

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
FEBRUARY 27, 2020

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, Dennis Ryan, Jodine Tate and Steven L. Worner. Director Michael E. Patrick was absent. In the absence of Secretary Patrick, it was moved and seconded that Director Ryan be appointed Temporary Secretary for the Meeting. Motion carried. Also present were Engineering Manager Brady Smith, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were no changes or additions to the Agenda. 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.

Brady Smith and Manager Anker reviewed the terms and provisions of the Electric System Construction Contract, as well as the Power Line Right of Way Clearance and Vegetation Management Agreement. It was moved and seconded that the Contract and the Agreement be approved and adopted. Motion carried.

Manager Anker discussed the terms of the Station Power Service proposed rate. After discussion, it was moved and seconded that the Rate be adopted. Motion carried.

Manager Anker presented the Manager's Report for January, 2020. She reviewed the Operating Statement, Balance Sheet and Budget. The Board discussed Member issues and inquiries. Manager Anker advised that a Member had complaint about the cost to relocate a line. Manger Anker reviewed the terms of the Policy. There was discussion about varying from the Policy and a motion was made to deviate from the Policy, but the motion was withdrawn. It was the consensus of the Board for the Manager to review the time involved and adjust the cost accordingly. Manager Anker reviewed the Member Services Report and past due notices, generated cut-off tickets and write-offs for the month. Under the Operations Report and Reliability Report, she reported that for the month there were 45 incidents, and average outage hours per interruption was 1.688 hours. Manager Anker reviewed the Irrigation Report and the status of construction. She discussed the contents of the monthly Connect Newsletter and reviewed the materials contained therein, including a discussion of Director Nominating petition, as well as a Report on how to keep service safe and reliable with vegetation management.

Manager Anker advised that it was necessary to choose a CRC Voting Delegate and Alternate Delegate. It was moved and seconded that Manager Anker be the Delegate with the Alternate Delegate being Trish Michels. Motion carried. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch presented the Safety Report as the guest director present for the monthly safety meeting; he advised that there were no injuries or illnesses for the month. Manager Anker reviewed the Education and Events Course Attendance Report.

Director Goetsch reported on AIEC Activities.

Director Martin and Manager Anker reported on Prairie Power, Inc.

Director Worner reported on plans for the Annual Meeting.

Director Goetsch presented a Report of the Bylaw/Policy Committee, which had recently met. Manager Anker and Director Goetsch reviewed proposed changes to the Security Deposit Policy, Bad Check Policy, Employee Conduct and Confidentiality Policy, Term Life Insurance Policy, Wage and Salary Administration Policy, Employee Performance Appraisal Policy, Retirement and Security Plan for Union Employees, Retirement and Security Plan for Non-Union Employees, Petty Cash Policy, new Write-off Policy, Cash Funds Policy, and new Unclaimed Retired Patronage Capital Policy. It was moved and seconded to adopt the new Policies and revisions to said Policies. Motion carried.

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, March 24, 2020 at 6:00 p.m.

Under Other Business, President Frye reminded the Board of upcoming Meetings and Classes, as well as the Co-Bank Central Customer Event, Bloomington-Normal on March 16-17, 2020, the Illinois Electric Coop Lobby Day on March 18, 2020 at the State Capitol and the NRECA Legislative Conference (sign up) on April 26-29, 2020.

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				January 2020			
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	2,335,065	2,193,854	2,299,774	(105,920)	2,335,065	2,193,854	2,299,774	(105,920)
kWhr Sold	17,635,382	16,257,017	17,560,621	(1,303,604)	17,635,382	16,257,017	17,560,621	(1,303,604)
2. Cost of Power	1,389,527	466,021	699,579	233,558	1,389,527	466,021	699,579	233,558
kWhr Purchased	19,015,785	17,517,717	18,958,000	1,440,283	19,015,785	17,517,717	18,958,000	1,440,283
3. Operation Expense	309,422	127,463	162,470	35,007	309,422	127,463	162,470	35,007
4. Maintenance Expense	188,778	250,345	285,253	34,908	188,778	250,345	285,253	34,908
5. Consumer Accounts & Coll. Exp.	38,540	42,233	43,826	1,593	38,540	42,233	43,826	1,593
6. Member Service Expense	17,808	19,982	24,242	4,260	17,808	19,982	24,242	4,260
7. General Office Expense	91,776	68,919	46,001	(22,918)	91,776	68,919	46,001	(22,918)
8. Outside Professional Services	5,168	3,153	10,000	6,847	5,168	3,153	10,000	6,847
9. Insurance, Employee & Welfare	368	(3,536)	400	3,936	368	(3,536)	400	3,936
10. Director's Fee & Mileage	6,959	10,839	22,475	11,636	6,959	10,839	22,475	11,636
11. Dues - Assoc. Organizations	11,516	11,526	11,530	4	11,516	11,526	11,530	4
12. Other Misc. General Expense	51,924	32,373	43,143	10,770	51,924	32,373	43,143	10,770
13. Depreciation Expense	184,541	190,561	193,627	3,066	184,541	190,561	193,627	3,066
14. Tax Expense - Property	23,400	24,025	24,025	0	23,400	24,025	24,025	0
15. Tax Expense - Other	1,994	2,173	2,030	(143)	1,994	2,173	2,030	(143)
16. Interest Expense on L-T Debt	112,059	108,995	110,272	1,277	112,059	108,995	110,272	1,277
17. Total Expense less Power	1,044,253	889,051	979,294	90,243	1,044,253	889,051	979,294	90,243
17a. Total Operating Cost	2,433,780	1,355,072	1,678,873	323,801	2,433,780	1,355,072	1,678,873	323,801
18. Operating Margins	(98,715)	838,782	620,901	217,881	(98,715)	838,782	620,901	217,881
19. Non-Operating Margins	4,100	8,755	8,150	605	4,100	8,755	8,150	605
20. G & T Capital Credits	0	0	0	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0	0	0	0
22. Total Margins	(94,615)	847,537	629,051	218,486	(94,615)	847,537	629,051	218,486

Balance Sheet Analysis

Menard Electric Coop

01/31/19 - 01/31/20

27-Feb-20

	Prior Yr Balance 01/31/19	Current Yr Balance 01/31/20	End of Yr Balance 12/31/19	Change YTD
ASSETS:				
Utility Plant in Service	70,869,842	73,388,783	73,188,302	200,481
Construction Work in Process	624,816	1,162,215	1,079,509	82,706
Total Utility Plant in Service	71,494,658	74,550,998	74,267,811	283,187
Accumulated Depreciation	(22,277,787)	(23,096,055)	(22,932,346)	(163,709)
Net Utility Plant	49,216,871	51,454,943	51,335,465	119,478
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	9,755,917	10,948,701	10,948,701	0
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	691,932	704,432	704,432	0
Investments in Economic Dev. Projects				0
Other Investments	3,521,505	2,817,205	2,817,205	0
Special Funds	241,714	231,793	285,652	(53,859)
Total Other Prop. & Investments	14,211,068	14,702,131	14,755,990	(53,859)
Cash-General Funds	568,728	609,329	1,274,558	(665,229)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,353	2,968	5,004	(2,036)
Temporary Investments	0	2,569,952	2,830,408	(260,456)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,387,994	2,127,669	2,572,954	(445,285)
Accounts Receivable-Net-Other	25,299	29,336	33,037	(3,701)
Materials & Supplies	441,776	544,967	497,770	47,197
Prepayments	171,183	110,155	184,520	(74,365)
Other Current & Accrued Assets	10,910	10,910	9,285	1,625
Total Current & Accrued Assets	3,609,697	6,005,740	7,407,990	(1,402,250)
Regulatory Assets	0	0	0	0
Deferred Debits	9,600	0	9,243	(9,243)
TOTAL ASSETS & OTHER DEBITS	67,047,236	72,162,814	73,508,688	(1,345,874)
OWNER'S EQUITY:				
Memberships	294,575	303,370	302,940	430
Patronage Capital	22,296,014	23,417,895	24,164,587	(746,692)
Operating Margins-Prior Years	2,019,691	2,269,313	0	2,269,313
Operating Margins-Current Year	(94,614)	847,538	2,269,313	(1,421,775)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,590,884	2,655,993	2,631,209	24,784
Total Margins & Equities	27,106,550	29,494,109	29,368,049	126,060
LIABILITIES:				
Long Term Debt-RUS	994,294	925,281	930,569	(5,288)
Long Term Debt Other - RUS Guar.	22,507,161	25,519,967	25,519,967	0
Long Term Debt - Other	14,237,420	12,936,209	12,988,129	(51,920)
Long Term Debt Other - Adv Payments	(2,445,124)	(248,679)	(248,679)	0
Total Long Term Debt	35,293,751	39,132,778	39,189,986	(57,208)
Accumulated Operating Provisions	796,735	916,570	965,479	(48,909)
Total Other Noncurrent Liabilities	796,735	916,570	965,479	(48,909)
Notes Payable	500,000	0	0	0
Accounts Payable	1,832,607	994,087	2,715,860	(1,721,773)
Deposits	154,805	154,040	154,770	(730)
Other Current & Accrued Liabilities	1,177,663	1,258,223	454,009	804,214
Total Current & Accrued Liabilities	3,665,075	2,406,350	3,324,639	(918,289)
Deferred Credits	185,125	213,005	660,534	(447,529)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	67,047,236	72,162,812	73,508,687	(1,345,875)

MENARD ELECTRIC COOPERATIVE

This Month

	January16	January17	January18	January19	January20
1. Operating Revenue	2,217,191	2,113,416	2,358,026	2,335,065	2,193,854
kWhr Sold	17,305,823	16,220,793	18,401,744	17,635,382	16,257,017
2. Cost of Power	1,371,400	1,255,593	1,458,890	1,389,527	466,021
kWhr Purchased	18,820,717	17,571,960	19,813,790	19,015,785	17,517,717
3. Operation Expense	83,308	100,518	223,645	309,422	127,463
4. Maintenance Expense	261,396	198,483	233,419	188,778	250,345
5. Consumer Accounts & Coll. Exp.	38,149	42,989	45,879	38,540	42,233
6. Member Service Expense	14,983	8,980	10,080	17,808	19,982
7. General Office Expense	84,638	68,535	80,367	91,776	68,919
8. Outside Professional Services	3,035	2,055	1,750	5,168	3,153
9. Insurance, Employee & Welfare	28,727	(13,961)	(3,493)	368	(3,536)
10. Director's Fee & Mileage	4,252	10,889	6,452	6,959	10,839
11. Dues - Assoc. Organizations	11,363	11,477	11,391	11,516	11,526
12. Other Misc. General Expense	24,836	28,455	34,038	51,924	32,373
13. Depreciation Expense	166,349	165,322	169,023	184,541	190,561
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	2,652	2,452	1,894	1,994	2,173
16. Interest Expense	108,154	106,989	104,579	112,059	108,995
17. Total Expense less Power	851,842	754,083	941,399	1,044,253	889,051
17a. Total Operating Cost	2,223,242	2,009,676	2,400,289	2,433,780	1,355,072
18. Operating Margins	(6,051)	103,740	(42,263)	(98,715)	838,782
19. Non-Operating Margins	1,673	(1,426)	4,463	4,100	8,755
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
22. Total Margins	(4,378)	102,314	(37,800)	(94,615)	847,537