705,730	680,622	830,050	936,395
17a. Total Operating Cost	2,005,331	2,270,687	2,178,366	2,123,086	2,440,006
18. Operating Margins	531,796	499,889	520,107	246,329	366,052
19. Non-Operating Margins	16,025	13,938	26,777	5,037	10,774
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	1,109	25,498	0	12	20,291
22. Total Margins	548,930	539,325	546,884	251,378	397,117