

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 23, 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, Donald E. McMillan, Michael E. Patrick, Jodine Tate and Steven L. Worner. Also present were General Manager Alisha Anker and Attorney Charles K. Smith. Directors Gary L. Martin and Dennis Ryan were absent.

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 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.

General Manager Anker discussed a proposed Resolution for CoBank Long Term Loan. She presented a Long Term Debt Maturity Schedule that listed and described the various long term debt balances, interest rates, and repricing and maturity dates for LT Notes with RUS, CFC, FFB and CoBank. It was moved and seconded that the Resolution be adopted. Motion carried. A copy of the Resolution as adopted is marked Exhibit A, attached hereto and incorporated herein by reference.

General Manager Anker presented and discussed the proposed Station Power Service Agreement with Glacier Sands Wind, LLC. She drew comparisons to the same type of service agreement with another wind developer. It was moved and seconded that the Agreement be approved and adopted. Motion carried.

General Manager Anker reviewed a proposed Board Resolution required by Illinois Electric Cooperative Financial Credit Union to authorize two persons be required to open an account. She explained the co-op had no intent to open any accounts at this time. After consideration, it was moved and seconded that the Resolution be adopted. Motion carried. A copy of said Resolution is marked Exhibit B, attached hereto and incorporated herein by reference.

General Manager Anker presented the Manager's Report for February, 2021. She reviewed the Operating Statement, Balance Sheet and Budget. She 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 14 incidents, total member minutes were 8545.02, longest duration of any one outage was 363 minutes and the largest total number of Members affected by any one outage was 44 members. General Manager Anker discussed matters with regard to the Inventory Adjustment as reviewed and approved at the December 2020 meeting. She advised that the Inventory adjustment showed only Major Material adjustments. She discussed the history of inventory adjustments and provided a comparison to a number of peer cooperatives. She advised that she had some concern regarding Inventory management and advised that she had gathered a committee of cross-departmental employees to develop improvements to better track inventory and mitigate large adjustments. She advised that any new processes may involve presenting inventory adjustment calculations on a quarterly or semi-annual basis from then on. General Manager Anker reviewed the Safety Report. She advised that there were no illnesses or injuries for the month. Under the Irrigation Report, General Manager Anker advised of the new systems being installed. She discussed some testing they had done to locate and determine the amount of line loss prevalent at Allen Substation. She reviewed the contents of the monthly Connect Newsletter. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC activities. There was discussion about the Delegate Certifications and Board Director Designations. It was moved and seconded that Director Goetsch be elected as Director to the AIEC Board and Steve Worner as Alternate Director. Motion carried. There was also discussion of credentials for the upcoming Annual Meeting. It was moved and seconded that Director Goetsch be the authorized Delegate with Director Worner the Alternate Delegate. Motion carried. There was also discussion on voting delegates for the Illinois Director to NRECA election. It was moved and seconded that Director Goetsch be the NRECA Director from Illinois voting Delegate and Director Worner the Alternate Delegate. Motion carried. Director Goetsch reviewed AIEC Safety Training Topics and Worker's Compensation Claims.

General Manager Anker reported on Prairie Power, Inc. There was discussion about who would be the Delegate and who would be the Alternate Delegate for the Prairie Power, Inc. Annual Meeting. It was moved and seconded that Director Martin be the Delegate with General Manager Anker as the Alternate Delegate. Motion carried. There was discussion with regard to the Certification of Candidates for Director and Alternate Director for the Prairie Power, Inc Board. It was moved and seconded that General Manager Anker be the CEO/GM Director candidate and Director Martin be the Director-Director candidate with Director Worner being the Alternate Director candidate. Motion carried.

General Manager Anker and Director Goetsch reported on the Meeting of the Policy/By Law Committee. They discussed the Net Billing Policy and the necessary revision to the Line Extension Policy to accommodate required system upgrades. It was moved and seconded that these Policies be adopted. Motion carried. General Manager Anker also discussed changes to the Employee Leave Under the Families First Coronavirus Response Act recommended by the Committee due to the American Rescue Plan. It was moved and seconded that the Policy be adopted as amended. Motion carried. General Manager Anker also discussed the Paid Time Off Policy. After discussion by the Board, it was recommended that the matter be tabled for further consideration at a later date. Motion carried.

General 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 actions taken in the Executive Session be ratified.
Motion carried.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, April 27, 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				February 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance	
1. Operating Revenue	4,190,119	4,393,228	4,200,572	192,656	1,996,265	2,169,400	1,965,737	203,663	
kWhr Sold	30,823,503	31,607,048	30,307,171	1,299,877	14,566,486	15,996,173	13,895,438	2,100,735	
2. Cost of Power	1,735,620	1,835,525	1,790,422	(45,103)	1,269,599	1,418,588	1,287,327	(131,261)	
kWhr Purchased	33,336,003	34,092,167	32,810,500	(1,281,667)	15,818,286	17,211,161	15,028,000	(2,183,161)	
3. Operation Expense	301,931	326,875	280,716	(46,159)	174,468	120,112	132,966	12,854	
4. Maintenance Expense	446,513	462,819	469,829	7,010	196,168	168,016	233,699	65,683	
5. Consumer Accounts & Coll. Exp.	75,338	65,928	125,008	59,080	33,105	32,700	62,158	29,458	
6. Member Service Expense	38,896	31,041	50,101	19,060	18,914	12,692	24,744	12,052	
7. General Office Expense	128,165	122,685	110,200	(12,485)	59,246	57,620	54,602	(3,018)	
8. Outside Professional Services	7,516	5,581	9,566	3,985	4,363	2,313	5,033	2,720	
9. Insurance, Employee & Welfare	(3,095)	6,996	800	(6,196)	441	2,750	400	(2,350)	
10. Director's Fee & Mileage	22,588	9,256	9,246	(10)	11,749	4,577	3,998	(579)	
11. Dues - Assoc. Organizations	23,052	23,544	23,560	16	11,526	11,772	11,780	8	
12. Other Misc. General Expense	59,516	70,401	67,459	(2,942)	27,143	26,492	28,173	1,681	
13. Depreciation Expense	381,463	398,504	400,451	1,947	190,902	199,144	200,706	1,562	
14. Tax Expense - Property	48,050	49,850	49,850	0	24,025	24,925	24,925	0	
15. Tax Expense - Other	3,851	3,558	3,741	183	1,678	1,875	1,763	(112)	
16. Interest Expense on L-T Debt	210,063	197,994	201,391	3,397	101,068	94,006	95,476	1,470	
17. Total Expense less Power	1,743,847	1,775,032	1,801,918	26,886	854,796	758,994	880,423	121,429	
17a. Total Operating Cost	3,479,467	3,610,557	3,592,340	(18,217)	2,124,395	2,177,582	2,167,750	(9,832)	
18. Operating Margins	710,652	782,671	608,232	174,439	(128,130)	(8,182)	(202,013)	193,831	
19. Non-Operating Margins	15,455	6,849	11,300	(4,451)	6,700	2,571	5,500	(2,929)	
20. G & T Capital Credits	0	0	0	0	0			0	
21. Other Capital Credits	0	0	0	0	0			0	
22. Total Margins	726,107	789,520	619,532	169,988	(121,430)	(5,611)	(196,513)	190,902	

Balance Sheet Analysis

Menard Electric Coop

02/29/20 - 02/28/21

19-Mar-21

	Prior Yr Balance 02/29/20	Current Yr Balance 02/28/21	End of Yr Balance 12/31/20	Change YTD
ASSETS:				
Utility Plant in Service	73,452,068	76,695,817	76,456,443	239,374
Construction Work in Process	1,301,392	1,330,225	1,335,167	(4,942)
Total Utility Plant in Service	74,753,460	78,026,042	77,791,610	234,432
Accumulated Depreciation	(23,235,826)	(23,947,984)	(23,732,676)	(215,308)
Net Utility Plant	51,517,634	54,078,058	54,058,934	19,124
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	10,948,701	12,112,828	12,112,828	0
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	704,432	681,132	681,132	0
Investments in Economic Dev. Projects				0
Other Investments	2,817,205	2,112,905	2,112,905	0
Special Funds	231,793	246,643	303,252	(56,609)
Total Other Prop. & Investments	14,702,131	15,153,508	15,210,117	(56,609)
Cash-General Funds	881,958	640,723	600,926	39,797
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,045	3,045	2,891	154
Temporary Investments	2,608,606	0	1,296,801	(1,296,801)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,052,149	2,139,331	2,507,929	(368,598)
Accounts Receivable-Net-Other	110,856	180,610	23,025	157,585
Materials & Supplies	576,556	646,948	506,818	140,130
Prepayments	104,321	148,211	75,885	72,326
Other Current & Accrued Assets	13,394	13,106	8,651	4,455
Total Current & Accrued Assets	6,351,339	3,772,428	5,023,380	(1,250,952)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	72,571,104	73,003,994	74,292,431	(1,288,437)
OWNER'S EQUITY:				
Memberships	304,045	313,565	312,520	1,045
Patronage Capital	23,407,199	24,719,773	25,564,451	(844,678)
Operating Margins-Prior Years	2,269,313	1,744,439	0	1,744,439
Operating Margins-Current Year	726,109	789,522	1,744,439	(954,917)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,661,544	2,804,168	2,789,759	14,409
Total Margins & Equities	29,368,210	30,371,467	30,411,169	(39,702)
LIABILITIES:				
Long Term Debt-RUS	918,386	849,632	860,516	(10,884)
Long Term Debt Other - RUS Guar.	25,519,967	24,826,749	24,826,749	0
Long Term Debt - Other	12,715,075	12,517,384	12,810,678	(293,294)
Long Term Debt Other - Adv Payments	(248,679)	(260,699)	(260,699)	0
Total Long Term Debt	38,904,749	37,933,066	38,237,244	(304,178)
Accumulated Operating Provisions	921,520	1,021,275	1,050,650	(29,375)
Total Other Noncurrent Liabilities	921,520	1,021,275	1,050,650	(29,375)
Notes Payable	0	0	0	0
Accounts Payable	1,656,188	1,818,928	3,115,942	(1,297,014)
Deposits	157,130	161,326	161,330	(4)
Other Current & Accrued Liabilities	1,356,344	1,503,697	465,279	1,038,418
Total Current & Accrued Liabilities	3,169,662	3,483,951	3,742,551	(258,600)
Deferred Credits	206,963	194,235	850,817	(656,582)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	72,571,104	73,003,994	74,292,431	(1,288,437)

MENARD ELECTRIC COOPERATIVE

This Month

	February17	February18	February19	February20	February21
1. Operating Revenue	1,816,288	2,073,200	2,094,598	1,996,265	2,169,400
kWhr Sold	12,924,504	15,117,059	15,576,868	14,566,486	15,996,173
2. Cost of Power	1,122,999	1,316,465	1,230,027	1,269,599	1,418,588
kWhr Purchased	14,008,723	16,284,356	16,759,633	15,818,286	17,211,161
3. Operation Expense	37,955	176,816	150,647	174,468	120,112
4. Maintenance Expense	242,376	303,368	205,539	196,168	168,016
5. Consumer Accounts & Coll. Exp.	46,929	50,003	45,147	33,105	32,700
6. Member Service Expense	10,309	9,131	13,110	18,914	12,692
7. General Office Expense	66,742	76,353	48,980	59,246	57,620
8. Outside Professional Services	7,215	3,493	2,750	4,363	2,313
9. Insurance, Employee & Welfare	16	296	(339)	441	2,750
10. Director's Fee & Mileage	26,952	15,109	4,037	11,749	4,577
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	32,657	26,066	21,987	27,143	26,492
13. Depreciation Expense	165,680	169,654	185,207	190,902	199,144
14. Tax Expense - Property	20,900	22,375	23,400	24,025	24,925
15. Tax Expense - Other	2,277	1,791	1,752	1,678	1,875
16. Interest Expense	98,100	96,318	101,157	101,068	94,006
17. Total Expense less Power	769,585	962,164	814,890	854,796	758,994
17a. Total Operating Cost	1,892,584	2,278,629	2,044,917	2,124,395	2,177,582
18. Operating Margins	(76,296)	(205,429)	49,681	(128,130)	(8,182)
19. Non-Operating Margins	21,357	3,066	2,627	6,700	2,571
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
22. Total Margins	(54,939)	(202,363)	52,308	(121,430)	(5,611)

MENARD ELECTRIC COOPERATIVE

Year to Date

	February17	February18	February19	February20	February21
1. Operating Revenue	3,929,704	4,431,226	4,429,663	4,190,119	4,393,228
kWhr Sold	29,145,297	33,518,803	33,212,250	30,823,503	31,607,048
2. Cost of Power	2,378,592	2,775,355	2,619,554	1,735,620	1,835,525
kWhr Purchased	31,580,683	36,098,146	35,775,418	33,336,003	34,092,167
3. Operation Expense	138,473	400,461	460,069	301,931	326,875
4. Maintenance Expense	440,859	536,787	394,317	446,513	462,819
5. Consumer Accounts & Coll. Exp.	89,918	95,882	83,687	75,338	65,928
6. Member Service Expense	19,289	19,211	30,918	38,896	31,041
7. General Office Expense	135,277	156,720	140,756	128,165	122,685
8. Outside Professional Services	9,270	5,243	7,918	7,516	5,581
9. Insurance, Employee & Welfare	(13,945)	(3,197)	29	(3,095)	6,996
10. Director's Fee & Mileage	37,841	21,561	10,996	22,588	9,256
11. Dues - Assoc. Organizations	22,954	22,782	23,032	23,052	23,544
12. Other Misc. General Expense	61,112	60,104	73,911	59,516	70,401
13. Depreciation Expense	331,002	338,677	369,748	381,463	398,504
14. Tax Expense - Property	41,800	44,750	46,800	48,050	49,850
15. Tax Expense - Other	4,729	3,685	3,746	3,851	3,558
16. Interest Expense	205,089	200,897	213,216	210,063	197,994
17. Total Expense less Power	1,523,668	1,903,563	1,859,143	1,743,847	1,775,032
17a. Total Operating Cost	3,902,260	4,678,918	4,478,697	3,479,467	3,610,557
18. Operating Margins	27,444	(247,692)	(49,034)	710,652	782,671
19. Non-Operating Margins	19,931	7,529	6,727	15,455	6,849
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
22. Total Margins	47,375	(240,163)	(42,307)	726,107	789,520