

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
JUNE 23, 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.

On roll call the following Directors were present: President D. Jay Frye, Directors Warren D. Goetsch, Gary Holloway (by Zoom), Gary L. Martin, Donald E. McMillan (by Zoom), Michael E. Patrick, Jodine Tate (by Zoom) and Steven L. Worner (by Zoom). Director Dennis Ryan was absent. Also present were Manager Alisha Anker, Manager of Accounting & Information Systems Chris Hinton and Attorney Charles K. Smith.

The Agenda of the meeting was read. President Frye advised that there was one change to the Agenda. He informed the Board that there would be no Broadband Discussion and that the Board would hold Executive Session in that timeslot. There were no other 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.

There was discussion about the scheduled Board Meeting dates from July 2020 to June 2021. It was the consensus that there did not need to be any changes to the meeting dates; no conflicts exist with the 4<sup>th</sup> Tuesday of each month. It was moved and seconded that the meeting dates be approved. Motion carried. President Frye discussed Committee appointments and advised that he was not making any changes in the Committee appointments from last year. It was moved and seconded that those appointments be approved. Motion carried.

Hinton reviewed the 2020-2023 RUS Work Plan and reviewed the 10-year Financial Forecast. It was moved and seconded the Board approve the Financial Forecast. Motion carried. Manager Anker discussed a Resolution authorizing access to the RDApply Intake System. She advised the purpose of the following Resolution was to authorize herself and Hinton to be responsible for submitting and certifying to the Rural Utilities Service, any and all data required by the RDApply Intake System. It was moved and seconded the following Resolution be adopted:

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

Motion carried.

President Frye advised that it would be necessary to convene into Executive Session. It was so moved and seconded.

It was moved and seconded that the Board reconvene the monthly Board Meeting. Motion carried.

Manager Anker presented the Manager's Report for May 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 temporary Policy Variances as a result of the Covid19 Pandemic and discussed those Policy revisions. Manager Anker reviewed the Operations Report and Reliability Report and reported that for the month, there were 72 incidents and total member outage minutes were 73,561.03. The largest duration of an outage was 192 minutes. She reviewed a Memo which contained key points from the UUS Board Conference Call, which took place on May 26, 2020. Manager Anker reviewed the IT Security Report. She advised that there were no security issues or concerns. She advised that there was no Safety Report for the month. Manager Anker discussed the contents of the monthly Connect Newsletter. There was discussion about the Sharing Success Program and Applications therefore. She reviewed applications from Mason County Pets Without Parents, Petersburg Veteran's Memorial Park, Community Action Partnership, Athens Food Pantry and Tri City Education Foundation. It was moved to table this matter for consideration at next Month's Board Meeting. Motion carried. 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 discussed Board highlights and the President's Report, as well as the Energy Supply Summary.

Manager Anker reviewed the Capital Credit Estate Refunds Report.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, July 28, 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				May 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance	
1. Operating Revenue	10,524,313	9,902,890	10,384,576	(481,686)	2,273,414	2,155,030	2,305,696	(150,666)	
kWhr Sold	74,358,695	66,947,718	74,382,619	(7,434,901)	13,957,380	12,266,727	14,791,229	(2,524,502)	
2. Cost of Power	6,043,138	4,993,046	5,854,879	861,833	1,171,893	1,156,093	1,405,547	249,454	
kWhr Purchased	80,340,354	72,777,263	80,299,000	7,521,737	14,485,210	13,352,179	16,036,000	2,683,821	
3. Operation Expense	921,785	705,151	697,228	(7,923)	137,568	64,954	131,677	66,723	
4. Maintenance Expense	1,061,596	1,063,101	1,318,957	255,856	294,460	141,014	301,082	160,068	
5. Consumer Accounts & Coll. Exp.	192,680	171,716	224,119	52,403	30,181	27,594	40,257	12,663	
6. Member Service Expense	80,260	100,862	112,816	11,954	17,852	20,454	21,809	1,355	
7. General Office Expense	293,015	314,154	231,999	(82,155)	43,518	54,976	46,118	(8,858)	
8. Outside Professional Services	19,353	50,717	61,100	10,383	0	21,601	12,900	(8,701)	
9. Insurance, Employee & Welfare	747	2,305	2,000	(305)	0	3,303	400	(2,903)	
10. Director's Fee & Mileage	53,518	53,090	69,625	16,535	7,894	8,212	9,225	1,013	
11. Dues - Assoc. Organizations	57,580	57,630	57,650	20	11,516	11,526	11,530	4	
12. Other Misc. General Expense	152,184	117,847	163,285	45,438	27,009	14,031	54,845	40,814	
13. Depreciation Expense	926,329	958,031	980,990	22,959	185,578	193,030	199,322	6,292	
14. Tax Expense - Property	117,000	120,125	120,125	0	23,400	24,025	24,025	0	
15. Tax Expense - Other	9,274	8,499	9,258	759	2,021	1,733	2,035	302	
16. Interest Expense on L-T Debt	553,297	529,231	536,475	7,244	117,093	107,543	108,617	1,074	
17. Total Expense less Power	4,438,618	4,252,459	4,585,627	333,168	898,090	693,996	963,842	269,846	
17a. Total Operating Cost	10,481,756	9,245,505	10,440,506	1,195,001	2,069,983	1,850,089	2,369,389	519,300	
<b>18. Operating Margins</b>	<b>42,557</b>	<b>657,385</b>	<b>(55,930)</b>	<b>713,315</b>	<b>203,431</b>	<b>304,941</b>	<b>(63,693)</b>	<b>368,634</b>	
19. Non-Operating Margins	52,142	42,456	36,950	5,506	9,823	7,144	6,675	469	
20. G & T Capital Credits	1,139,473	1,116,929	1,000,000	116,929	0	0	0	0	
21. Other Capital Credits	137,399	143,528	108,000	35,528	0	0	0	0	
<b>22. Total Margins</b>	<b>1,371,571</b>	<b>1,960,298</b>	<b>1,089,020</b>	<b>871,278</b>	<b>213,254</b>	<b>312,085</b>	<b>(57,018)</b>	<b>369,103</b>	

Balance Sheet Analysis

Menard Electric Coop

05/31/19 - 05/31/20

18-Jun-20

	Prior Yr Balance 05/31/19	Current Yr Balance 05/31/20	End of Yr Balance 12/31/19	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	71,375,738	74,611,647	73,188,302	1,423,345
Construction Work in Process	1,182,491	1,419,114	1,079,509	339,605
Total Utility Plant in Service	72,558,229	76,030,761	74,267,811	1,762,950
Accumulated Depreciation	(22,804,613)	(23,653,649)	(22,932,346)	(721,303)
<b>Net Utility Plant</b>	<b>49,753,616</b>	<b>52,377,112</b>	<b>51,335,465</b>	<b>1,041,647</b>
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)
<b>Total Other Prop. &amp; Investments</b>	<b>15,411,285</b>	<b>15,877,145</b>	<b>14,755,990</b>	<b>1,121,155</b>
Cash-General Funds	474,816	1,020,704	1,274,558	(253,854)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	5,430	3,314	5,004	(1,690)
Temporary Investments	904,173	2,000,000	2,830,408	(830,408)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,122,878	1,732,152	2,572,954	(840,802)
Accounts Receivable-Net-Other	23,628	47,544	33,037	14,507
Materials & Supplies	540,673	488,233	497,770	(9,537)
Prepayments	106,947	81,613	184,520	(102,907)
Other Current & Accrued Assets	5,411	5,411	9,285	(3,874)
<b>Total Current &amp; Accrued Assets</b>	<b>4,184,410</b>	<b>5,379,425</b>	<b>7,407,990</b>	<b>(2,028,565)</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>69,349,311</b>	<b>73,633,682</b>	<b>73,508,688</b>	<b>124,994</b>
<b>OWNER'S EQUITY:</b>				
Memberships	297,270	306,240	302,940	3,300
Patronage Capital	21,623,623	23,371,808	24,164,587	(792,779)
Operating Margins-Prior Years	2,019,691	2,269,313	0	2,269,313
Operating Margins-Current Year	1,371,571	1,960,303	2,269,313	(309,010)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,770,847	2,749,776	2,631,209	118,567
<b>Total Margins &amp; Equities</b>	<b>28,083,002</b>	<b>30,657,440</b>	<b>29,368,049</b>	<b>1,289,391</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	970,388	900,882	930,569	(29,687)
Long Term Debt Other - RUS Guar.	25,104,266	25,350,287	25,519,967	(169,680)
Long Term Debt - Other	13,684,989	13,551,603	12,988,129	563,474
Long Term Debt Other - Adv Payments	(2,320,572)	(251,770)	(248,679)	(3,091)
<b>Total Long Term Debt</b>	<b>37,439,071</b>	<b>39,551,002</b>	<b>39,189,986</b>	<b>361,016</b>
Accumulated Operating Provisions	791,484	936,370	965,479	(29,109)
<b>Total Other Noncurrent Liabilities</b>	<b>791,484</b>	<b>936,370</b>	<b>965,479</b>	<b>(29,109)</b>
Notes Payable	0	0	0	0
Accounts Payable	1,516,899	1,550,232	2,715,860	(1,165,628)
Deposits	160,405	162,315	154,770	7,545
Other Current & Accrued Liabilities	1,219,524	576,538	454,009	122,529
<b>Total Current &amp; Accrued Liabilities</b>	<b>2,896,828</b>	<b>2,289,085</b>	<b>3,324,639</b>	<b>(1,035,554)</b>
<b>Deferred Credits</b>	<b>138,924</b>	<b>199,786</b>	<b>660,534</b>	<b>(460,748)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>69,349,309</b>	<b>73,633,683</b>	<b>73,508,687</b>	<b>124,996</b>

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

	May16	May17	May18	May19	May20
1. Operating Revenue	2,174,896	2,217,554	2,533,142	2,273,414	2,155,030
kWhr Sold	13,963,254	13,773,082	17,425,112	13,957,380	12,266,727
2. Cost of Power	1,226,761	1,161,315	1,542,253	1,171,893	1,156,093
kWhr Purchased	14,837,446	14,892,976	18,757,394	14,485,210	13,352,179
3. Operation Expense	98,237	60,515	69,373	137,568	64,954
4. Maintenance Expense	202,643	208,605	184,250	294,460	141,014
5. Consumer Accounts & Coll. Exp.	43,015	39,838	38,238	30,181	27,594
6. Member Service Expense	9,106	13,829	11,111	17,852	20,454
7. General Office Expense	73,973	70,770	82,598	43,518	54,976
8. Outside Professional Services	6,310	38,340	3,818	0	21,601
9. Insurance, Employee & Welfare	523	858	607	0	3,303
10. Director's Fee & Mileage	3,833	6,345	5,780	7,894	8,212
11. Dues - Assoc. Organizations	11,363	11,477	11,391	11,516	11,526
12. Other Misc. General Expense	21,953	19,933	34,729	27,009	14,031
13. Depreciation Expense	163,265	167,033	173,170	185,578	193,030
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	3,360	3,324	2,146	2,021	1,733
16. Interest Expense	107,458	107,687	109,175	117,093	107,543
17. Total Expense less Power	765,039	769,454	748,761	898,090	693,996
17a. Total Operating Cost	1,991,800	1,930,769	2,291,014	2,069,983	1,850,089
<b>18. Operating Margins</b>	183,096	286,785	242,128	203,431	304,941
19. Non-Operating Margins	22,815	4,246	4,717	9,823	7,144
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
<b>22. Total Margins</b>	205,911	291,031	246,845	213,254	312,085

<b>MENARD ELECTRIC COOPERATIVE</b>
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<b>Year to Date</b>
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	May16	May17	May18	May19	May20
1. Operating Revenue	9,984,640	9,764,599	10,935,358	10,524,313	9,902,890
kWhr Sold	71,965,022	68,406,772	79,479,392	74,358,695	66,947,718
2. Cost of Power	5,915,368	5,615,962	6,607,529	6,043,138	4,993,046
kWhr Purchased	78,102,938	74,328,936	85,907,050	80,340,354	72,777,263
3. Operation Expense	470,552	423,742	718,211	921,785	705,151
4. Maintenance Expense	991,563	1,124,244	1,115,673	1,061,596	1,063,101
5. Consumer Accounts & Coll. Exp.	225,813	208,179	219,229	192,680	171,716
6. Member Service Expense	47,175	50,702	48,478	80,260	100,862
7. General Office Expense	377,519	350,050	395,615	293,015	314,154
8. Outside Professional Services	24,465	62,275	20,517	19,353	50,717
9. Insurance, Employee & Welfare	2,283	819	1,197	747	2,305
10. Director's Fee & Mileage	43,863	56,224	57,974	53,518	53,090
11. Dues - Assoc. Organizations	56,815	57,385	68,382	57,580	57,630
12. Other Misc. General Expense	95,442	121,164	125,420	152,184	117,847
13. Depreciation Expense	819,892	831,092	855,507	926,329	958,031
14. Tax Expense - Property	100,000	104,500	111,875	117,000	120,125
15. Tax Expense - Other	13,036	12,762	9,250	9,274	8,499
16. Interest Expense	529,683	525,187	524,250	553,297	529,231
17. Total Expense less Power	3,798,101	3,928,325	4,271,578	4,438,618	4,252,459
17a. Total Operating Cost	9,713,469	9,544,287	10,879,107	10,481,756	9,245,505
<b>18. Operating Margins</b>	271,171	220,312	56,251	42,557	657,385
19. Non-Operating Margins	3,339	40,266	8,971	52,142	42,456
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
<b>22. Total Margins</b>	1,640,622	1,593,386	1,399,688	1,371,571	1,960,298