

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
MAY 25, 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: President D. Jay Frye, Directors Warren D. Goetsch, Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, and Dennis Ryan. Directors Jodine Tate and Steven L. Worner were absent. Also present were General Manager Alisha Anker, Manager of Accounting and Information Systems Chris Hinton, and Attorney Charles K. Smith.

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

Kevin Kelso, Cooperative Auditor, by phone and on Zoom presented an Overview of the 2020 Audit and answered questions from Board Members with regard to the Audit. Mr. Kelso reported a clean and unmodified opinion for the 2020 Audit. It was moved and seconded that the 2020 Audit be approved as presented. Motion carried.

General Manager Anker reviewed an updated Alliance Community Bank Cash Management Agreement Schedule F (Authorized Users). It was moved and seconded that the Schedule be approved as presented. Motion carried. She then reviewed an Alliance Community Bank Wire Transfer Services Agreement Schedule A (Authorized Representatives). It was moved and seconded the Schedule be approved as presented. Motion carried. She also reviewed a Petefish, Skiles & Co. Corporate Authorization Resolution. It was moved and seconded the Resolution be approved and adopted. Motion carried. A copy of the Resolution is marked Exhibit A, attached hereto and incorporated herein by reference.

General Manager Anker presented the Manager's Report for April, 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 45 incidents, total member outage minutes were 39,048.32, longest duration of an outage was 206 minutes, and the largest total number of Members affected by one outage was 271. General Manager Anker then reviewed the IT Security Report and discussed external vulnerabilities, as well as an internal critical vulnerability breakdown. Under the Safety Report, she advised that there

were no illnesses or injuries to report to the Board. She discussed the Education and Event Course Attendance Report. Under the Irrigation Report, General Manager Anker reviewed those irrigation systems that had been completed for the year. She advised that the Cooperative was able to certify using FieldWise as a new Vendor on Rate 51. It was moved and seconded that they be approved as a Vendor. Motion carried. General Manager Anker discussed the contents of the most recent Connect Newsletter which included the return of \$809,000 in Capital Credits, options for Member-owned distributed generation, Scholarship winners, and petitions being available for election of directors at the Annual Meeting. The Board discussed the upcoming CFC Annual Meeting. After discussion, it was moved and seconded that Director Goetsch be appointed as the Voting Delegate for the CFC Annual Meeting. Motion carried. General Manager Anker discussed with the Board possible revisions and amendments to the Bylaws to be submitted to the Members for Member approval at the Annual Meeting. She discussed the various proposed changes to the Bylaws and the reasons for those changes. After discussion by the Board, it was moved and seconded the proposed Bylaw revisions/amendments be sent to the Membership for their approval at the Annual Meeting. Motion carried. General Manger Anker reviewed the IL Legislative issues before the Illinois House and Senate. She discussed a revised run of the 2019 Cost of Service Study performed to include the proposed Carbon Tax and accelerated depreciation effects of coal-plant closures. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. He reviewed Board Highlights, the President's Report and the Energy Supply Summary.

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, June 22, 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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Secretary

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President

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

	Year to Date				April 2021		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance	
1. Operating Revenue	7,747,860	7,989,529	7,846,921	142,608	1,672,691	1,746,691	1,709,690	37,001	
kWhr Sold	54,680,991	55,238,920	55,248,635	(9,715)	10,794,632	11,049,227	11,317,119	(267,892)	
2. Cost of Power	3,836,953	3,967,798	4,026,593	58,795	971,939	996,278	1,017,845	21,567	
kWhr Purchased	59,425,084	59,857,826	59,866,000	8,174	11,891,977	12,078,192	12,264,500	186,308	
3. Operation Expense	640,197	571,543	536,305	(35,238)	166,095	66,753	126,710	59,957	
4. Maintenance Expense	922,087	907,617	981,595	73,978	239,509	184,640	255,053	70,413	
5. Consumer Accounts & Coll. Exp.	144,122	135,634	252,259	116,625	35,543	36,276	63,004	26,728	
6. Member Service Expense	80,408	73,378	102,288	28,910	17,956	16,026	25,788	9,762	
7. General Office Expense	259,178	245,693	235,633	(10,060)	62,828	58,012	66,950	8,938	
8. Outside Professional Services	29,116	15,066	18,732	3,666	12,594	7,159	3,333	(3,826)	
9. Insurance, Employee & Welfare	(998)	8,903	1,600	(7,303)	2,097	1,907	400	(1,507)	
10. Director's Fee & Mileage	44,878	21,052	17,242	(3,810)	6,238	6,351	3,998	(2,353)	
11. Dues - Assoc. Organizations	46,104	47,088	47,120	32	11,526	11,772	11,780	8	
12. Other Misc. General Expense	103,816	144,644	158,502	13,858	21,765	51,888	24,567	(27,321)	
13. Depreciation Expense	765,001	791,562	801,492	9,930	192,464	196,689	201,092	4,403	
14. Tax Expense - Property	96,100	99,700	99,700	0	24,025	24,925	24,925	0	
15. Tax Expense - Other	6,766	6,770	7,038	268	1,381	1,415	1,558	143	
16. Interest Expense on L-T Debt	421,688	400,230	407,327	7,097	103,810	99,100	100,975	1,875	
17. Total Expense less Power	3,558,463	3,468,880	3,666,833	197,953	897,831	762,913	910,133	147,220	
17a. Total Operating Cost	7,395,416	7,436,678	7,693,426	256,748	1,869,770	1,759,191	1,927,978	168,787	
<b>18. Operating Margins</b>	<b>352,444</b>	<b>552,851</b>	<b>153,495</b>	<b>399,356</b>	<b>(197,079)</b>	<b>(12,500)</b>	<b>(218,288)</b>	<b>205,788</b>	
19. Non-Operating Margins	35,312	16,057	21,500	(5,443)	6,878	3,556	5,100	(1,544)	
20. G & T Capital Credits	1,116,929	1,092,798	1,000,000	92,798	1,116,929	1,092,798	1,000,000	92,798	
21. Other Capital Credits	143,528	140,588	60,000	80,588	0	140,588	0	140,588	
<b>22. Total Margins</b>	<b>1,648,213</b>	<b>1,802,294</b>	<b>1,234,995</b>	<b>567,299</b>	<b>926,728</b>	<b>1,224,442</b>	<b>786,812</b>	<b>437,630</b>	

Balance Sheet Analysis

Menard Electric Coop

04/30/20 - 04/30/21

21-May-21

	Prior Yr Balance 04/30/20	Current Yr Balance 04/30/21	End of Yr Balance 12/31/20	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	74,189,484	76,990,856	76,456,443	534,413
Construction Work in Process	1,182,986	1,281,938	1,335,167	(53,229)
Total Utility Plant in Service	75,372,470	78,272,794	77,791,610	481,184
Accumulated Depreciation	(23,474,572)	(24,246,925)	(23,732,676)	(514,249)
<b>Net Utility Plant</b>	<b>51,897,898</b>	<b>54,025,869</b>	<b>54,058,934</b>	<b>(33,065)</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	12,123,715	13,260,420	12,112,828	1,147,592
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	250,393	303,252	(52,859)
<b>Total Other Prop. &amp; Investments</b>	<b>15,877,145</b>	<b>16,304,850</b>	<b>15,210,117</b>	<b>1,094,733</b>
Cash-General Funds	642,475	556,165	600,926	(44,761)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,237	3,238	2,891	347
Temporary Investments	2,621,978	0	1,296,801	(1,296,801)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,721,797	1,531,552	2,507,929	(976,377)
Accounts Receivable-Net-Other	28,417	30,555	23,025	7,530
Materials & Supplies	585,742	641,530	506,818	134,712
Prepayments	84,580	111,808	75,885	35,923
Other Current & Accrued Assets	2,661	2,604	8,651	(6,047)
<b>Total Current &amp; Accrued Assets</b>	<b>5,691,341</b>	<b>2,877,906</b>	<b>5,023,380</b>	<b>(2,145,474)</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>73,466,384</b>	<b>73,208,625</b>	<b>74,292,431</b>	<b>(1,083,806)</b>
<b>OWNER'S EQUITY:</b>				
Memberships	305,420	315,120	312,520	2,600
Patronage Capital	23,380,432	24,690,157	25,564,451	(874,294)
Operating Margins-Prior Years	2,269,313	1,744,439	0	1,744,439
Operating Margins-Current Year	1,648,217	1,802,296	1,744,439	57,857
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,747,990	2,911,506	2,789,759	121,747
<b>Total Margins &amp; Equities</b>	<b>30,351,372</b>	<b>31,463,518</b>	<b>30,411,169</b>	<b>1,052,349</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	907,698	838,816	860,516	(21,700)
Long Term Debt Other - RUS Guar.	25,350,287	24,647,505	24,826,749	(179,244)
Long Term Debt - Other	12,965,930	12,401,940	12,810,678	(408,738)
Long Term Debt Other - Adv Payments	(251,770)	(263,270)	(260,699)	(2,571)
<b>Total Long Term Debt</b>	<b>38,972,145</b>	<b>37,624,991</b>	<b>38,237,244</b>	<b>(612,253)</b>
Accumulated Operating Provisions	931,420	1,015,844	1,050,650	(34,806)
<b>Total Other Noncurrent Liabilities</b>	<b>931,420</b>	<b>1,015,844</b>	<b>1,050,650</b>	<b>(34,806)</b>
Notes Payable	0	0	0	0
Accounts Payable	1,578,188	1,427,415	3,115,942	(1,688,527)
Deposits	162,235	160,246	161,330	(1,084)
Other Current & Accrued Liabilities	1,319,583	1,386,780	465,279	921,501
<b>Total Current &amp; Accrued Liabilities</b>	<b>3,060,006</b>	<b>2,974,441</b>	<b>3,742,551</b>	<b>(768,110)</b>
<b>Deferred Credits</b>	<b>151,442</b>	<b>129,830</b>	<b>850,817</b>	<b>(720,987)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>73,466,385</b>	<b>73,208,624</b>	<b>74,292,431</b>	<b>(1,083,807)</b>

## MENARD ELECTRIC COOPERATIVE

### This Month

	April17	April18	April19	April20	April21
1. Operating Revenue	1,728,676	1,897,696	1,727,807	1,672,691	1,746,691
kWhr Sold	11,758,604	13,306,383	11,920,379	10,794,632	11,049,227
2. Cost of Power	951,978	1,089,655	1,006,772	971,939	996,278
kWhr Purchased	12,970,849	14,722,471	13,593,281	11,891,977	12,078,192
3. Operation Expense	86,452	101,279	144,105	166,095	66,753
4. Maintenance Expense	208,451	253,839	227,166	239,509	184,640
5. Consumer Accounts & Coll. Exp.	34,805	41,427	38,616	35,543	36,276
6. Member Service Expense	8,287	8,895	16,502	17,956	16,026
7. General Office Expense	75,289	77,722	51,253	62,828	58,012
8. Outside Professional Services	2,270	5,761	8,575	12,594	7,159
9. Insurance, Employee & Welfare	513	15	718	2,097	1,907
10. Director's Fee & Mileage	2,524	6,124	11,416	6,238	6,351
11. Dues - Assoc. Organizations	11,477	22,818	11,516	11,526	11,772
12. Other Misc. General Expense	15,144	13,263	27,811	21,765	51,888
13. Depreciation Expense	166,737	172,358	185,572	192,464	196,689
14. Tax Expense - Property	20,900	22,375	23,400	24,025	24,925
15. Tax Expense - Other	2,373	1,717	1,809	1,381	1,415
16. Interest Expense	104,415	105,093	111,979	103,810	99,100
17. Total Expense less Power	739,637	832,686	860,438	897,831	762,913
17a. Total Operating Cost	1,691,615	1,922,341	1,867,210	1,869,770	1,759,191
<b>18. Operating Margins</b>	37,061	(24,645)	(139,403)	(197,079)	(12,500)
19. Non-Operating Margins	5,185	(16,971)	2,425	6,878	3,556
20. G & T Capital Credits	1,141,366	1,146,478	1,139,473	1,116,929	1,092,798
21. Other Capital Credits	0	0	0	0	140,588
<b>22. Total Margins</b>	1,183,612	1,104,862	1,002,495	926,728	1,224,442