

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

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 and Steven L. Worner. Director Jodine Tate was absent. Also present were Manager Alisha Anker 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 reviewed the proposed Station Power Agreement with Sugar Creek Wind One, LLC. She reviewed the terms and provisions of the proposed Agreement. It was moved and seconded that the Board approve the Agreement. Motion carried.

Manager Anker discussed a proposed Resolution authorizing access to RDApplly Intake System. After discussion, it was moved and seconded the following Resolution be adopted:

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

Motion carried.

Manager Anker discussed what would be involved in a possible sale of Capital Assets of the Cooperative. She will work with Attorney Smith on any RUS approval, lien release and agreement process.

Manager Anker discussed the issue of Broadband and availability to Cooperative members. She reviewed some of the difficulties involved in providing Broadband to Cooperative members. It was the consensus of the Board that Manager Anker seek quotes for the 2021 Budget to perform a feasibility study.

Manager Anker presented the Manager's Report for June, 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. She also gave an update

on Payment Policy Waivers. Manager Anker reviewed the Operations Report and Reliability Report and reported that for the month, there were 85 incidents affecting 18 members, and total member outage minutes were 93,981.28. The largest duration of an outage was 417 minutes. She reviewed the Safety Report for the month. Manager Anker discussed the contents of the monthly Connect Newsletter. There was discussion with regard to the CFC Special Meeting and Delegate Selection therefore. It was moved and seconded that Director Patrick be appointed Delegate for the CFC Special Meeting. Motion carried. There was discussion about the CoBank 2020 Director Election. The Board discussed both Candidates. It was moved and seconded that the Cooperative vote be cast for Candidate Michael Nordwald. Motion carried. Manager Anker discussed the Applicants for the Sharing Success Program. After discussion by the Board, it was moved and seconded to gift and accept matching funds from CoBank to provide total contributions of \$3,500.00 to Petersburg Veterans Memorial Park; \$10,000.00 to Community Action Partnership of Central IL; \$1,000.00 to Athens Area Food Pantry, and \$1,000.00 to Tri City Education Foundation. Motion carried. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC Activities. He reviewed the Annual Meeting Summary and the AIEC Solar Facility Program.

Director Martin reported on Prairie Power, Inc. He discussed the President's Report, as well as the Energy Supply Summary.

The Board discussed the need 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.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, August 25, 2020 at 6:00 p.m.

Under other business, President Frye discussed the CoBank Virtual Customer Meeting sign up on August 13, 2020.

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				June 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance	
1. Operating Revenue	13,007,580	12,930,218	13,548,112	(617,894)	2,483,267	3,027,328	3,163,536	(136,208)	
kWhr Sold	90,570,266	88,884,766	97,556,038	(8,671,272)	16,211,571	21,937,048	23,173,419	(1,236,371)	
2. Cost of Power	7,722,028	6,957,250	8,089,930	1,132,680	1,678,890	1,964,204	2,235,051	270,847	
kWhr Purchased	97,737,479	96,367,792	105,463,000	9,095,208	17,397,125	23,590,529	25,164,000	1,573,471	
3. Operation Expense	1,083,198	790,010	839,343	49,333	161,413	84,859	142,115	57,256	
4. Maintenance Expense	1,459,151	1,468,537	1,640,543	172,006	397,555	405,436	321,586	(83,850)	
5. Consumer Accounts & Coll. Exp.	239,388	212,125	268,876	56,751	46,708	40,409	44,757	4,348	
6. Member Service Expense	96,152	112,896	138,116	25,220	15,892	12,034	25,300	13,266	
7. General Office Expense	332,235	371,633	275,357	(96,276)	39,220	57,479	43,358	(14,121)	
8. Outside Professional Services	21,626	64,877	73,600	8,723	2,273	14,160	12,500	(1,660)	
9. Insurance, Employee & Welfare	1,872	8,491	2,400	(6,091)	1,125	6,186	400	(5,786)	
10. Director's Fee & Mileage	63,403	57,047	76,350	19,303	9,885	3,957	6,725	2,768	
11. Dues - Assoc. Organizations	69,096	69,156	69,180	24	11,516	11,526	11,530	4	
12. Other Misc. General Expense	210,145	130,979	206,248	75,269	57,961	13,132	42,963	29,831	
13. Depreciation Expense	1,112,373	1,152,789	1,181,468	28,679	186,044	194,758	200,478	5,720	
14. Tax Expense - Property	140,400	144,150	144,150	0	23,400	24,025	24,025	0	
15. Tax Expense - Other	11,248	10,921	11,979	1,058	1,974	2,422	2,721	299	
16. Interest Expense on L-T Debt	665,851	633,251	640,908	7,657	112,554	104,020	104,433	413	
17. Total Expense less Power	5,506,138	5,226,862	5,568,518	341,656	1,067,520	974,403	982,891	8,488	
17a. Total Operating Cost	13,228,166	12,184,112	13,658,448	1,474,336	2,746,410	2,938,607	3,217,942	279,335	
18. Operating Margins	(220,586)	746,106	(110,336)	856,442	(263,143)	88,721	(54,406)	143,127	
19. Non-Operating Margins	87,952	50,631	43,225	7,406	35,810	8,175	6,275	1,900	
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	
22. Total Margins	1,144,238	2,057,194	1,040,889	1,016,305	(227,333)	96,896	(48,131)	145,027	

Balance Sheet Analysis

Menard Electric Coop

06/30/19 - 06/30/20

24-Jul-20

	Prior Yr Balance 06/30/19	Current Yr Balance 06/30/20	End of Yr Balance 12/31/19	Change YTD
ASSETS:				
Utility Plant in Service	71,481,842	75,450,686	73,188,302	2,262,384
Construction Work in Process	1,313,030	1,355,781	1,079,509	276,272
Total Utility Plant in Service	72,794,872	76,806,467	74,267,811	2,538,656
Accumulated Depreciation	(22,872,935)	(23,816,292)	(22,932,346)	(883,946)
Net Utility Plant	49,921,937	52,990,175	51,335,465	1,654,710
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	10,956,134	12,118,419	10,948,701	1,169,718
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	15,871,849	14,755,990	1,115,859
Cash-General Funds	518,350	591,456	1,274,558	(683,102)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	5,891	3,391	5,004	(1,613)
Temporary Investments	300,000	1,044,974	2,830,408	(1,785,434)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,439,057	3,117,316	2,572,954	544,362
Accounts Receivable-Net-Other	100,953	25,311	33,037	(7,726)
Materials & Supplies	677,790	569,030	497,770	71,260
Prepayments	214,827	197,220	184,520	12,700
Other Current & Accrued Assets	8,072	8,072	9,285	(1,213)
Total Current & Accrued Assets	4,265,394	5,557,224	7,407,990	(1,850,766)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	9,243	(9,243)
TOTAL ASSETS & OTHER DEBITS	69,598,616	74,419,248	73,508,688	910,560
OWNER'S EQUITY:				
Memberships	298,195	307,265	302,940	4,325
Patronage Capital	22,203,173	23,364,427	24,164,587	(800,160)
Operating Margins-Prior Years	2,019,691	2,269,313	0	2,269,313
Operating Margins-Current Year	1,144,238	2,057,200	2,269,313	(212,113)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,707,843	2,753,600	2,631,209	122,391
Total Margins & Equities	28,373,140	30,751,805	29,368,049	1,383,756
LIABILITIES:				
Long Term Debt-RUS	964,991	895,483	930,569	(35,086)
Long Term Debt Other - RUS Guar.	24,949,592	25,175,704	25,519,967	(344,263)
Long Term Debt - Other	13,633,094	13,495,293	12,988,129	507,164
Long Term Debt Other - Adv Payments	(2,349,619)	(254,900)	(248,679)	(6,221)
Total Long Term Debt	37,198,058	39,311,580	39,189,986	121,594
Accumulated Operating Provisions	792,861	941,320	965,479	(24,159)
Total Other Noncurrent Liabilities	792,861	941,320	965,479	(24,159)
Notes Payable	0	0	0	0
Accounts Payable	2,433,553	2,584,444	2,715,860	(131,416)
Deposits	160,635	164,815	154,770	10,045
Other Current & Accrued Liabilities	428,056	469,720	454,009	15,711
Total Current & Accrued Liabilities	3,022,244	3,218,979	3,324,639	(105,660)
Deferred Credits	212,313	195,564	660,534	(464,970)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	69,598,616	74,419,248	73,508,687	910,561

MENARD ELECTRIC COOPERATIVE

This Month

	June16	June17	June18	June19	June20
1. Operating Revenue	3,378,067	3,255,167	3,174,463	2,483,267	3,027,328
kWhr Sold	27,488,807	25,284,814	23,746,886	16,211,571	21,937,048
2. Cost of Power	2,131,215	2,150,571	2,130,207	1,678,890	1,964,204
kWhr Purchased	29,915,014	27,481,639	26,040,927	17,397,125	23,590,529
3. Operation Expense	107,626	59,011	130,769	161,413	84,859
4. Maintenance Expense	270,638	263,433	305,318	397,555	405,436
5. Consumer Accounts & Coll. Exp.	46,220	39,142	45,251	46,708	40,409
6. Member Service Expense	11,216	8,271	11,220	15,892	12,034
7. General Office Expense	72,204	83,929	66,922	39,220	57,479
8. Outside Professional Services	2,883	1,385	3,300	2,273	14,160
9. Insurance, Employee & Welfare	345	0	956	1,125	6,186
10. Director's Fee & Mileage	10,462	12,332	8,626	9,885	3,957
11. Dues - Assoc. Organizations	11,363	11,477	11,391	11,516	11,526
12. Other Misc. General Expense	71,157	46,030	58,563	57,961	13,132
13. Depreciation Expense	163,561	167,396	173,612	186,044	194,758
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	4,187	3,913	2,525	1,974	2,422
16. Interest Expense	103,471	103,636	104,682	112,554	104,020
17. Total Expense less Power	895,333	820,855	945,510	1,067,520	974,403
17a. Total Operating Cost	3,026,548	2,971,426	3,075,717	2,746,410	2,938,607
18. Operating Margins	351,519	283,741	98,746	(263,143)	88,721
19. Non-Operating Margins	(23,025)	18,474	23,659	35,810	8,175
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
22. Total Margins	328,494	302,215	122,405	(227,333)	96,896

MENARD ELECTRIC COOPERATIVE

Year to Date

	June16	June17	June18	June19	June20
1. Operating Revenue	13,362,707	13,019,766	14,109,821	13,007,580	12,930,218
kWhr Sold	99,453,829	93,691,586	103,226,278	90,570,266	88,884,766
2. Cost of Power	8,046,583	7,766,533	8,737,736	7,722,028	6,957,250
kWhr Purchased	108,017,952	101,810,575	111,947,977	97,737,479	96,367,792
3. Operation Expense	578,178	482,753	848,980	1,083,198	790,010
4. Maintenance Expense	1,262,201	1,387,677	1,420,991	1,459,151	1,468,537
5. Consumer Accounts & Coll. Exp.	272,033	247,321	264,480	239,388	212,125
6. Member Service Expense	58,391	58,973	59,698	96,152	112,896
7. General Office Expense	449,723	433,979	462,537	332,235	371,633
8. Outside Professional Services	27,348	63,660	23,817	21,626	64,877
9. Insurance, Employee & Welfare	2,628	819	2,153	1,872	8,491
10. Director's Fee & Mileage	54,325	68,556	66,600	63,403	57,047
11. Dues - Assoc. Organizations	68,178	68,862	79,773	69,096	69,156
12. Other Misc. General Expense	166,599	167,194	183,983	210,145	130,979
13. Depreciation Expense	983,453	998,488	1,029,119	1,112,373	1,152,789
14. Tax Expense - Property	120,000	125,400	134,250	140,400	144,150
15. Tax Expense - Other	17,223	16,675	11,775	11,248	10,921
16. Interest Expense	633,154	628,823	628,932	665,851	633,251
17. Total Expense less Power	4,693,434	4,749,180	5,217,088	5,506,138	5,226,862
17a. Total Operating Cost	12,740,017	12,515,713	13,954,824	13,228,166	12,184,112
18. Operating Margins	622,690	504,053	154,997	(220,586)	746,106
19. Non-Operating Margins	(19,686)	58,740	32,630	87,952	50,631
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	1,969,116	1,895,601	1,522,093	1,144,238	2,057,194