

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MAY 26, 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. 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.

President Frye introduced Engineering Manager Brady Smith, who reviewed with the Board the 2020 Work Plan, as well as a Presentation of projects and jobs.

Manager Anker presented a proposed Franchise Agreement with the Village of Riverton which had been approved by the Village on May 4, 2020. She reviewed the terms of the Franchise Agreement. It was moved and seconded to accept the Ordinance establishing the new Franchise Agreement with the Village of Riverton. Motion carried.

Manager Anker discussed the CFC Integrity Fund. She discussed what expenses and fees had been incurred by the Cooperative as a result of matters related to the negotiations for the Franchise Agreement and Service Area Agreement with the Village of Riverton. It was moved and seconded that the following Resolution be adopted:

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

Motion carried.

Manager Anker presented a proposed Auditor Engagement Letter from Kevin Kelso, who was currently the Cooperative Auditor. Manager Anker advised that she had investigated other possible firms to perform the Audit for the Cooperative. She discussed the costs estimate sheet obtained from other Auditing Firms. After discussion, it was moved and seconded that the Cooperative enter into the Auditor Engagement Letter with Kevin Kelso on the terms as set forth therein. Motion carried.

Manager Anker presented the Manager's Report for April, 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 89 incidents and total member outage minutes were 405,679.93. The largest number of affected Members were 701. Manager Anker presented the Irrigation Report and advised that all systems had now been completed. Under the Safety Report, Manager Anker advised that there were no injuries for the month. She also reviewed the Education and Event Courses Attendance Report. Manager Anker reviewed the Prairie State Report, which was a presentation of the 2019 year in review for Prairie State. Manager Anker discussed the contents of the monthly Connect Newsletter. She asked the Board to revisit the Payment Policy Waivers and discussed proposed changes with regard to the COVID-19 Pandemic. There was discussion with regard to the AIEC Annual Meeting Certification of Delegates. It was moved and seconded that Director Goetsch serve as Delegate and Director Patrick as Alternate Delegate. Motion carried. Manager Anker reviewed positive feedback from several different Members. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Tate reported on the earlier Meeting of the Annual Meeting Committee. The purpose of the Meeting was to discuss what to do about the Annual Meeting for 2020. She advised that after consideration of several different factors, and the reasons therefore, that it was the recommendation of the Committee to cancel the Annual Meeting for 2020. Manager Anker explained all the various possibilities and manner of holding an Annual Meeting, as well as the pros and cons of attempting to schedule an Annual Meeting due to the COVID-19 Pandemic. After discussion by the Board, it was moved and seconded that the Annual Meeting for 2020 be cancelled. Motion carried.

Director Goetsch reported on AIEC Activities.

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

Manager Anker reviewed the Capital Credit Estate Refunds Report, as well as a Summary of General Retirement of Capital Credits.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, June 23, 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,

Secretary

President

MENARD ELECTRIC COOPERATIVE
MONTHLY OPERATING REPORT

	Year to Date				April 2020		This Month	
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	8,250,899	7,747,860	8,078,880	(331,020)	1,727,807	1,672,691	1,778,615	(105,924)
kWhr Sold	60,401,315	54,680,991	59,591,390	(4,910,399)	11,920,379	10,794,632	12,566,962	(1,772,330)
2. Cost of Power	4,871,245	3,836,953	4,449,332	612,379	1,006,772	971,939	1,107,543	135,604
kWhr Purchased	65,855,144	59,425,084	64,263,000	4,837,916	13,593,281	11,891,977	13,495,000	1,603,023
3. Operation Expense	784,217	640,197	565,551	(74,646)	144,105	166,095	130,762	(35,333)
4. Maintenance Expense	767,136	922,087	1,017,875	95,788	227,166	239,509	236,056	(3,453)
5. Consumer Accounts & Coll. Exp.	162,499	144,122	183,862	39,740	38,616	35,543	58,355	22,812
6. Member Service Expense	62,408	80,408	91,007	10,599	16,502	17,956	22,235	4,279
7. General Office Expense	249,497	259,178	185,881	(73,297)	51,253	62,828	51,831	(10,997)
8. Outside Professional Services	19,353	29,116	48,200	19,084	8,575	12,594	11,000	(1,594)
9. Insurance, Employee & Welfare	747	(998)	1,600	2,598	718	2,097	400	(1,697)
10. Director's Fee & Mileage	45,624	44,878	60,400	15,522	11,416	6,238	7,975	1,737
11. Dues - Assoc. Organizations	46,064	46,104	46,120	16	11,516	11,526	11,530	4
12. Other Misc. General Expense	125,175	103,816	108,440	4,624	27,811	21,765	26,959	5,194
13. Depreciation Expense	740,751	765,001	781,668	16,667	185,572	192,464	197,222	4,758
14. Tax Expense - Property	93,600	96,100	96,100	0	23,400	24,025	24,025	0
15. Tax Expense - Other	7,253	6,766	7,223	457	1,809	1,381	1,613	232
16. Interest Expense on L-T Debt	436,204	421,688	427,858	6,170	111,979	103,810	105,304	1,494
17. Total Expense less Power	3,540,528	3,558,463	3,621,785	63,322	860,438	897,831	885,267	(12,564)
17a. Total Operating Cost	8,411,773	7,395,416	8,071,117	675,701	1,867,210	1,869,770	1,992,810	123,040
18. Operating Margins	(160,874)	352,444	7,763	344,681	(139,403)	(197,079)	(214,195)	17,116
19. Non-Operating Margins	42,319	35,312	30,275	5,037	2,425	6,878	6,975	(97)
20. G & T Capital Credits	1,139,473	1,116,929	1,000,000	116,929	1,139,473	1,116,929	1,000,000	116,929
21. Other Capital Credits	137,399	143,528	108,000	35,528	0			0
22. Total Margins	1,158,317	1,648,213	1,146,038	502,175	1,002,495	926,728	792,780	133,948

Balance Sheet Analysis

Menard Electric Coop

04/30/19 - 04/30/20

21-May-20

	Prior Yr Balance 04/30/19	Current Yr Balance 04/30/20	End of Yr Balance 12/31/19	Change YTD
ASSETS:				
Utility Plant in Service	71,195,208	74,189,484	73,188,302	1,001,182
Construction Work in Process	1,100,474	1,182,986	1,079,509	103,477
Total Utility Plant in Service	72,295,682	75,372,470	74,267,811	1,104,659
Accumulated Depreciation	(22,670,551)	(23,474,572)	(22,932,346)	(542,226)
Net Utility Plant	49,625,131	51,897,898	51,335,465	562,433
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	10,956,134	12,123,715	10,948,701	1,175,014
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	15,411,285	15,877,145	14,755,990	1,121,155
Cash-General Funds	705,958	642,475	1,274,558	(632,083)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	4,968	3,237	5,004	(1,767)
Temporary Investments	1,555,657	2,621,978	2,830,408	(208,430)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,778,292	1,721,797	2,572,954	(851,157)
Accounts Receivable-Net-Other	40,805	28,417	33,037	(4,620)
Materials & Supplies	472,953	585,742	497,770	87,972
Prepayments	113,617	84,580	184,520	(99,940)
Other Current & Accrued Assets	2,661	2,661	9,285	(6,624)
Total Current & Accrued Assets	4,675,365	5,691,341	7,407,990	(1,716,649)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	9,243	(9,243)
TOTAL ASSETS & OTHER DEBITS	69,711,781	73,466,384	73,508,688	(42,304)
OWNER'S EQUITY:				
Memberships	296,570	305,420	302,940	2,480
Patronage Capital	22,240,905	23,380,432	24,164,587	(784,155)
Operating Margins-Prior Years	2,019,691	2,269,313	0	2,269,313
Operating Margins-Current Year	1,158,318	1,648,217	2,269,313	(621,096)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,686,204	2,747,990	2,631,209	116,781
Total Margins & Equities	28,401,688	30,351,372	29,368,049	983,323
LIABILITIES:				
Long Term Debt-RUS	977,047	907,698	930,569	(22,871)
Long Term Debt Other - RUS Guar.	25,104,266	25,350,287	25,519,967	(169,680)
Long Term Debt - Other	13,900,461	12,965,930	12,988,129	(22,199)
Long Term Debt Other - Adv Payments	(2,329,213)	(251,770)	(248,679)	(3,091)
Total Long Term Debt	37,652,561	38,972,145	39,189,986	(217,841)
Accumulated Operating Provisions	790,107	931,420	965,479	(34,059)
Total Other Noncurrent Liabilities	790,107	931,420	965,479	(34,059)
Notes Payable	0	0	0	0
Accounts Payable	1,349,995	1,578,188	2,715,860	(1,137,672)
Deposits	159,385	162,235	154,770	7,465
Other Current & Accrued Liabilities	1,219,119	1,319,583	454,009	865,574
Total Current & Accrued Liabilities	2,728,499	3,060,006	3,324,639	(264,633)
Deferred Credits	138,924	151,442	660,534	(509,092)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	69,711,779	73,466,385	73,508,687	(42,302)

MENARD ELECTRIC COOPERATIVE

This Month

	April16	April17	April18	April19	April20
1. Operating Revenue	1,712,062	1,728,676	1,897,696	1,727,807	1,672,691
kWhr Sold	12,060,574	11,758,604	13,306,383	11,920,379	10,794,632
2. Cost of Power	962,347	951,978	1,089,655	1,006,772	971,939
kWhr Purchased	13,441,529	12,970,849	14,722,471	13,593,281	11,891,977
3. Operation Expense	93,366	86,452	101,279	144,105	166,095
4. Maintenance Expense	183,657	208,451	253,839	227,166	239,509
5. Consumer Accounts & Coll. Exp.	52,151	34,805	41,427	38,616	35,543
6. Member Service Expense	4,727	8,287	8,895	16,502	17,956
7. General Office Expense	82,765	75,289	77,722	51,253	62,828
8. Outside Professional Services	4,219	2,270	5,761	8,575	12,594
9. Insurance, Employee & Welfare	0	513	15	718	2,097
10. Director's Fee & Mileage	3,035	2,524	6,124	11,416	6,238
11. Dues - Assoc. Organizations	11,363	11,477	22,818	11,516	11,526
12. Other Misc. General Expense	15,538	15,144	13,263	27,811	21,765
13. Depreciation Expense	163,703	166,737	172,358	185,572	192,464
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	2,189	2,373	1,717	1,809	1,381
16. Interest Expense	104,292	104,415	105,093	111,979	103,810
17. Total Expense less Power	741,005	739,637	832,686	860,438	897,831
17a. Total Operating Cost	1,703,352	1,691,615	1,922,341	1,867,210	1,869,770
18. Operating Margins	8,710	37,061	(24,645)	(139,403)	(197,079)
19. Non-Operating Margins	(44,749)	5,185	(16,971)	2,425	6,878
20. G & T Capital Credits	1,156,406	1,141,366	1,146,478	1,139,473	1,116,929
21. Other Capital Credits	0	0	0	0	
22. Total Margins	1,120,367	1,183,612	1,104,862	1,002,495	926,728

MENARD ELECTRIC COOPERATIVE

Year to Date

	April16	April17	April18	April19	April20
1. Operating Revenue	7,809,744	7,547,045	8,402,216	8,250,899	7,747,860
kWhr Sold	58,001,768	54,633,690	62,054,280	60,401,315	54,680,991
2. Cost of Power	4,688,607	4,454,647	5,065,276	4,871,245	3,836,953
kWhr Purchased	63,265,492	59,435,960	67,149,656	65,855,144	59,425,084
3. Operation Expense	372,315	363,227	648,838	784,217	640,197
4. Maintenance Expense	788,920	915,639	931,423	767,136	922,087
5. Consumer Accounts & Coll. Exp.	182,798	168,341	180,991	162,499	144,122
6. Member Service Expense	38,069	36,873	37,367	62,408	80,408
7. General Office Expense	303,546	279,280	313,017	249,497	259,178
8. Outside Professional Services	18,155	23,935	16,699	19,353	29,116
9. Insurance, Employee & Welfare	1,760	(39)	590	747	(998)
10. Director's Fee & Mileage	40,030	49,879	52,194	45,624	44,878
11. Dues - Assoc. Organizations	45,452	45,908	56,991	46,064	46,104
12. Other Misc. General Expense	73,489	101,231	90,691	125,175	103,816
13. Depreciation Expense	656,627	664,059	682,337	740,751	765,001
14. Tax Expense - Property	80,000	83,600	89,500	93,600	96,100
15. Tax Expense - Other	9,676	9,438	7,104	7,253	6,766
16. Interest Expense	422,225	417,500	415,075	436,204	421,688
17. Total Expense less Power	3,033,062	3,158,871	3,522,817	3,540,528	3,558,463
17a. Total Operating Cost	7,721,669	7,613,518	8,588,093	8,411,773	7,395,416
18. Operating Margins	88,075	(66,473)	(185,877)	(160,874)	352,444
19. Non-Operating Margins	(19,476)	36,020	4,254	42,319	35,312
20. G & T Capital Credits	1,156,406	1,141,366	1,146,478	1,139,473	1,116,929
21. Other Capital Credits	209,706	191,442	187,988	137,399	143,528
22. Total Margins	1,434,711	1,302,355	1,152,843	1,158,317	1,648,213