

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
DECEMBER 28, 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, and Steven L. Worner. Jodine Tate was absent. Also present were Manager Alisha Anker, Director of Accounting & Finance Brian Hartsock, Controller/Accountant Julie Atwater, Prairie Power VP Crystal Riney, and Attorney Charles K. Smith. Due to the fact that Director Patrick was present via Zoom, it was moved and seconded that Director Ryan be appointed Acting Secretary for the Meeting. Motion carried.

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 Acting Secretary Ryan, 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 Crystal Riney, Vice President of Finance & Accounting at Prairie Power Inc., present by Zoom, who provided a presentation regarding Prairie Power's initiatives to secure a mortgage indenture, and in support needs a reaffirmation of each PPI Member Guarantees. She discussed the terms of the Guarantees and why they were being requested by Prairie Power at this point in time. Attorney Smith advised he had reviewed the Reaffirmation and that he had spoken with Counsel for Prairie Power and she had answered concerns he had with regard to the Reaffirmation. He advised that he had no objection to the Guarantees. After further discussion, it was moved and seconded that the following Resolution be adopted. Motion carried. Riney then left the meeting.

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

General Manager Anker introduced Julie Atwater, who reviewed with the Board the 2021 Inventory Adjustment. She discussed changes that were being made to maintain more accurate records in order to mitigate the magnitude of future inventory adjustments. Hartsock and Atwater then left the meeting.

General Manager Anker discussed two Certificates of Authority, being Rural Development Utilities Program Form 674 and Rural Utilities Service Form 675, each with a

unique Resolution authorizing the respective execution. It was moved and seconded that each Resolution be approved and the Forms be executed. Motions carried.

(See Exhibits B and C, attached hereto and incorporated herein by reference.)

General Manager Anker presented the Manager's Report for November, 2021. She reviewed the 2021 EOY Financial Summary and final 2021 Deferred Revenue revision. General Manager Anker 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. She reviewed the Operations Report and Reliability Report and reported that for the month that there were 47 incidents, the longest duration of an outage was 277 minutes and largest number of Members affected was 197. General Manager Anker presented the annual review of Fixed Expenses; it was moved and seconded the board approve an increase in Block Heater Load compensation. Motion carried. No other Fixed Expenses were adjusted. She reviewed the Irrigation Report and Safety Report. Under the Safety Report, General Manager Anker reported on the Safety Meeting, and advised that there had been no new lost time incidents. General Manager Anker reviewed the Connect Newsletter. There was discussion about who would be the NRTC Annual Meeting Delegates. It was discussed that the current Delegate, Director McMillan, and current Alternate Delegate, General Manager Anker, remain the Delegates for NRTC. There was discussion about who would be the NRECA Annual Meeting Delegates. It was discussed that Director Goetsch remain the primary Delegate with Director Ryan as the Alternate Delegate for the NRECA Annual Meeting. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC Activities.

Director Frye reported on Illinois Cooperatives Workers Compensation Group Annual Meeting.

Director Martin reported on Prairie Power, Inc.

General Manager Anker presented the Capital Credit Estates Refund 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 the next regular Board Meeting was scheduled for Tuesday, January 25, 2022.

Under other business, President Frye advised that the NRECA Annual Meeting was March 6-9, 2022 and that the CoBank Regional Customer Meeting was March 10-11, 2022.

There being no further business to come before the Board, it was moved and seconded the Meeting be adjourned. Motion carried.

Respectfully submitted,

---

Acting Secretary

---

President

**MENARD ELECTRIC COOPERATIVE**  
**MONTHLY OPERATING REPORT**

	Year to Date			November 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	26,631,294	27,154,646	27,108,374	46,272	1,981,618	2,084,864	2,077,396	7,468
kWhr Sold	184,440,364	178,797,403	184,307,094	(5,509,691)	13,298,897	14,025,135	14,142,567	(117,432)
2. Cost of Power	15,588,272	15,112,509	16,356,230	1,243,721	1,388,042	1,657,055	1,327,217	(329,838)
kWhr Purchased	199,011,591	193,495,261	199,672,375	6,177,114	13,891,795	15,196,050	15,323,500	127,450
3. Operation Expense	1,424,550	1,573,766	1,463,428	(110,338)	100,188	129,125	132,531	3,406
4. Maintenance Expense	2,493,361	2,955,012	3,110,839	155,827	264,316	255,588	252,161	(3,427)
5. Consumer Accounts & Coll. Exp.	381,866	396,603	609,463	212,860	31,795	33,540	57,730	24,190
6. Member Service Expense	202,124	192,440	283,425	90,985	17,211	25,158	24,710	(448)
7. General Office Expense	615,444	743,571	625,688	(117,883)	52,806	105,004	52,984	(52,020)
8. Outside Professional Services	76,091	45,209	47,463	2,254	9,308	13,750	6,333	(7,417)
9. Insurance, Employee & Welfare	16,176	(16,227)	4,400	20,627	422	2,291	400	(1,891)
10. Director's Fee & Mileage	82,989	74,032	61,128	(12,904)	3,529	5,045	6,248	1,203
11. Dues - Assoc. Organizations	128,016	129,572	134,805	5,233	11,772	11,788	12,425	637
12. Other Misc. General Expense	266,527	358,646	335,632	(23,014)	30,044	30,373	16,909	(13,464)
13. Depreciation Expense	2,131,859	2,182,193	2,249,463	67,270	196,484	199,757	210,924	11,167
14. Tax Expense - Property	261,568	269,145	274,175	5,030	21,318	22,410	24,925	2,515
15. Tax Expense - Other	23,883	22,358	23,778	1,420	1,660	1,685	1,852	167
16. Interest Expense on L-T Debt	1,156,347	1,081,177	1,139,180	58,003	101,765	95,868	102,636	6,768
17. Total Expense less Power	9,260,801	10,007,499	10,362,867	355,368	842,618	931,381	902,768	(28,613)
17a. Total Operating Cost	24,849,073	25,120,008	26,719,097	1,599,089	2,230,660	2,588,436	2,229,985	(358,451)
<b>18. Operating Margins</b>	<b>1,782,221</b>	<b>2,034,639</b>	<b>389,277</b>	<b>1,645,362</b>	<b>(249,042)</b>	<b>(503,572)</b>	<b>(152,589)</b>	<b>(350,983)</b>
19. Non-Operating Margins	63,764	865,084	54,200	810,884	4,264	11,424	4,100	7,324
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	0	0	0
<b>22. Total Margins</b>	<b>3,107,264</b>	<b>4,154,053</b>	<b>1,503,477</b>	<b>2,650,576</b>	<b>(244,778)</b>	<b>(492,148)</b>	<b>(148,489)</b>	<b>(343,659)</b>

Balance Sheet Analysis

Menard Electric Coop

11/30/2020 - 11/30/2021

20-Dec-21

	Prior Yr Balance 11/30/2020	Current Yr Balance 11/30/2021	End of Yr Balance 12/31/20	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	76,122,411	78,075,048	76,456,443	1,618,605
Construction Work in Process	1,460,197	2,502,851	1,335,167	1,167,684
Total Utility Plant in Service	77,582,608	80,577,899	77,791,610	2,786,289
Accumulated Depreciation	(23,761,917)	(24,860,131)	(23,732,676)	(1,127,455)
<b>Net Utility Plant</b>	<b>53,820,691</b>	<b>55,717,768</b>	<b>54,058,934</b>	<b>1,658,834</b>
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	235,793	261,643	303,252	(41,609)
<b>Total Other Prop. &amp; Investments</b>	<b>15,142,658</b>	<b>15,622,690</b>	<b>15,210,117</b>	<b>412,573</b>
Cash-General Funds	1,539,000	1,225,513	600,926	624,587
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	2,814	3,815	2,891	924
Temporary Investments	1,158,272	126,213	1,296,801	(1,170,588)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,184,048	2,153,798	2,507,929	(354,131)
Accounts Receivable-Net-Other	55,659	50,564	23,025	27,539
Materials & Supplies	477,639	696,510	506,818	189,692
Prepayments	98,632	219,947	75,885	144,062
Other Current & Accrued Assets	5,294	5,294	8,651	(3,357)
<b>Total Current &amp; Accrued Assets</b>	<b>5,521,812</b>	<b>4,482,108</b>	<b>5,023,380</b>	<b>(541,272)</b>
Regulatory Assets	0	0	0	0
<b>Deferred Debits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>74,485,161</b>	<b>75,822,566</b>	<b>74,292,431</b>	<b>1,530,135</b>
<b>OWNER'S EQUITY:</b>				
Memberships	311,920	320,795	312,520	8,275
Patronage Capital	25,576,519	26,405,751	25,564,451	841,300
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	3,107,273	4,154,056	1,744,439	2,409,617
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,784,019	2,957,363	2,789,759	167,604
<b>Total Margins &amp; Equities</b>	<b>31,779,731</b>	<b>33,837,965</b>	<b>30,411,169</b>	<b>3,426,796</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	865,918	799,849	860,516	(60,667)
Long Term Debt Other - RUS Guar.	25,001,787	26,040,831	24,826,749	1,214,082
Long Term Debt - Other	12,866,968	10,678,798	12,810,678	(2,131,880)
Long Term Debt Other - Adv Payments	(258,104)	0	(260,699)	260,699
<b>Total Long Term Debt</b>	<b>38,476,569</b>	<b>37,519,478</b>	<b>38,237,244</b>	<b>(717,766)</b>
Accumulated Operating Provisions	970,070	1,057,550	1,050,650	6,900
<b>Total Other Noncurrent Liabilities</b>	<b>970,070</b>	<b>1,057,550</b>	<b>1,050,650</b>	<b>6,900</b>
Notes Payable	0	0	0	0
Accounts Payable	2,316,046	2,431,990	3,115,942	(683,952)
Deposits	162,205	186,215	161,330	24,885
Other Current & Accrued Liabilities	584,927	623,425	465,279	158,146
<b>Total Current &amp; Accrued Liabilities</b>	<b>3,063,178</b>	<b>3,241,630</b>	<b>3,742,551</b>	<b>(500,921)</b>
<b>Deferred Credits</b>	<b>195,614</b>	<b>165,942</b>	<b>850,817</b>	<b>(684,875)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>74,485,162</b>	<b>75,822,565</b>	<b>74,292,431</b>	<b>1,530,134</b>

## MENARD ELECTRIC COOPERATIVE

	This Month				
	November17	November18	November19	November20	November21
1. Operating Revenue	2,088,309	2,173,483	2,276,104	1,981,618	2,084,864
kWhr Sold	14,826,807	15,303,039	15,947,546	13,298,897	14,025,135
2. Cost of Power	1,463,785	1,722,427	1,392,456	1,388,042	1,657,055
kWhr Purchased	16,049,372	16,547,335	17,152,386	13,844,251	15,196,050
3. Operation Expense	59,454	88,319	136,361	100,188	129,125
4. Maintenance Expense	305,682	132,538	199,801	264,316	255,588
5. Consumer Accounts & Coll. Exp.	42,753	26,302	43,400	31,795	33,540
6. Member Service Expense	7,417	16,777	14,696	17,211	25,158
7. General Office Expense	55,575	45,483	46,511	52,806	105,004
8. Outside Professional Services	6,533	6,835	0	9,308	13,750
9. Insurance, Employee & Welfare	296	576	328	422	2,291
10. Director's Fee & Mileage	5,195	4,200	4,669	3,529	5,045
11. Dues - Assoc. Organizations	11,391	11,516	11,526	11,772	11,788
12. Other Misc. General Expense	12,230	36,828	32,650	30,044	30,373
13. Depreciation Expense	169,910	284,003	189,558	196,484	199,757
14. Tax Expense - Property	20,900	20,380	23,400	21,318	22,410
15. Tax Expense - Other	2,384	1,700	1,844	1,660	1,685
16. Interest Expense	101,797	102,846	100,951	101,765	95,868
17. Total Expense less Power	801,517	778,303	805,695	842,618	931,382
17a. Total Operating Cost	2,265,302	2,500,730	2,198,151	2,230,660	2,588,437
<b>18. Operating Margins</b>	(176,993)	(327,247)	77,953	(249,042)	(503,573)
19. Non-Operating Margins	5,245	5,163	7,881	4,264	11,424
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
<b>22. Total Margins</b>	(171,748)	(322,084)	85,834	(244,778)	(492,149)