

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JANUARY 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, either in person or via 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 General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one (1) change to the Agenda, being the addition of 5(d) Corporate Authorization Resolution for CFC. There were no other changes or additions to the Agenda. It was moved and seconded that as Secretary Michael Patrick was present by Zoom that Dennis Ryan be appointed as Acting Secretary for purposes of the Meeting. Motion carried. Thereafter, with President Frye presiding and with these minutes being transcribed by or under the direction of Temporary 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.

Manager Anker discussed and reviewed a Land Surveying Services Agreement with Tate Surveying and Mapping, LLC to perform survey services for the Cooperative. Prior to this presentation, Director Jodine Tate removed herself from the meeting and discussion. It was moved and seconded the Agreement be approved. Motion carried, with Director Tate abstaining from the action. Thereafter Director Tate rejoined the meeting.

Manager Anker presented for approval a Wire Transfer Agreement with Alliance Community Bank. It was moved and seconded that the Agreement be approved. Motion carried. She then reviewed a Corporation Authorization Resolution from Alliance Community Bank to accommodate the inclusion of new staff as a signatory for the Cooperative's financial accounts. It was moved and seconded that the Resolution be adopted. Motion carried. Manager Anker reviewed a Corporation Authorization Resolution for Petefish Skiles & Co. Bank. Manager Anker advised this Resolution was intended for similar purposes, however there were some changes that needed to be made. It was moved and seconded that said matter be tabled. Motion carried. Manager Anker presented a Corporate Authorization Resolution for CFC for similar purposes. It was moved and seconded that the Resolution be approved. Motion carried.

Manager Anker presented the Manager's Report for December, 2020. She presented a review of accomplishments for 2020. Manager Anker reviewed the Operating Statement, Balance Sheet and Budget. She reviewed the Member Services Report and past due notices,

generated cut-off tickets and write-offs for the Month. Manager Anker reviewed the Operations Report and Reliability Report and reported that for the month, there were 38 incidents and the total number of Members affected was 245. The largest duration of an outage was 1,358 minutes. Manager Anker reviewed the Irrigation Report and the Safety Report. She advised that there were no illnesses or injuries for the month. Manager Anker reviewed the contents of the monthly Connect Newsletter and discussed Industry News and Happenings. She reported on the retirement of Sue Freeland. Manager Anker discussed the NRECA Annual Meeting and advised that it was necessary to affirm or re-nominate a Voting Delegate and Alternate Voting Delegate. It was moved and seconded that Director Ryan be the Voting Delegate with Director Patrick as the Alternate Voting Delegate. Manager Anker discussed the NRTC Annual Meeting and it was moved and seconded that Director McMillan be the Voting Delegate with Director Goetsch as the Alternate Voting Delegate for NRTC Annual Meeting. Motion carried. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

President Frye advised that the Finance Committee met before the Board Meeting. Committee Chair Director Martin advised that the Committee reviewed the Capital Credit Allocation History as well as the chart of Capital Credit allocations and active Members. The Committee then reviewed 2021 Capital Credit Retirement options, as well as a chart of Mock Capital Credit Retirements. After discussion by the Board, Director Martin advised that the Committee recommended a general retirement of \$800,000.00 and \$170,000.00 for estates on a first-in first-out basis. After discussion, it was moved and seconded that the Cooperative declare a General Retirement of Capital Credits for the balance of years 1996, 1997 and 1998, totaling an amount not to exceed \$809,000.00 and the amount remaining for retirement of estates up to \$170,000.00 during the calendar year 2021, for a total retirement of approximately \$979,000.00. It was moved and seconded that following Resolution be adopted:

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

Director Goetsch reported on AIEC activities. He reported on the possibility that Southwestern Electric Cooperative might rejoin AIEC. He also announced his selection to the NRECA Director Advisory Group for a 2-year term.

Director Martin reported on Prairie Power, Inc.

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.

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

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, February 23, 2021 at 6:00 p.m.

Under other business, the NRTC Virtual Annual Business Meeting will be held on Thursday, February 25, 2021 and the NRECA Virtual Annual Business Meeting will be held on Thursday, March 4, 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			December 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	30,072,583	28,744,229	29,805,279	(1,061,050)	2,208,468	2,112,935	2,235,371	(122,436)
kWhr Sold	208,596,240	199,542,166	208,582,946	(9,040,780)	15,707,879	15,101,802	16,440,582	(1,338,780)
2. Cost of Power	18,757,714	18,060,406	18,577,546	517,140	2,216,480	2,472,134	1,483,589	(988,545)
kWhr Purchased	225,633,578	216,098,654	225,436,000	9,337,346	17,164,812	17,087,063	17,680,000	592,937
3. Operation Expense	1,599,855	1,643,729	1,679,226	35,497	84,121	219,179	150,294	(68,885)
4. Maintenance Expense	3,305,210	2,747,789	3,295,800	548,011	514,048	254,428	246,366	(8,062)
5. Consumer Accounts & Coll. Exp.	443,140	420,411	513,233	92,822	26,781	38,545	43,408	4,863
6. Member Service Expense	192,354	221,596	273,687	52,091	15,581	19,472	23,602	4,130
7. General Office Expense	657,049	683,286	541,192	(142,094)	93,824	67,842	46,768	(21,074)
8. Outside Professional Services	49,686	78,701	96,300	17,599	4,515	2,610	7,200	4,590
9. Insurance, Employee & Welfare	20,932	37,401	4,800	(32,601)	15,608	21,225	400	(20,825)
10. Director's Fee & Mileage	112,134	87,309	122,350	35,041	3,948	4,320	5,725	1,405
11. Dues - Assoc. Organizations	138,252	139,788	146,772	6,984	11,526	11,772	12,557	785
12. Other Misc. General Expense	410,043	302,920	325,321	22,401	49,844	36,393	29,080	(7,313)
13. Depreciation Expense	2,240,902	2,330,184	2,411,269	81,085	189,580	198,325	208,311	9,986
14. Tax Expense - Property	0	282,886	288,300	5,414	(257,400)	21,318	24,025	2,707
15. Tax Expense - Other	25,077	25,589	26,124	535	1,855	1,706	1,978	272
16. Interest Expense on L-T Debt	1,311,778	1,260,768	1,271,212	10,444	107,852	104,421	104,887	466
17. Total Expense less Power	10,506,412	10,262,357	10,995,586	733,229	861,683	1,001,556	904,601	(96,955)
17a. Total Operating Cost	29,264,126	28,322,763	29,573,132	1,250,369	3,078,163	3,473,690	2,388,190	(1,085,500)
18. Operating Margins	808,457	421,466	232,147	189,319	(869,695)	(1,360,755)	(152,819)	(1,207,936)
19. Non-Operating Margins	183,520	79,610	71,450	8,160	57,554	15,846	4,175	11,671
20. G & T Capital Credits	1,139,473	1,116,929	1,000,000	116,929	0			0
21. Other Capital Credits	137,863	144,350	108,000	36,350	10			0
22. Total Margins	2,269,313	1,762,355	1,411,597	350,758	(812,131)	(1,344,909)	(148,644)	(1,196,265)

Balance Sheet Analysis

Menard Electric Coop

12/31/19 - 12/31/20

22-Jan-21

	Prior Yr Balance 12/31/19	Current Yr Balance 12/31/20	End of Yr Balance 12/31/19	Change YTD
ASSETS:				
Utility Plant in Service	73,188,302	76,456,443	73,188,302	3,268,141
Construction Work in Process	1,079,509	1,217,147	1,079,509	137,638
Total Utility Plant in Service	74,267,811	77,673,590	74,267,811	3,405,779
Accumulated Depreciation	(22,932,346)	(23,732,676)	(22,932,346)	(800,330)
Net Utility Plant	51,335,465	53,940,914	51,335,465	2,605,449
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	10,948,701	12,112,828	10,948,701	1,164,127
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	704,432	681,132	704,432	(23,300)
Investments in Economic Dev. Projects				0
Other Investments	2,817,205	2,112,905	2,817,205	(704,300)
Special Funds	285,652	239,793	285,652	(45,859)
Total Other Prop. & Investments	14,755,990	15,146,658	14,755,990	390,668
Cash-General Funds	1,274,558	600,755	1,274,558	(673,803)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	5,004	2,891	5,004	(2,113)
Temporary Investments	2,830,408	1,296,801	2,830,408	(1,533,607)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,572,954	1,852,727	2,572,954	(720,227)
Accounts Receivable-Net-Other	33,037	23,553	33,037	(9,484)
Materials & Supplies	497,770	506,818	497,770	9,048
Prepayments	184,520	75,885	184,520	(108,635)
Other Current & Accrued Assets	9,285	7,985	9,285	(1,300)
Total Current & Accrued Assets	7,407,990	4,367,869	7,407,990	(3,040,121)
Regulatory Assets	0	0	0	0
Deferred Debits	9,243	0	9,243	(9,243)
TOTAL ASSETS & OTHER DEBITS	73,508,688	73,455,441	73,508,688	(53,247)
OWNER'S EQUITY:				
Memberships	302,940	312,520	302,940	9,580
Patronage Capital	24,164,587	25,564,451	24,164,587	1,399,864
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,269,313	1,762,363	2,269,313	(506,950)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,631,209	2,789,759	2,631,209	158,550
Total Margins & Equities	29,368,049	30,429,093	29,368,049	1,061,044
LIABILITIES:				
Long Term Debt-RUS	930,569	860,516	930,569	(70,053)
Long Term Debt Other - RUS Guar.	25,519,967	24,826,749	25,519,967	(693,218)
Long Term Debt - Other	12,988,129	12,810,678	12,988,129	(177,451)
Long Term Debt Other - Adv Payments	(248,679)	(260,699)	(248,679)	(12,020)
Total Long Term Debt	39,189,986	38,237,244	39,189,986	(952,742)
Accumulated Operating Provisions	965,479	979,020	965,479	13,541
Total Other Noncurrent Liabilities	965,479	979,020	965,479	13,541
Notes Payable	0	0	0	0
Accounts Payable	2,715,860	2,997,708	2,715,860	281,848
Deposits	154,770	161,330	154,770	6,560
Other Current & Accrued Liabilities	454,009	455,431	454,009	1,422
Total Current & Accrued Liabilities	3,324,639	3,614,469	3,324,639	289,830
Deferred Credits	660,534	195,614	660,534	(464,920)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	73,508,687	73,455,440	73,508,687	(53,247)

MENARD ELECTRIC COOPERATIVE

This Month

	December16	December17	December18	December19	December20
1. Operating Revenue	2,195,368	2,231,035	2,171,232	2,208,468	2,112,935
kWhr Sold	16,844,322	16,742,533	16,013,754	15,707,879	15,101,802
2. Cost of Power	1,871,713	2,009,618	1,741,737	2,216,480	2,472,134
kWhr Purchased	18,209,425	18,131,444	17,316,045	17,164,812	17,087,063
3. Operation Expense	94,252	194,107	63,505	84,121	219,179
4. Maintenance Expense	414,469	489,280	484,154	514,048	254,428
5. Consumer Accounts & Coll. Exp.	54,040	38,563	35,542	26,781	38,545
6. Member Service Expense	7,987	7,601	10,712	15,581	19,472
7. General Office Expense	67,272	68,094	34,466	93,824	67,842
8. Outside Professional Services	3,238	3,253	8,095	4,515	2,610
9. Insurance, Employee & Welfare	23,425	20,651	21,562	15,608	21,225
10. Director's Fee & Mileage	8,541	12,291	12,801	3,948	4,320
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	72,661	59,932	74,199	49,844	36,393
13. Depreciation Expense	166,212	168,758	182,985	189,580	198,325
14. Tax Expense - Property	(220,000)	(229,900)	(244,130)	(257,400)	21,318
15. Tax Expense - Other	2,817	2,618	1,756	1,855	1,706
16. Interest Expense	104,429	104,733	106,626	107,852	104,421
17. Total Expense less Power	810,820	951,372	803,789	861,683	1,001,556
17a. Total Operating Cost	2,682,533	2,960,990	2,545,526	3,078,163	3,473,690
18. Operating Margins	(487,165)	(729,955)	(374,294)	(869,695)	(1,360,755)
19. Non-Operating Margins	19,117	21,891	19,466	57,554	15,846
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	744	10	
22. Total Margins	(468,048)	(708,064)	(354,084)	(812,131)	(1,344,909)

MENARD ELECTRIC COOPERATIVE

Year to Date

	December16	December17	December18	December19	December20
1. Operating Revenue	28,149,591	28,502,393	30,195,811	30,072,583	28,744,229
kWhr Sold	204,231,497	205,227,689	214,048,390	208,596,240	199,542,166
2. Cost of Power	18,341,087	18,104,399	19,462,841	18,757,714	18,060,406
kWhr Purchased	221,785,214	223,736,446	232,508,225	225,633,578	216,051,110
3. Operation Expense	1,057,906	1,071,745	1,389,508	1,599,855	1,643,729
4. Maintenance Expense	2,931,339	3,443,723	3,150,500	3,305,210	2,747,789
5. Consumer Accounts & Coll. Exp.	251,782	491,342	489,182	443,140	420,411
6. Member Service Expense	108,626	104,784	133,669	192,354	221,596
7. General Office Expense	826,726	816,324	782,189	657,049	683,286
8. Outside Professional Services	53,208	80,269	47,447	49,686	78,701
9. Insurance, Employee & Welfare	28,248	24,650	26,335	20,932	37,401
10. Director's Fee & Mileage	92,074	118,739	116,673	112,134	87,309
11. Dues - Assoc. Organizations	137,040	137,208	148,869	138,252	139,788
12. Other Misc. General Expense	323,559	318,914	391,278	410,043	302,920
13. Depreciation Expense	1,973,811	2,010,388	2,192,719	2,240,902	2,330,184
14. Tax Expense - Property	0	0	0	0	282,886
15. Tax Expense - Other	36,902	36,230	24,740	25,077	25,589
16. Interest Expense	1,262,990	1,256,788	1,264,023	1,311,778	1,260,768
17. Total Expense less Power	9,084,211	9,911,104	10,157,132	10,506,412	10,262,357
17a. Total Operating Cost	27,425,298	28,015,503	29,619,973	29,264,126	28,322,763
18. Operating Margins	724,293	486,890	575,838	808,457	421,466
19. Non-Operating Margins	56,014	102,580	83,090	183,520	79,610
20. G & T Capital Credits	1,156,406	1,141,366	1,146,478	1,139,473	1,116,929
21. Other Capital Credits	213,965	192,551	214,286	137,863	144,350
22. Total Margins	2,150,678	1,923,387	2,019,692	2,269,313	1,762,355