

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
NOVEMBER 30, 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 or by Zoom: 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. Director Gary Holloway abstained from action to approve the Consensus Agenda due to conflict of interest because of Agreement and Easement for Applewood Farms. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

The Board reviewed a Financial Budget Compilation for 2022. They discussed again the 2022 Budget and considered 2021 Deferred Revenue revision, as well as 2022 Deferred Revenue Election. After a review of the 2022 Deferred Revenue Election, 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.

It was moved and seconded that the Board adopt and approve the actions taken in the Executive Session. Motion carried.

Returning to the Financial Budget for 2022, it was moved and seconded that the Cooperative would not request a waiver for the Revenue Deferral Plan - 2017 through 2027 for 2021 and that the Cooperative would pay 5 mills per kWh under the Plan for all of its 2021 power purchases. Motion carried. General Manager Anker advised that the outstanding power bills for 2021 would be adjusted to reflect the additional payments. As to the Deferred Revenue Election for 2022, it was moved and seconded that the Cooperative request a complete waiver for payments under the Revenue Deferral Plan - 2017 through 2027 for 2022. Motion carried. After discussion, it was moved and seconded that the Engineering Department Budget for tree trimming for the 2022 Budget be increased by \$85,000.00. Motion carried.

General Manager Anker advised that she had received a Corporate Authorization Resolution from Petefish, Skiles & Company Bank. The Resolution was adopted with the change that Chris Hinton would be removed as a signatory, and in his place, Brian C. Hartsock would be added to the Resolution as signatory. Motion carried.

General Manager Anker presented a Resolution to the Board to Re-adopt the Executive Compensation Program under IRC Section 457. She explained the reason for the need to re-adopt the Compensation Program. It was moved and seconded that the following Resolution be adopted. Motion carried.

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

General Manager Anker presented the Manager's Report for October, 2021. 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. General Manager Anker reviewed the Operations Report and Reliability Report and reported that for the month that there were 72 incidents, the total number of minutes were 92,891.70, the longest duration of an outage was 358 minutes and largest number of Members affected was 236. Under the Safety Report, General Manager Anker reported on the Safety Meeting that was held on November 16, 2021. She advised that there were no lost time incidents. General Manager Anker reviewed the Injury and Illness Report. She discussed planning for the unannounced safety audit site visit by AIEC. General Manager Anker discussed the content of the Connect Newsletter. There was discussion about who would be the ICWCG Delegate to the 2021 Annual Meeting. It was moved and seconded that President Frye be named the Delegate with General Manager Anker as the Alternate Delegate. Motion carried. General Manager Anker reviewed legislation with regard to Covid vaccinations. She discussed the applicability of vaccination mandates and advised that such would not apply to Menard and that Menard would be exempt from those vaccination requirements, as published. General Manager Anker then discussed a contribution to the CFC Integrity Fund. After discussion, it was moved and seconded that the Cooperative contribute \$500.00 to the Fund. Motion carried. It was moved and seconded that 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.

Under Other business, President Frye advised that NRECA 935 was scheduled online for Wednesday, December 8, 2021 at 8:30 a.m. He also reminded the Board that the ICWCG Annual Meeting was scheduled for December 8, 2021 at 10:00 a.m. (virtually).

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, December 28, 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			October 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	24,649,676	25,069,782	25,030,978	38,804	2,476,278	2,490,122	2,554,821	(64,699)
kWhr Sold	171,141,467	164,772,268	170,164,527	(5,392,259)	15,446,493	14,656,236	14,824,917	(168,681)
2. Cost of Power	14,200,230	13,455,454	15,029,013	1,573,559	1,266,660	1,274,537	1,375,041	100,504
kWhr Purchased	185,119,796	178,299,211	184,348,875	6,049,664	16,611,547	15,770,760	16,057,500	286,740
3. Operation Expense	1,324,362	1,444,641	1,330,897	(113,744)	169,650	190,646	140,363	(50,283)
4. Maintenance Expense	2,229,045	2,699,424	2,858,678	159,254	7,918	257,220	276,507	19,287
5. Consumer Accounts & Coll. Exp.	350,071	363,063	551,733	188,670	44,679	53,507	45,696	(7,811)
6. Member Service Expense	184,913	167,282	258,715	91,433	17,858	16,379	26,190	9,811
7. General Office Expense	562,638	638,567	572,704	(65,863)	51,361	90,163	55,220	(34,943)
8. Outside Professional Services	66,783	31,459	41,130	9,671	1,520	0	4,833	4,833
9. Insurance, Employee & Welfare	15,754	(18,518)	4,000	22,518	200	(3,692)	400	4,092
10. Director's Fee & Mileage	79,460	68,988	54,880	(14,108)	4,393	3,843	4,998	1,155
11. Dues - Assoc. Organizations	116,244	117,784	122,380	4,596	11,772	11,788	14,425	2,637
12. Other Misc. General Expense	236,483	328,273	318,723	(9,550)	14,052	46,096	17,823	(28,273)
13. Depreciation Expense	1,935,375	1,982,437	2,038,539	56,102	195,490	198,764	209,973	11,209
14. Tax Expense - Property	240,250	246,735	249,250	2,515	24,025	22,410	24,925	2,515
15. Tax Expense - Other	22,223	20,674	21,926	1,252	2,097	2,079	2,234	155
16. Interest Expense on L-T Debt	1,054,582	985,309	1,036,544	51,235	105,333	98,468	106,247	7,779
17. Total Expense less Power	8,418,183	9,076,118	9,460,099	383,981	650,348	987,672	929,834	(57,838)
17a. Total Operating Cost	22,618,413	22,531,572	24,489,112	1,957,540	1,917,008	2,262,210	2,304,875	42,665
18. Operating Margins	2,031,263	2,538,211	541,866	1,996,345	559,270	227,912	249,946	(22,034)
19. Non-Operating Margins	59,500	853,660	50,100	803,560	3,901	4,266	4,100	166
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	161,532	60,000	101,532	0	653	0	653
22. Total Margins	3,352,042	4,646,201	1,651,966	2,994,235	563,171	232,831	254,046	(21,215)

Balance Sheet Analysis

Menard Electric Coop

10/31/2020 - 10/31/2021

23-Nov-21

	Prior Yr Balance 10/31/2020	Current Yr Balance 10/31/2021	End of Yr Balance 12/31/20	Change YTD
ASSETS:				
Utility Plant in Service	75,610,016	78,055,300	76,456,443	1,598,857
Construction Work in Process	1,839,928	2,246,888	1,335,167	911,721
Total Utility Plant in Service	77,449,944	80,302,188	77,791,610	2,510,578
Accumulated Depreciation	(23,617,775)	(24,768,784)	(23,732,676)	(1,036,108)
Net Utility Plant	53,832,169	55,533,404	54,058,934	1,474,470
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	12,112,828	13,271,310	12,112,828	1,158,482
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	2,112,905	(704,300)
Special Funds	231,793	260,143	303,252	(43,109)
Total Other Prop. & Investments	15,138,658	15,621,190	15,210,117	411,073
Cash-General Funds	939,408	569,983	600,926	(30,943)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,458	3,738	2,891	847
Temporary Investments	1,176,763	0	1,296,801	(1,296,801)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,677,158	2,654,422	2,507,929	146,493
Accounts Receivable-Net-Other	533,767	155,752	23,025	132,727
Materials & Supplies	454,837	852,308	506,818	345,490
Prepayments	121,379	130,320	75,885	54,435
Other Current & Accrued Assets	2,691	2,691	8,651	(5,960)
Total Current & Accrued Assets	5,909,915	4,369,668	5,023,380	(653,712)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	74,880,742	75,524,262	74,292,431	1,231,831
OWNER'S EQUITY:				
Memberships	311,245	320,070	312,520	7,550
Patronage Capital	25,594,743	26,405,751	25,564,451	841,300
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	3,352,051	4,646,204	1,744,439	2,901,765
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,774,731	2,959,122	2,789,759	169,363
Total Margins & Equities	32,032,770	34,331,147	30,411,169	3,919,978
LIABILITIES:				
Long Term Debt-RUS	872,468	805,376	860,516	(55,140)
Long Term Debt Other - RUS Guar.	25,001,787	24,290,831	24,826,749	(535,918)
Long Term Debt - Other	13,098,920	10,902,850	12,810,678	(1,907,828)
Long Term Debt Other - Adv Payments	(258,104)	0	(260,699)	260,699
Total Long Term Debt	38,715,071	35,999,057	38,237,244	(2,238,187)
Accumulated Operating Provisions	961,120	1,051,699	1,050,650	1,049
Total Other Noncurrent Liabilities	961,120	1,051,699	1,050,650	1,049
Notes Payable	0	1,214,794	0	1,214,794
Accounts Payable	2,212,640	1,998,336	3,115,942	(1,117,606)
Deposits	164,405	186,650	161,330	25,320
Other Current & Accrued Liabilities	599,122	576,636	465,279	111,357
Total Current & Accrued Liabilities	2,976,167	3,976,416	3,742,551	233,865
Deferred Credits	195,614	165,942	850,817	(684,875)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	74,880,742	75,524,261	74,292,431	1,231,830

MENARD ELECTRIC COOPERATIVE

	This Month				
	October17	October18	October19	October20	October21
1. Operating Revenue	2,424,482	2,466,809	2,542,885	2,476,278	2,490,122
kWhr Sold	15,569,384	15,139,453	15,832,147	15,446,493	14,656,236
2. Cost of Power	1,246,876	1,382,015	1,433,362	1,266,660	1,274,537
kWhr Purchased	16,938,831	16,468,232	17,310,487	16,611,547	15,770,760
3. Operation Expense	85,860	106,849	77,719	169,650	190,646
4. Maintenance Expense	306,063	257,543	370,940	7,918	257,220
5. Consumer Accounts & Coll. Exp.	55,530	44,343	31,830	44,679	53,507
6. Member Service Expense	8,210	14,072	16,735	17,858	16,379
7. General Office Expense	62,009	55,604	50,965	51,361	90,163
8. Outside Professional Services	1,858	1,465	5,128	1,520	0
9. Insurance, Employee & Welfare	495	972	742	200	(3,692)
10. Director's Fee & Mileage	6,557	9,914	7,362	4,393	3,843
11. Dues - Assoc. Organizations	11,391	11,516	11,526	11,772	11,788
12. Other Misc. General Expense	18,438	30,379	28,118	14,052	46,096
13. Depreciation Expense	169,509	174,688	188,442	195,490	198,764
14. Tax Expense - Property	20,900	22,375	23,400	24,025	22,410
15. Tax Expense - Other	3,376	1,952	2,012	2,097	2,079
16. Interest Expense	105,486	106,564	104,570	105,333	98,468
17. Total Expense less Power	855,682	838,236	919,489	650,348	987,671
17a. Total Operating Cost	2,102,558	2,220,251	2,352,851	1,917,008	2,262,208
18. Operating Margins	321,924	246,558	190,034	559,270	227,914
19. Non-Operating Margins	5,795	4,287	(6,290)	3,901	4,266
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	653
22. Total Margins	327,719	250,845	183,744	563,171	232,833