

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
AUGUST 25, 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, Michael E. Patrick, Dennis Ryan (by Zoom), and Jodine Tate (by Zoom). Steven L. Worner was absent. Also present was Manager of Accounting & Information Systems Chris Hinton, Manager Alisha Anker, and Attorney Charles K. Smith (by Zoom).

The Agenda of the meeting was read. President Frye advised that there was one change to the Agenda, that being the addition of "Agreement for Project Management Services of Member Facilities between Prairie Power Inc. and Menard Electric". 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.

Manager Anker reviewed the Conflict of Interest Policy and its disclosure requirements. Board Members each completed their own Disclosure Statement. It was moved and seconded that the minutes reflect that the Disclosure Conflict of Interest review had occurred and that the required Disclosure Statements had been supplied by the Board Members in conformance with the Policy. Motion carried.

President Frye introduced Chris Hinton, Manager of Accounting & Information Systems. Mr. Hinton presented a review of Federal Forms 990 and 990T, Illinois Form 990 and Illinois Form 990T. After review by the Board, it was moved and seconded that Federal Form 990, Federal Form 990T, State of Illinois Form 990 and State of Illinois Form 990T be approved. Motion carried.

Mr. Hinton then presented a Review of the 2020-2023 Work Plan and Loan Approval Forms. He reviewed Form 740C Work Plan Cost Estimates, Form AD-3030 and RD Form 400-4. After review by the Board it was moved and seconded that all forms be approved and signed. Motion carried.

Manager Anker reviewed a License Agreement recently received from IDNR for service to the Sanganois State Wildlife and Fishing Area #6632. After a review of the terms, it was moved and seconded the License Agreement with IDNR be approved. Motion carried.

Manager Anker advised that the Kilbourne Franchise Agreement had been approved by the Village of Kilbourne Council as an Ordinance. She reviewed some of the terms of the Franchise Agreement. It was moved and seconded that the Ordinance be accepted. Motion carried.

Manager Anker reviewed a Summary of the 2020 NRECA Directors Survey. NRECA conducted a Survey of Distribution Cooperatives seeking data, specifically as to Directors and Governance issues based on data submitted in 2018 on the IRS Form 990. She advised that NRECA performs the Survey every other year. Manager Anker reviewed some of the various Survey results.

Manager Anker presented the Manager's Report for July, 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 updated the Board on the changes that were made to Section IV Policy Billing and Terms of Payment and reported on what had occurred since the Policy changes were adopted. She also discussed the changes to the Security Deposit Policy and the Continuity and Disconnection of Services Policy. Manager Anker reviewed the LiHEAP Summary for 9/1/2019 through 6/30/2020. Manager Anker advised that she was looking into development of an HRA for Cooperative retirees. She discussed the various issues that were being discussed by Staff with regard to the terms of an HRA and associated Policy. She advised that the Policy would be further defined in the future for consideration by the Board. Manager Anker reviewed the Operations Report and Reliability Report and reported that for the month, there were 103 incidents and total member outage minutes were 3,085. The largest duration of an outage was 261 minutes. Manager Anker reviewed the Safety Report as of August 21, 2020. She advised that there were no illnesses or injuries. She reviewed the contents of the monthly Connect Newsletter. There was discussion about the need to nominate a NRECA Region V Delegate and Alternate Delegate. It was moved and seconded that Director Ryan remain the Delegate and Director Patrick remain the Alternate Delegate for NRECA Region V business. 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 Executive Summary from the AIEC Board Meeting of August 20, 2020. He also reviewed the Solar Facility Report.

Director Martin reported on Prairie Power, Inc. He reviewed the President's Report, discussed Board Highlights, and Transmission cost sharing responsibilities. He and Manager Anker discussed the need for an Agreement for Project Management Services of Member Facilities between PPI and Menard Electric. It was moved and seconded that the Agreement be approved. Motion carried.

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, September 22, 2020 at 6:00 p.m.

Under other business, President Frye advised the Board of the NRECA Regional Meeting Sign-up.

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				July 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance	
1. Operating Revenue	17,032,638	16,415,800	17,084,277	(668,477)	4,025,058	3,485,582	3,536,165	(50,583)	
kWhr Sold	120,033,032	115,539,421	123,637,681	(8,098,260)	29,462,766	26,654,655	26,081,643	573,012	
2. Cost of Power	10,127,496	9,506,250	10,596,281	1,090,031	2,405,468	2,549,000	2,506,351	(42,649)	
kWhr Purchased	129,531,090	125,150,869	133,522,000	8,371,131	31,793,611	28,783,077	28,059,000	(724,077)	
3. Operation Expense	1,133,330	912,820	975,397	62,577	50,132	122,810	136,054	13,244	
4. Maintenance Expense	1,776,051	1,744,055	1,986,686	242,631	316,900	275,518	346,143	70,625	
5. Consumer Accounts & Coll. Exp.	276,305	246,034	309,315	63,281	36,917	33,909	40,439	6,530	
6. Member Service Expense	116,139	129,845	160,736	30,891	19,987	16,949	22,620	5,671	
7. General Office Expense	378,359	424,250	320,003	(104,247)	46,124	52,617	44,646	(7,971)	
8. Outside Professional Services	30,098	69,875	76,100	6,225	8,472	4,998	2,500	(2,498)	
9. Insurance, Employee & Welfare	2,848	14,586	2,800	(11,786)	976	6,095	400	(5,695)	
10. Director's Fee & Mileage	73,654	64,682	87,675	22,993	10,251	7,635	11,325	3,690	
11. Dues - Assoc. Organizations	80,622	80,928	81,737	809	11,526	11,772	12,557	785	
12. Other Misc. General Expense	238,437	166,154	230,931	64,777	28,292	35,175	24,683	(10,492)	
13. Depreciation Expense	1,298,691	1,348,505	1,383,079	34,574	186,318	195,716	201,611	5,895	
14. Tax Expense - Property	163,800	168,175	168,175	0	23,400	24,025	24,025	0	
15. Tax Expense - Other	14,501	13,769	14,998	1,229	3,253	2,848	3,019	171	
16. Interest Expense on L-T Debt	780,761	740,132	748,222	8,090	114,910	106,881	107,314	433	
17. Total Expense less Power	6,363,596	6,123,810	6,545,854	422,044	857,458	896,948	977,336	80,388	
17a. Total Operating Cost	16,491,092	15,630,060	17,142,135	1,512,075	3,262,926	3,445,948	3,483,687	37,739	
<b>18. Operating Margins</b>	<b>541,546</b>	<b>785,740</b>	<b>(57,858)</b>	<b>843,598</b>	<b>762,132</b>	<b>39,634</b>	<b>52,478</b>	<b>(12,844)</b>	
19. Non-Operating Margins	92,307	55,992	49,175	6,817	4,355	5,361	5,950	(589)	
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>1,910,725</b>	<b>2,102,189</b>	<b>1,099,317</b>	<b>1,002,872</b>	<b>766,487</b>	<b>44,995</b>	<b>58,428</b>	<b>(13,433)</b>	

Balance Sheet Analysis

Menard Electric Coop

07/31/19 - 07/31/20

20-Aug-20

	Prior Yr Balance 07/31/19	Current Yr Balance 07/31/20	End of Yr Balance 12/31/19	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	71,707,645	75,711,724	73,188,302	2,523,422
Construction Work in Process	1,575,183	1,377,560	1,079,509	298,051
Total Utility Plant in Service	73,282,828	77,089,284	74,267,811	2,821,473
Accumulated Depreciation	(22,990,767)	(23,963,202)	(22,932,346)	(1,030,856)
<b>Net Utility Plant</b>	<b>50,292,061</b>	<b>53,126,082</b>	<b>51,335,465</b>	<b>1,790,617</b>
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	704,332	704,432	(100)
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>15,871,749</b>	<b>14,755,990</b>	<b>1,115,759</b>
Cash-General Funds	495,104	484,333	1,274,558	(790,225)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	6,353	3,468	5,004	(1,536)
Temporary Investments	0	933,247	2,830,408	(1,897,161)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,976,728	3,740,801	2,572,954	1,167,847
Accounts Receivable-Net-Other	24,572	37,438	33,037	4,401
Materials & Supplies	603,687	579,931	497,770	82,161
Prepayments	189,010	173,861	184,520	(10,659)
Other Current & Accrued Assets	10,822	10,822	9,285	1,537
<b>Total Current &amp; Accrued Assets</b>	<b>5,306,730</b>	<b>5,964,355</b>	<b>7,407,990</b>	<b>(1,443,635)</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>71,010,076</b>	<b>74,962,186</b>	<b>73,508,688</b>	<b>1,453,498</b>
<b>OWNER'S EQUITY:</b>				
Memberships	299,140	308,120	302,940	5,180
Patronage Capital	24,215,164	25,633,740	24,164,587	1,469,153
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	1,910,725	2,102,195	2,269,313	(167,118)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,693,423	2,753,600	2,631,209	122,391
<b>Total Margins &amp; Equities</b>	<b>29,118,452</b>	<b>30,797,655</b>	<b>29,368,049</b>	<b>1,429,606</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	959,892	890,132	930,569	(40,437)
Long Term Debt Other - RUS Guar.	24,949,592	25,175,704	25,519,967	(344,263)
Long Term Debt - Other	13,582,400	13,440,088	12,988,129	451,959
Long Term Debt Other - Adv Payments	(2,349,619)	(254,900)	(248,679)	(6,221)
<b>Total Long Term Debt</b>	<b>37,142,265</b>	<b>39,251,024</b>	<b>39,189,986</b>	<b>61,038</b>
Accumulated Operating Provisions	813,297	946,270	965,479	(19,209)
<b>Total Other Noncurrent Liabilities</b>	<b>813,297</b>	<b>946,270</b>	<b>965,479</b>	<b>(19,209)</b>
Notes Payable	0	0	0	0
Accounts Payable	3,035,579	3,040,063	2,715,860	324,203
Deposits	157,155	163,630	154,770	8,860
Other Current & Accrued Liabilities	530,767	568,980	454,009	114,971
<b>Total Current &amp; Accrued Liabilities</b>	<b>3,723,501</b>	<b>3,772,673</b>	<b>3,324,639</b>	<b>448,034</b>
<b>Deferred Credits</b>	<b>212,559</b>	<b>195,564</b>	<b>660,534</b>	<b>(464,970)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>71,010,074</b>	<b>74,963,186</b>	<b>73,508,687</b>	<b>1,454,499</b>

<b>MENARD ELECTRIC COOPERATIVE</b>
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<b>This Month</b>
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	July16	July17	July18	July19	July20
1. Operating Revenue	3,027,564	3,361,404	3,413,429	4,025,058	3,485,582
kWhr Sold	22,568,118	26,013,355	25,431,079	29,462,766	26,654,655
2. Cost of Power	2,134,600	2,152,165	2,400,837	2,405,468	2,549,000
kWhr Purchased	24,499,010	28,467,041	27,996,716	31,793,611	28,783,077
3. Operation Expense	57,565	100,179	110,600	50,132	122,810
4. Maintenance Expense	202,679	256,167	290,363	316,900	275,518
5. Consumer Accounts & Coll. Exp.	42,202	32,901	48,903	36,917	33,909
6. Member Service Expense	8,413	4,758	11,743	19,987	16,949
7. General Office Expense	90,637	71,965	73,568	46,124	52,617
8. Outside Professional Services	0	2,037	3,400	8,472	4,998
9. Insurance, Employee & Welfare	158	1,393	318	976	6,095
10. Director's Fee & Mileage	3,719	4,117	11,040	10,251	7,635
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	20,500	29,894	15,293	28,292	35,175
13. Depreciation Expense	163,477	167,377	173,813	186,318	195,716
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	3,701	4,094	2,818	3,253	2,848
16. Interest Expense	107,376	106,805	107,864	114,910	106,881
17. Total Expense less Power	731,904	813,978	883,614	857,458	896,948
17a. Total Operating Cost	2,866,504	2,966,143	3,284,451	3,262,926	3,445,948
<b>18. Operating Margins</b>	161,060	395,261	128,978	762,132	39,634
19. Non-Operating Margins	3,542	(9,673)	3,599	4,355	5,361
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
<b>22. Total Margins</b>	164,602	385,588	132,577	766,487	44,995

## MENARD ELECTRIC COOPERATIVE

### Year to Date

	July16	July17	July18	July19	July20
1. Operating Revenue	16,390,271	16,381,170	17,523,250	17,032,638	16,415,800
kWhr Sold	122,021,947	119,704,941	128,657,357	120,033,032	115,539,421
2. Cost of Power	10,181,183	9,918,698	11,138,573	10,127,496	9,506,250
kWhr Purchased	132,516,962	130,277,616	139,944,693	129,531,090	125,150,869
3. Operation Expense	635,743	582,932	959,580	1,133,330	912,820
4. Maintenance Expense	1,464,880	1,643,844	1,711,354	1,776,051	1,744,055
5. Consumer Accounts & Coll. Exp.	314,235	280,222	313,383	276,305	246,034
6. Member Service Expense	66,804	63,731	71,441	116,139	129,845
7. General Office Expense	540,360	505,944	536,105	378,359	424,250
8. Outside Professional Services	27,348	65,697	27,217	30,098	69,875
9. Insurance, Employee & Welfare	2,786	2,212	2,471	2,848	14,586
10. Director's Fee & Mileage	58,044	72,673	77,640	73,654	64,682
11. Dues - Assoc. Organizations	79,655	80,253	91,289	80,622	80,928
12. Other Misc. General Expense	187,099	197,088	199,276	238,437	166,154
13. Depreciation Expense	1,146,930	1,165,865	1,202,932	1,298,691	1,348,505
14. Tax Expense - Property	140,000	146,300	156,625	163,800	168,175
15. Tax Expense - Other	20,924	20,769	14,593	14,501	13,769
16. Interest Expense	740,530	735,628	736,796	780,761	740,132
17. Total Expense less Power	5,425,338	5,563,158	6,100,702	6,363,596	6,123,810
17a. Total Operating Cost	15,606,521	15,481,856	17,239,275	16,491,092	15,630,060
<b>18. Operating Margins</b>	783,750	899,314	283,975	541,546	785,740
19. Non-Operating Margins	(16,144)	49,067	36,229	92,307	55,992
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>	2,133,718	2,281,189	1,654,670	1,910,725	2,102,189