

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
APRIL 27, 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, and Jodine Tate. Director Steven L. Worner was absent. Also present were General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one change to the Agenda, which was deletion of (3b). There were no other changes 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.

General Manager Anker provided a verbal update on the progress of the RUS Work Plan and loan application. She reported the Environmental Report had been recently approved. The Work Plan and loan application will now move forward for further financial and engineering review at RUS prior to underwriting. Availability of loan funds from RUS for 2021 are unlikely. General Manager Anker then presented for review and consideration the CoBank Multiple Advance Term Promissory Note. She discussed the provisions of the Promissory Note. After discussion, it was moved and seconded that the CoBank Multiple Advance Term Promissory Note be approved. Motion carried. General Manager Anker discussed the CFC Power Vision Loan Agreement. She reviewed the terms and provisions of the Loan Agreement between the Cooperative and the National Rural Utilities Cooperative Finance Corporation (CFC) and the Certificate of Resolution and Incumbency. It was moved and seconded that the Acting Secretary, Dennis Ryan, be authorized to enter in the Certificate of Resolution and Incumbency. Motion carried. It was moved and seconded that the Loan Agreement be approved. Motion carried.

General Manager Anker presented the Manager's Report for March, 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 55 incidents, total member minutes in outage were 11,214, longest duration of an outage

was 358 minutes, and the largest number of Members affected by any one outage was 168. General Manager Anker reviewed the Safety Report. She advised that there were no illnesses or injuries for the month. She advised that the Safety Meeting was scheduled for Tuesday, April 20, 2021, and that a guest presenter from the Spoon River Forestry Crew covered chainsaw safety, among other topics. General Manager Anker reviewed the Education and Advanced Course Attendance Report. She also presented a Workman's Compensation Loss Analysis, which reviewed the workman compensation claims, as well as dollars involved from 2016-2020. Under the Irrigation Report, General Manager Anker discussed the status of irrigation construction. Under the IT Security Report, she discussed and reviewed the external vulnerabilities, as well as internal vulnerabilities. General Manager Anker also reviewed the NRECA Consumer Segmentation Survey Results, including the overall satisfaction report and the performance qualities and attributes. She reviewed and discussed the contents of the monthly Connect Newsletter. General Manager Anker advised that the Annual Meeting was scheduled for Thursday, August 5, 2021. She discussed the 2021 Youth to Washington Scholarship award winners. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch presented the Report of the Bylaw/Policy Committee. The Board discussed a new Policy entitled Non-Union Employees (Group #2) Paid Time Off and Short-Term Sick Bank. General Manager Anker reviewed various options for a PTO conversion. After discussion by the Board, it was moved and seconded that the Board adopt Option 2A with the stipulation that the maximum Health Reimbursement Arrangement (HRA) upon retirement be increased to \$12,000.00 and that the Cooperative increase the annual PTO liquidation from 24 hours to 40 for employees with less than 10 years of service, and that the Cooperative also decrease the carry over limit to 320 hours. It was moved and seconded that the Cooperative adopt the Policy, as revised. Motion carried.

The Board discussed various proposed revisions to the Bylaws. It was moved and seconded that the following revisions be made to the Cooperative Bylaws, as set forth on Exhibit A, which is attached hereto and incorporated herein by reference. Motion carried. The Board discussed other revisions to the Bylaws, but those would require approval of the Membership. It was determined to discuss this further at next Month's Meeting.

Director Tate presented the Report of the Annual Meeting Committee. The Board discussed the activities and plans for this year's meeting.

Director Goetsch reported on AIEC activities.

Director Martin reported on Prairie Power, Inc.

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.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, May 25, 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,

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Acting Secretary

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President

## ByLaw Revisions approved by Cooperative Board:

1. If any member or members desire to offer an amendment of any of said articles or sections such member or members shall deposit a copy of said proposed amendment with the Secretary of the Board at least one-hundred twenty (~~120~~~~20~~) days before the meeting in which such resolution is to be offered and the said Secretary shall cause a copy of said proposed resolution to be included in the notice of the meeting. (12.01 for **Board** action, see 805 ILCS 105/110.20)
2. These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the Members of the Board in any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, and provided, further, that the provisions of Article III [Meeting of Members], Article IV [Board of Directors], excluding Section 4.05 District Boundaries, and Article VIII [Disposition of Property], may be altered, amended or repealed only by affirmative vote of not less than a majority of the members entitled to vote ~~of the corporation~~ present in person or by proxy at a regular or special meeting, and, provided further, that the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.(12.01 for **Board** action)
3. A regular meeting of the board shall be held without notice, immediately after, and at the same place or in the same manner of attendance as, the annual meeting of the members. (5.01 for **Board** action)
4. The officers shall be elected ~~by ballot,~~ annually by the affirmative vote of a majority of the directors~~and~~ from the Board at the meeting of the Board held immediately after the annual meeting of the members. (6.02 for **Board** action)
5. A regular meeting of the Board shall also be held monthly at such time and place ~~within one of the counties served by the Cooperative~~ as designated by the Board. (5.01 for **Board** action)
6. Seventy-two hours written notice or twenty-four hours oral or electronic notice of the time, place and purpose of any special meeting of the Board shall be mailed, transmitted or given to each Board member personally. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his last known address as it appears on the records of the Cooperative, with postage thereon prepaid. If electronically transmitted, such notice shall be deemed to be delivered when it is electronically sent to the director's electronic mail address. (5.03 for **Board** action)

As Approved by unanimous action at the  
Regular Board Meeting duly held on April 27, 2021.

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

	Year to Date			Variance	March 2021		This Month		Variance
	Last Year	This Year	Budget		Last Year	This Year	Budget		
1. Operating Revenue	6,075,169	6,242,838	6,137,231	105,607	1,885,050	1,849,610	1,936,659	(87,049)	
kWhr Sold	43,886,359	44,189,693	43,931,516	258,177	13,062,856	12,582,645	13,624,345	(1,041,700)	
2. Cost of Power	2,865,014	2,971,520	3,008,748	37,228	1,129,394	1,135,995	1,218,326	82,331	
kWhr Purchased	47,533,107	47,779,634	47,546,500	(233,134)	14,197,104	13,687,467	14,736,000	1,048,533	
3. Operation Expense	474,102	504,790	409,595	(95,195)	172,171	177,915	128,879	(49,036)	
4. Maintenance Expense	682,578	722,977	726,542	3,565	236,065	260,158	256,713	(3,445)	
5. Consumer Accounts & Coll. Exp.	108,579	99,358	189,255	89,897	33,241	33,430	64,247	30,817	
6. Member Service Expense	62,452	57,352	76,500	19,148	23,556	26,311	26,399	88	
7. General Office Expense	196,350	187,681	168,683	(18,998)	68,185	64,996	58,483	(6,513)	
8. Outside Professional Services	16,522	7,907	15,399	7,492	9,006	2,326	5,833	3,507	
9. Insurance, Employee & Welfare	(3,095)	6,996	1,200	(5,796)	0	0	400	400	
10. Director's Fee & Mileage	38,640	14,701	13,244	(1,457)	16,052	5,445	3,998	(1,447)	
11. Dues - Assoc. Organizations	34,578	35,316	35,340	24	11,526	11,772	11,780	8	
12. Other Misc. General Expense	82,051	92,756	133,935	41,179	22,535	22,355	66,476	44,121	
13. Depreciation Expense	572,537	594,873	600,400	5,527	191,074	196,369	199,949	3,580	
14. Tax Expense - Property	72,075	74,775	74,775	0	24,025	24,925	24,925	0	
15. Tax Expense - Other	5,385	5,355	5,480	125	1,534	1,797	1,739	(58)	
16. Interest Expense on L-T Debt	317,878	301,130	306,352	5,222	107,815	103,136	104,961	1,825	
17. Total Expense less Power	2,660,632	2,705,967	2,756,700	50,733	916,785	930,935	954,782	23,847	
17a. Total Operating Cost	5,525,646	5,677,487	5,765,448	87,961	2,046,179	2,066,930	2,173,108	106,178	
<b>18. Operating Margins</b>	<b>549,523</b>	<b>565,351</b>	<b>371,783</b>	<b>193,568</b>	<b>(161,129)</b>	<b>(217,320)</b>	<b>(236,449)</b>	<b>19,129</b>	
19. Non-Operating Margins	28,434	12,501	16,400	(3,899)	12,979	5,652	5,100	552	
20. G & T Capital Credits	0	0	0	0	0	0	0	0	
21. Other Capital Credits	143,528	0	60,000	(60,000)	143,528	0	60,000	(60,000)	
<b>22. Total Margins</b>	<b>721,485</b>	<b>577,852</b>	<b>448,183</b>	<b>129,669</b>	<b>(4,622)</b>	<b>(211,668)</b>	<b>(171,349)</b>	<b>(40,319)</b>	

Balance Sheet Analysis

Menard Electric Coop

03/31/20 - 03/31/21

06-May-21

	Prior Yr Balance 03/31/20	Current Yr Balance 03/31/21	End of Yr Balance 12/31/20	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	73,979,939	76,823,799	76,456,443	367,356
Construction Work in Process	1,030,090	1,075,870	1,335,167	(259,297)
Total Utility Plant in Service	75,010,029	77,899,669	77,791,610	108,059
Accumulated Depreciation	(23,348,360)	(24,095,200)	(23,732,676)	(362,524)
<b>Net Utility Plant</b>	<b>51,661,669</b>	<b>53,804,469</b>	<b>54,058,934</b>	<b>(254,465)</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	11,006,786	12,027,034	12,112,828	(85,794)
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	248,893	303,252	(54,359)
<b>Total Other Prop. &amp; Investments</b>	<b>14,760,216</b>	<b>15,069,964</b>	<b>15,210,117</b>	<b>(140,153)</b>
Cash-General Funds	879,140	867,973	600,926	267,047
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,160	3,161	2,891	270
Temporary Investments	2,146,322	0	1,296,801	(1,296,801)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,897,509	1,680,328	2,507,929	(827,601)
Accounts Receivable-Net-Other	29,777	27,959	23,025	4,934
Materials & Supplies	570,684	624,046	506,818	117,228
Prepayments	98,531	137,902	75,885	62,017
Other Current & Accrued Assets	16,210	15,775	8,651	7,124
<b>Total Current &amp; Accrued Assets</b>	<b>5,641,787</b>	<b>3,357,598</b>	<b>5,023,380</b>	<b>(1,665,782)</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>72,063,672</b>	<b>72,232,031</b>	<b>74,292,431</b>	<b>(2,060,400)</b>
<b>OWNER'S EQUITY:</b>				
Memberships	304,845	314,295	312,520	1,775
Patronage Capital	23,393,664	24,703,583	25,564,451	(860,868)
Operating Margins-Prior Years	2,269,313	1,744,439	0	1,744,439
Operating Margins-Current Year	721,488	577,855	1,744,439	(1,166,584)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,668,795	2,810,626	2,789,759	20,867
<b>Total Margins &amp; Equities</b>	<b>29,358,105</b>	<b>30,150,798</b>	<b>30,411,169</b>	<b>(260,371)</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	913,136	844,312	860,516	(16,204)
Long Term Debt Other - RUS Guar.	25,350,287	24,647,505	24,826,749	(179,244)
Long Term Debt - Other	12,666,274	12,460,383	12,810,678	(350,295)
Long Term Debt Other - Adv Payments	(251,770)	(263,270)	(260,699)	(2,571)
<b>Total Long Term Debt</b>	<b>38,677,927</b>	<b>37,688,930</b>	<b>38,237,244</b>	<b>(548,314)</b>
Accumulated Operating Provisions	926,470	1,027,126	1,050,650	(23,524)
<b>Total Other Noncurrent Liabilities</b>	<b>926,470</b>	<b>1,027,126</b>	<b>1,050,650</b>	<b>(23,524)</b>
Notes Payable	0	0	0	0
Accounts Payable	1,507,649	1,596,426	3,115,942	(1,519,516)
Deposits	158,040	159,816	161,330	(1,514)
Other Current & Accrued Liabilities	1,228,521	1,414,700	465,279	949,421
<b>Total Current &amp; Accrued Liabilities</b>	<b>2,894,210</b>	<b>3,170,942</b>	<b>3,742,551</b>	<b>(571,609)</b>
<b>Deferred Credits</b>	<b>206,963</b>	<b>194,235</b>	<b>850,817</b>	<b>(656,582)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>72,063,675</b>	<b>72,232,031</b>	<b>74,292,431</b>	<b>(2,060,400)</b>

## MENARD ELECTRIC COOPERATIVE

	This Month				
	March17	March18	March19	March20	March21
1. Operating Revenue	1,888,665	2,073,294	2,093,429	1,885,050	1,849,610
kWhr Sold	13,729,789	15,229,094	15,268,686	13,062,856	12,582,645
2. Cost of Power	1,124,077	1,200,266	1,244,919	1,129,394	1,135,995
kWhr Purchased	14,884,428	16,329,039	16,486,445	14,197,104	13,687,467
3. Operation Expense	138,302	147,098	180,043	172,171	177,915
4. Maintenance Expense	266,329	140,797	145,653	236,065	260,158
5. Consumer Accounts & Coll. Exp.	43,618	43,682	40,196	33,241	33,430
6. Member Service Expense	9,297	9,261	14,988	23,556	26,311
7. General Office Expense	68,714	78,575	57,488	68,185	64,996
8. Outside Professional Services	12,395	5,695	2,860	9,006	2,326
9. Insurance, Employee & Welfare	13,393	3,772	0	0	0
10. Director's Fee & Mileage	9,514	24,509	23,212	16,052	5,445
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	24,975	17,324	23,453	22,535	22,355
13. Depreciation Expense	166,320	171,302	185,431	191,074	196,369
14. Tax Expense - Property	20,900	22,375	23,400	24,025	24,925
15. Tax Expense - Other	2,336	1,702	1,698	1,534	1,797
16. Interest Expense	107,996	109,085	111,009	107,815	103,136
17. Total Expense less Power	895,566	786,568	820,947	916,785	930,935
17a. Total Operating Cost	2,019,643	1,986,834	2,065,866	2,046,179	2,066,930
<b>18. Operating Margins</b>	(130,978)	86,460	27,563	(161,129)	(217,320)
19. Non-Operating Margins	10,904	13,696	33,167	12,979	5,652
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	191,442	187,988	137,399	143,528	0
<b>22. Total Margins</b>	71,368	288,144	198,129	(4,622)	(211,668)