

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
SEPTEMBER 22, 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 Jodine Tate (by Zoom). Director Steven L. Worner was absent. Also present was Manager of Accounting & Information Systems Chris Hinton, Engineering Manager Brady Smith, Manager Alisha Anker, and Attorney Charles K. Smith.

The Agenda of the meeting was read. President Frye advised that there was one change to the Agenda, that being that the Cost of Service Study was moved from #5 to #4 and Vegetation Management was moved from #4 to #5. 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.

President Frye introduced Brian Adams of AIEC, who discussed and reviewed with the Board the Cost of Service Study.

The Board then discussed an issue with regard to vegetation management. President Frye and Director Ryan had acquainted themselves on-site with the vegetation management concerns affecting a Member. Manager Anker reviewed with the Board her discussions with the Member. Brady Smith also discussed the issues raised by the Member and the options provided by the cooperative to accommodate the Member. After discussion by the Board, it was the consensus to proceed with the vegetation management plans or at the Member's preference make available all reasonable options as discussed.

Manager Anker and Attorney Smith discussed with the Board issues that had been raised by a Cooperative Member as to capital credits for dissolved corporations. Manager Anker advised that she had been contacted by a Member about assignment of capital credits for two (2) entities that had been recently dissolved. Manager Anker reviewed an Assignment for each entity and discussed the terms of the Assignments. After discussion by the Board, it was moved and seconded that the Cooperative enter into the two Assignments. Motion carried.

Manager Anker presented the Manager's Report for August, 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 66 incidents and total member outage minutes were 154,975.43. The largest duration of an outage was 395 minutes. Manager Anker reviewed the Safety Report. She advised that there were no illnesses or injuries. She reviewed the contents of the monthly Connect Newsletter. Manager Anker advised that it was necessary to choose a Candidate for the CFC Directorship. Manager Anker reviewed the Bio of the two (2) candidates. After consideration by the Board, it was moved and seconded that the vote be for nominee Jeffrey Rehder. Manager Anker reported on the Cooperative's Linemen aiding the power restoration after Hurricane Laura. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch advised that there was no AIEC Meeting for the month.

Director Martin reported on Prairie Power, Inc.

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.

It was moved and seconded that the Board confirm and ratify all action taken in the Executive Session. Motion carried.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, October 27, 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		August 2020		This Month			Variance
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	
1. Operating Revenue	20,346,653	19,803,983	20,239,461	(435,478)	3,314,015	3,388,183	3,155,184	232,999
kWhr Sold	144,048,784	141,308,295	145,413,938	(4,105,643)	24,015,752	25,768,874	21,776,257	3,992,617
2. Cost of Power	12,217,672	11,640,534	12,785,373	1,144,839	2,090,176	2,134,284	2,189,092	54,808
kWhr Purchased	155,494,782	152,931,024	157,202,000	4,270,976	25,963,692	27,780,155	23,680,000	(4,100,155)
3. Operation Expense	1,239,094	1,063,187	1,105,361	42,174	105,764	150,367	129,964	(20,403)
4. Maintenance Expense	2,040,112	1,941,548	2,311,754	370,206	264,061	197,493	325,068	127,575
5. Consumer Accounts & Coll. Exp.	317,840	277,916	349,261	71,345	41,535	31,882	39,946	8,064
6. Member Service Expense	133,299	151,954	183,227	31,273	17,160	22,109	22,491	382
7. General Office Expense	429,753	470,871	364,092	(106,779)	51,394	46,621	44,089	(2,532)
8. Outside Professional Services	40,043	63,733	78,600	14,867	9,945	(6,142)	2,500	8,642
9. Insurance, Employee & Welfare	4,086	14,998	3,200	(11,798)	1,238	412	400	(12)
10. Director's Fee & Mileage	87,499	69,964	97,600	27,636	13,845	5,282	9,925	4,643
11. Dues - Assoc. Organizations	92,148	92,700	94,294	1,594	11,526	11,772	12,557	785
12. Other Misc. General Expense	269,793	190,647	246,831	56,184	31,356	24,493	15,900	(8,593)
13. Depreciation Expense	1,485,651	1,544,777	1,585,836	41,059	186,960	196,272	202,757	6,485
14. Tax Expense - Property	187,200	192,200	192,200	0	23,400	24,025	24,025	0
15. Tax Expense - Other	17,193	16,570	17,712	1,142	2,692	2,801	2,714	(87)
16. Interest Expense on L-T Debt	895,212	846,720	855,341	8,621	114,451	106,588	107,119	531
17. Total Expense less Power	7,238,923	6,937,785	7,485,309	547,524	875,327	813,975	939,455	125,480
17a. Total Operating Cost	19,456,595	18,578,319	20,270,682	1,692,363	2,965,503	2,948,259	3,128,547	180,288
<b>18. Operating Margins</b>	<b>890,058</b>	<b>1,225,664</b>	<b>(31,221)</b>	<b>1,256,885</b>	<b>348,512</b>	<b>439,924</b>	<b>26,637</b>	<b>413,287</b>
19. Non-Operating Margins	97,598	50,562	54,750	(4,188)	5,291	(5,430)	5,575	(11,005)
20. G & T Capital Credits	1,139,473	1,116,929	1,000,000	116,929	0			0
21. Other Capital Credits	137,853	144,338	108,000	36,338	454	810		810
<b>22. Total Margins</b>	<b>2,264,982</b>	<b>2,537,493</b>	<b>1,131,529</b>	<b>1,405,964</b>	<b>354,257</b>	<b>435,304</b>	<b>32,212</b>	<b>403,092</b>

Balance Sheet Analysis

Menard Electric Coop

08/31/19 - 08/31/20

17-Sep-20

	Prior Yr Balance 08/31/19	Current Yr Balance 08/31/20	End of Yr Balance 12/31/19	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	72,082,658	75,654,560	73,188,302	2,466,258
Construction Work in Process	1,621,137	1,386,642	1,079,509	307,133
Total Utility Plant in Service	73,703,795	77,041,202	74,267,811	2,773,391
Accumulated Depreciation	(23,122,973)	(23,904,840)	(22,932,346)	(972,494)
<b>Net Utility Plant</b>	<b>50,580,822</b>	<b>53,136,362</b>	<b>51,335,465</b>	<b>1,800,897</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	10,956,588	12,119,067	10,948,701	1,170,366
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>15,411,739</b>	<b>15,872,397</b>	<b>14,755,990</b>	<b>1,116,407</b>
Cash-General Funds	379,786	730,688	1,274,558	(543,870)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	6,814	3,266	5,004	(1,738)
Temporary Investments	0	503,708	2,830,408	(2,326,700)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,553,899	3,697,994	2,572,954	1,125,040
Accounts Receivable-Net-Other	67,414	40,009	33,037	6,972
Materials & Supplies	652,600	602,789	497,770	105,019
Prepayments	163,193	151,113	184,520	(33,407)
Other Current & Accrued Assets	13,571	13,571	9,285	4,286
<b>Total Current &amp; Accrued Assets</b>	<b>4,837,731</b>	<b>5,743,592</b>	<b>7,407,990</b>	<b>(1,664,398)</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>70,830,292</b>	<b>74,752,351</b>	<b>73,508,688</b>	<b>1,243,663</b>
<b>OWNER'S EQUITY:</b>				
Memberships	300,070	309,095	302,940	6,155
Patronage Capital	24,207,004	25,633,740	24,164,587	1,469,153
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,264,982	2,537,500	2,269,313	268,187
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,679,970	2,753,560	2,631,209	122,351
<b>Total Margins &amp; Equities</b>	<b>29,452,026</b>	<b>31,233,895</b>	<b>29,368,049</b>	<b>1,865,846</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	953,196	883,277	930,569	(47,292)
Long Term Debt Other - RUS Guar.	24,949,592	25,175,704	25,519,967	(344,263)
Long Term Debt - Other	13,364,803	13,211,709	12,988,129	223,580
Long Term Debt Other - Adv Payments	(2,349,619)	(254,900)	(248,679)	(6,221)
<b>Total Long Term Debt</b>	<b>36,917,972</b>	<b>39,015,790</b>	<b>39,189,986</b>	<b>(174,196)</b>
Accumulated Operating Provisions	833,734	951,220	965,479	(14,259)
<b>Total Other Noncurrent Liabilities</b>	<b>833,734</b>	<b>951,220</b>	<b>965,479</b>	<b>(14,259)</b>
Notes Payable	0	0	0	0
Accounts Payable	2,580,202	2,496,153	2,715,860	(219,707)
Deposits	157,730	160,940	154,770	6,170
Other Current & Accrued Liabilities	676,070	698,543	454,009	244,534
<b>Total Current &amp; Accrued Liabilities</b>	<b>3,414,002</b>	<b>3,355,636</b>	<b>3,324,639</b>	<b>30,997</b>
<b>Deferred Credits</b>	<b>212,559</b>	<b>195,811</b>	<b>660,534</b>	<b>(464,723)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>70,830,293</b>	<b>74,752,352</b>	<b>73,508,687</b>	<b>1,243,665</b>

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

	August16	August17	August18	August19	August20
1. Operating Revenue	2,873,983	2,840,270	3,090,461	3,314,015	3,388,183
kWhr Sold	20,676,988	21,066,521	21,379,983	24,015,752	25,768,874
2. Cost of Power	1,968,975	2,005,340	1,913,132	2,090,176	2,134,284
kWhr Purchased	22,401,150	23,528,669	23,210,544	25,963,692	27,780,155
3. Operation Expense	77,839	103,883	108,277	105,764	150,367
4. Maintenance Expense	341,507	604,992	356,373	264,061	197,493
5. Consumer Accounts & Coll. Exp.	44,195	47,809	39,805	41,535	31,882
6. Member Service Expense	9,516	14,723	11,482	17,160	22,109
7. General Office Expense	63,130	73,343	62,927	51,394	46,621
8. Outside Professional Services	4,453	1,678	2,247	9,945	(6,142)
9. Insurance, Employee & Welfare	967	596	337	1,238	412
10. Director's Fee & Mileage	10,432	15,246	10,975	13,845	5,282
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	23,621	21,931	20,004	31,356	24,493
13. Depreciation Expense	163,906	167,470	173,957	186,960	196,272
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	3,796	3,598	2,453	2,692	2,801
16. Interest Expense	107,623	106,566	107,644	114,451	106,588
17. Total Expense less Power	882,462	1,194,126	930,372	875,327	813,975
17a. Total Operating Cost	2,851,437	3,199,466	2,843,504	2,965,503	2,948,259
<b>18. Operating Margins</b>	22,546	(359,196)	246,957	348,512	439,924
19. Non-Operating Margins	15,799	4,557	4,007	5,291	(5,430)
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	56	454	810
<b>22. Total Margins</b>	38,345	(354,639)	251,020	354,257	435,304

<b>MENARD ELECTRIC COOPERATIVE</b>
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<b>Year to Date</b>
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	August16	August17	August18	August19	August20
1. Operating Revenue	19,264,254	19,221,440	20,613,711	20,346,653	19,803,983
kWhr Sold	142,698,935	140,771,462	150,037,340	144,048,784	141,308,295
2. Cost of Power	12,150,158	11,924,038	13,051,705	12,217,672	11,640,534
kWhr Purchased	154,918,112	153,806,285	163,155,237	155,494,782	152,931,024
3. Operation Expense	713,582	686,815	1,067,857	1,239,094	1,063,187
4. Maintenance Expense	1,806,387	2,248,836	2,067,727	2,040,112	1,941,548
5. Consumer Accounts & Coll. Exp.	358,430	328,031	353,188	317,840	277,916
6. Member Service Expense	76,320	78,454	82,923	133,299	151,954
7. General Office Expense	603,490	579,287	599,032	429,753	470,871
8. Outside Professional Services	31,801	67,375	29,464	40,043	63,733
9. Insurance, Employee & Welfare	3,753	2,808	2,808	4,086	14,998
10. Director's Fee & Mileage	68,476	87,919	88,615	87,499	69,964
11. Dues - Assoc. Organizations	91,132	91,644	102,805	92,148	92,700
12. Other Misc. General Expense	210,720	219,019	219,280	269,793	190,647
13. Depreciation Expense	1,310,836	1,333,335	1,376,889	1,485,651	1,544,777
14. Tax Expense - Property	160,000	167,200	179,000	187,200	192,200
15. Tax Expense - Other	24,720	24,367	17,046	17,193	16,570
16. Interest Expense	848,153	842,194	844,440	895,212	846,720
17. Total Expense less Power	6,307,800	6,757,284	7,031,074	7,238,923	6,937,785
17a. Total Operating Cost	18,457,958	18,681,322	20,082,779	19,456,595	18,578,319
<b>18. Operating Margins</b>	806,296	540,118	530,932	890,058	1,225,664
19. Non-Operating Margins	(345)	53,624	40,236	97,598	50,562
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	188,044	137,853	144,338
<b>22. Total Margins</b>	2,172,063	1,926,550	1,905,690	2,264,982	2,537,493