

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
APRIL 28, 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. The Meeting was held via Zoom Call due to the Covid-19 Virus.

On roll call the following Directors were present: 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. Motion carried. Also present were Manager Alisha Anker, Engineering Manager Brady Smith 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 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.

Manager Anker introduced Engineering Manager Brady Smith, who reviewed with the Board the 2020-2023 Work Plan, which included his presentation of preliminary exhibits and information for the Plan.

Manager Anker presented the Manager's Report for March, 2020. She 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 41 incidents and total member outage hours were 296.8. The largest number of affected Members were 35. Manager Anker presented the Irrigation Report and reviewed the list of Members whose irrigation systems were completed or currently under construction. She reviewed the contents of the monthly Connect Newsletter. The newsletter advised of the postponement of the Annual Meeting and also informed Members that they would receive \$700,000 in Capital Credits. The Board discussed the need for PPI Certification of Delegates for the 2020 Annual Meeting of the power supplier and Director Candidates for the upcoming 12-month period. It was moved and seconded that Gary Martin be the Primary Delegate to the Prairie Power Annual Meeting with Director Worner as the Alternate Delegate and that the Director Candidates be Director Martin and Manager Anker, with Director Worner as Alternate Director. Motion carried. Manager Anker also reviewed the 2020 Scholarship Recipients. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on the Meeting of the ByLaw Policy Committee. Manager Anker and Director Goetsch reviewed proposed Policy changes, specifically to Section IV, Policy 8 Billing and Terms of Payments; Section IV, Policy 28 Security Deposit; Section IV, Policy 39 Continuity and Disconnection of Service, Section VII, Policy 6 Vacation Non-Union

Employees; and Section VII, Policy 9 Attendance Monitoring Policy Non-Union Employees. Manager Anker also reviewed the proposed Employee Acknowledgment Agreement. After discussion by the Board, it was recommended by the Committee that the proposed changes to those Policies, be adopted. It was so moved and seconded. Motion carried.

Director Martin reported on the Meeting of the Finance Committee. He discussed the Committee's discussions with regard to the issue of retirement of Capital Credits and the manner and mechanism for the retirement of Capital Credits. The recommendation of the Committee was to utilize a 50/50 LIFO/FIFO retirement method for the 2020 retirement. The Board discussed the use of the "LIFO" last-in-first-out mechanism as opposed to "FIFO" first-in-first-out. Manager Anker presented a Summary of Patronage Retirement alternatives. She reviewed the effect of the various alternatives on the amount of the retirement and the number of Members that would be affected by the various alternatives. After much discussion, it was the decision of the Board that for a temporary basis the Board utilize the 50/50 LIFO/FIFO retirement method and that such just be for one year. It was so moved and seconded that the following Resolution be adopted.

(See Resolution for Retirement of Capital Credits marked Exhibit A, attached hereto and incorporated herein by reference.)

Director Goetsch reported on AIEC Activities.

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 confirm and ratify all action taken in the Executive Session. Motion carried.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, May 26, 2020 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,

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Secretary

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President

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

	Year to Date			March 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	6,523,092	6,075,169	6,300,265	(225,096)	2,093,429	1,885,050	1,985,095	(100,045)
kWhr Sold	48,480,936	43,886,359	47,024,428	(3,138,069)	15,268,686	13,062,856	14,598,284	(1,535,428)
2. Cost of Power	3,864,473	2,865,014	3,341,789	476,775	1,244,919	1,129,394	1,299,429	170,035
kWhr Purchased	52,261,863	47,533,107	50,768,000	3,234,893	16,486,445	14,197,104	15,821,000	1,623,896
3. Operation Expense	640,112	474,102	434,789	(39,313)	180,043	172,171	136,509	(35,662)
4. Maintenance Expense	539,970	682,578	781,819	99,241	145,653	236,065	234,139	(1,926)
5. Consumer Accounts & Coll. Exp.	123,883	108,579	125,507	16,928	40,196	33,241	41,181	7,940
6. Member Service Expense	45,906	62,452	68,772	6,320	14,988	23,556	22,497	(1,059)
7. General Office Expense	198,244	196,350	134,050	(62,300)	57,488	68,185	45,909	(22,276)
8. Outside Professional Services	10,778	16,522	37,200	20,678	2,860	9,006	12,500	3,494
9. Insurance, Employee & Welfare	29	(3,095)	1,200	4,295	0	0	400	400
10. Director's Fee & Mileage	34,208	38,640	52,425	13,785	23,212	16,052	24,225	8,173
11. Dues - Assoc. Organizations	34,548	34,578	34,590	12	11,516	11,526	11,530	4
12. Other Misc. General Expense	97,364	82,051	81,481	(570)	23,453	22,535	16,036	(6,499)
13. Depreciation Expense	555,179	572,537	584,446	11,909	185,431	191,074	196,013	4,939
14. Tax Expense - Property	70,200	72,075	72,075	0	23,400	24,025	24,025	0
15. Tax Expense - Other	5,444	5,385	5,610	225	1,698	1,534	1,778	244
16. Interest Expense on L-T Debt	324,225	317,878	322,554	4,676	111,009	107,815	109,369	1,554
17. Total Expense less Power	2,680,090	2,660,632	2,736,518	75,886	820,947	916,785	876,111	(40,674)
17a. Total Operating Cost	6,544,563	5,525,646	6,078,307	552,661	2,065,866	2,046,179	2,175,540	129,361
<b>18. Operating Margins</b>	<b>(21,471)</b>	<b>549,523</b>	<b>221,958</b>	<b>327,565</b>	<b>27,563</b>	<b>(161,129)</b>	<b>(190,445)</b>	<b>29,316</b>
19. Non-Operating Margins	39,894	28,434	23,300	5,134	33,167	12,979	7,375	5,604
20. G & T Capital Credits	0	0	0	0	0			0
21. Other Capital Credits	137,399	143,528	108,000	35,528	137,399	143,528	108,000	35,528
<b>22. Total Margins</b>	<b>155,822</b>	<b>721,485</b>	<b>353,258</b>	<b>368,227</b>	<b>198,129</b>	<b>(4,622)</b>	<b>(75,070)</b>	<b>70,448</b>

Balance Sheet Analysis

Menard Electric Coop

03/31/19 - 03/31/20

23-Apr-20

	Prior Yr Balance 03/31/19	Current Yr Balance 03/31/20	End of Yr Balance 12/31/19	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	71,099,203	73,979,939	73,188,302	791,637
Construction Work in Process	851,120	1,030,090	1,079,509	(49,419)
Total Utility Plant in Service	71,950,323	75,010,029	74,267,811	742,218
Accumulated Depreciation	(22,492,619)	(23,348,360)	(22,932,346)	(416,014)
<b>Net Utility Plant</b>	<b>49,457,704</b>	<b>51,661,669</b>	<b>51,335,465</b>	<b>326,204</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	9,816,661	11,006,786	10,948,701	58,085
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)
<b>Total Other Prop. &amp; Investments</b>	<b>14,271,812</b>	<b>14,760,216</b>	<b>14,755,990</b>	<b>4,226</b>
Cash-General Funds	316,650	879,140	1,274,558	(395,418)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	4,276	3,160	5,004	(1,844)
Temporary Investments	0	2,146,322	2,830,408	(684,086)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,082,259	1,897,509	2,572,954	(675,445)
Accounts Receivable-Net-Other	86,965	29,777	33,037	(3,260)
Materials & Supplies	453,512	570,684	497,770	72,914
Prepayments	124,911	98,531	184,520	(85,989)
Other Current & Accrued Assets	16,144	16,210	9,285	6,925
<b>Total Current &amp; Accrued Assets</b>	<b>3,085,171</b>	<b>5,641,787</b>	<b>7,407,990</b>	<b>(1,766,203)</b>
Regulatory Assets	0	0	0	0
<b>Deferred Debits</b>	<b>0</b>	<b>0</b>	<b>9,243</b>	<b>(9,243)</b>
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>66,814,687</b>	<b>72,063,672</b>	<b>73,508,688</b>	<b>(1,445,016)</b>
<b>OWNER'S EQUITY:</b>				
Memberships	295,640	304,845	302,940	1,905
Patronage Capital	22,259,706	23,393,664	24,164,587	(770,923)
Operating Margins-Prior Years	2,019,691	2,269,313	0	2,269,313
Operating Margins-Current Year	155,821	721,488	2,269,313	(1,547,825)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,610,569	2,668,795	2,631,209	37,586
<b>Total Margins &amp; Equities</b>	<b>27,341,427</b>	<b>29,358,105</b>	<b>29,368,049</b>	<b>(9,944)</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	982,176	913,136	930,569	(17,433)
Long Term Debt Other - RUS Guar.	22,484,541	25,350,287	25,519,967	(169,680)
Long Term Debt - Other	13,951,961	12,666,274	12,988,129	(321,855)
Long Term Debt Other - Adv Payments	(2,466,622)	(251,770)	(248,679)	(3,091)
<b>Total Long Term Debt</b>	<b>34,952,056</b>	<b>38,677,927</b>	<b>39,189,986</b>	<b>(512,059)</b>
Accumulated Operating Provisions	788,730	926,470	965,479	(39,009)
<b>Total Other Noncurrent Liabilities</b>	<b>788,730</b>	<b>926,470</b>	<b>965,479</b>	<b>(39,009)</b>
Notes Payable	700,000	0	0	0
Accounts Payable	1,575,793	1,507,649	2,715,860	(1,208,211)
Deposits	157,265	158,040	154,770	3,270
Other Current & Accrued Liabilities	1,114,142	1,228,521	454,009	774,512
<b>Total Current &amp; Accrued Liabilities</b>	<b>3,547,200</b>	<b>2,894,210</b>	<b>3,324,639</b>	<b>(430,429)</b>
<b>Deferred Credits</b>	<b>185,274</b>	<b>206,963</b>	<b>660,534</b>	<b>(453,571)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>66,814,687</b>	<b>72,063,675</b>	<b>73,508,687</b>	<b>(1,445,012)</b>

<b>MENARD ELECTRIC COOPERATIVE</b>
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**This Month**

	March16	March17	March18	March19	March20
1. Operating Revenue	1,860,988	1,888,665	2,073,294	2,093,429	1,885,050
kWhr Sold	13,403,674	13,729,789	15,229,094	15,268,686	13,062,856
2. Cost of Power	1,110,756	1,124,077	1,200,266	1,244,919	1,129,394
kWhr Purchased	14,573,666	14,884,428	16,329,039	16,486,445	14,197,104
3. Operation Expense	98,329	138,302	147,098	180,043	172,171
4. Maintenance Expense	163,281	266,329	140,797	145,653	236,065
5. Consumer Accounts & Coll. Exp.	43,266	43,618	43,682	40,196	33,241
6. Member Service Expense	14,413	9,297	9,261	14,988	23,556
7. General Office Expense	65,678	68,714	78,575	57,488	68,185
8. Outside Professional Services	4,961	12,395	5,695	2,860	9,006
9. Insurance, Employee & Welfare	921	13,393	3,772	0	0
10. Director's Fee & Mileage	15,031	9,514	24,509	23,212	16,052
11. Dues - Assoc. Organizations	11,363	11,477	11,391	11,516	11,526
12. Other Misc. General Expense	14,821	24,975	17,324	23,453	22,535
13. Depreciation Expense	163,368	166,320	171,302	185,431	191,074
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	2,458	2,336	1,702	1,698	1,534
16. Interest Expense	107,954	107,996	109,085	111,009	107,815
17. Total Expense less Power	725,844	895,566	786,568	820,947	916,785
17a. Total Operating Cost	1,836,600	2,019,643	1,986,834	2,065,866	2,046,179
<b>18. Operating Margins</b>	24,388	(130,978)	86,460	27,563	(161,129)
19. Non-Operating Margins	4,514	10,904	13,696	33,167	12,979
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	209,706	191,442	187,988	137,399	143,528
<b>22. Total Margins</b>	238,608	71,368	288,144	198,129	(4,622)

**MENARD ELECTRIC COOPERATIVE**

**Year to Date**

	March16	March17	March18	March19	March20
1. Operating Revenue	6,097,682	5,818,369	6,504,520	6,523,092	6,075,169
kWhr Sold	45,941,194	42,875,086	48,747,897	48,480,936	43,886,359
2. Cost of Power	3,726,260	3,502,669	3,975,621	3,864,473	2,865,014
kWhr Purchased	49,823,963	46,465,111	52,427,185	52,261,863	47,533,107
3. Operation Expense	278,949	276,775	547,559	640,112	474,102
4. Maintenance Expense	605,263	707,188	677,584	539,970	682,578
5. Consumer Accounts & Coll. Exp.	130,647	133,536	139,564	123,883	108,579
6. Member Service Expense	33,342	28,586	28,472	45,906	62,452
7. General Office Expense	220,781	203,991	235,295	198,244	196,350
8. Outside Professional Services	13,936	21,665	10,938	10,778	16,522
9. Insurance, Employee & Welfare	1,760	(552)	575	29	(3,095)
10. Director's Fee & Mileage	36,995	47,355	46,070	34,208	38,640
11. Dues - Assoc. Organizations	34,089	34,431	34,173	34,548	34,578
12. Other Misc. General Expense	57,951	86,087	77,428	97,364	82,051
13. Depreciation Expense	492,924	497,322	509,979	555,179	572,537
14. Tax Expense - Property	60,000	62,700	67,125	70,200	72,075
15. Tax Expense - Other	7,487	7,065	5,387	5,444	5,385
16. Interest Expense	317,933	313,085	309,982	324,225	317,878
17. Total Expense less Power	2,292,057	2,419,234	2,690,131	2,680,090	2,660,632
17a. Total Operating Cost	6,018,317	5,921,903	6,665,752	6,544,563	5,525,646
<b>18. Operating Margins</b>	79,365	(103,534)	(161,232)	(21,471)	549,523
19. Non-Operating Margins	25,273	30,835	21,225	39,894	28,434
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	209,706	191,442	187,988	137,399	143,528
<b>22. Total Margins</b>	314,344	118,743	47,981	155,822	721,485