

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
OCTOBER 27, 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, either in person or via Zoom: President D. Jay Frye, Directors Warren D. Goetsch, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, and Jodine Tate. Directors Gary Holloway and Steven L. Worner were absent. Also present during the meeting as further described below were Operations Manager Dalton Whitley, Director of Member Services Trish Michels, 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. 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 a Consent and Crossing Agreement between the cooperative and Glacier Sands Wind Power, LLC. It was moved and seconded that the Agreement be approved. Motion carried.

Manager Anker introduced Members of the Cooperative Staff to consecutively present their respective department Budgets for 2021. Director of Member Services Trish Michels presented the Member Services Budget and the Insurance Budget. Operations Manager Dalton Whitley presented the Operations Department Budget. Engineering Manager Brady Smith presented the Right of Way and Engineering Department Budget. He also reviewed the Work Plan Priority Projects for 2021. Brady Smith discussed three (3) different options with regard to vegetation management. Manager Anker advised that option #2 was currently the option included in the proposed Budget. After discussion by the Board, it was moved and seconded to continue with option #2. Motion carried. Brady Smith also discussed the Meter Testing Program. Manager of Accounting & Information Systems Chris Hinton presented the Accounting and Information Dept Budget. Manager Anker submitted the Director's Budget and the Manager's Budget.

Manager Anker presented the Manager's Report for September 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 55 incidents and the total number of Members affected throughout the month was 557. The longest duration of an outage was 189 minutes and the largest number of members impacted by a single outage was 348. 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 discussed the results of the Hurricane Assistance Program for Hurricanes Laura and Delta, as well as Sally. The summary included information about the Cooperative's Linemen who joined 700 other utility workers in Louisiana. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC activities 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.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, November 24, 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			September 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	23,045,126	22,173,398	22,960,853	(787,455)	2,698,473	2,369,415	2,721,392	(351,977)
kWhr Sold	161,108,668	155,694,974	162,503,765	(6,808,791)	17,059,884	14,386,679	17,089,827	(2,703,148)
2. Cost of Power	13,715,416	12,933,570	14,410,947	1,477,377	1,497,744	1,293,036	1,625,574	332,538
kWhr Purchased	174,005,893	168,508,249	175,753,000	7,244,751	18,511,111	15,577,225	18,551,000	2,973,775
3. Operation Expense	1,301,654	1,154,712	1,237,712	83,000	62,560	91,525	132,351	40,826
4. Maintenance Expense	2,220,421	2,221,127	2,586,223	365,096	180,309	279,579	274,469	(5,110)
5. Consumer Accounts & Coll. Exp.	341,129	305,392	389,499	84,107	23,289	27,476	40,238	12,762
6. Member Service Expense	145,342	167,055	205,726	38,671	12,043	15,101	22,499	7,398
7. General Office Expense	465,749	511,277	408,553	(102,724)	35,996	40,406	44,461	4,055
8. Outside Professional Services	40,043	65,263	81,100	15,837	0	1,530	2,500	970
9. Insurance, Employee & Welfare	4,254	15,554	3,600	(11,954)	168	556	400	(156)
10. Director's Fee & Mileage	96,155	75,067	107,825	32,758	8,656	5,103	10,225	5,122
11. Dues - Assoc. Organizations	103,674	104,472	109,101	4,629	11,526	11,772	14,807	3,035
12. Other Misc. General Expense	299,431	222,431	265,501	43,070	29,638	31,784	18,670	(13,114)
13. Depreciation Expense	1,673,322	1,739,885	1,789,867	49,982	187,671	195,108	204,031	8,923
14. Tax Expense - Property	210,600	216,225	216,225	0	23,400	24,025	24,025	0
15. Tax Expense - Other	19,366	20,126	20,079	(47)	2,173	3,556	2,367	(1,189)
16. Interest Expense on L-T Debt	998,405	949,249	958,319	9,070	103,193	102,529	102,978	449
17. Total Expense less Power	7,919,545	7,767,835	8,379,330	611,495	680,622	830,050	894,021	63,971
17a. Total Operating Cost	21,634,961	20,701,405	22,790,277	2,088,872	2,178,366	2,123,086	2,519,595	396,509
<b>18. Operating Margins</b>	<b>1,410,165</b>	<b>1,471,993</b>	<b>170,576</b>	<b>1,301,417</b>	<b>520,107</b>	<b>246,329</b>	<b>201,797</b>	<b>44,532</b>
19. Non-Operating Margins	124,375	55,599	58,925	(3,326)	26,777	5,037	4,175	862
20. G & T Capital Credits	1,139,473	1,116,929	1,000,000	116,929	0			0
21. Other Capital Credits	137,853	144,350	108,000	36,350	0	12		12
<b>22. Total Margins</b>	<b>2,811,866</b>	<b>2,788,871</b>	<b>1,337,501</b>	<b>1,451,370</b>	<b>546,884</b>	<b>251,378</b>	<b>205,972</b>	<b>45,406</b>

Balance Sheet Analysis

Menard Electric Coop

09/30/19 - 09/30/20

21-Oct-20

	Prior Yr Balance 09/30/19	Current Yr Balance 09/30/20	End of Yr Balance 12/31/19	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	72,326,618	75,458,167	73,188,302	2,269,865
Construction Work in Process	1,657,836	1,811,193	1,079,509	731,684
Total Utility Plant in Service	73,984,454	77,269,360	74,267,811	3,001,549
Accumulated Depreciation	(23,274,235)	(23,492,566)	(22,932,346)	(560,220)
<b>Net Utility Plant</b>	<b>50,710,219</b>	<b>53,776,794</b>	<b>51,335,465</b>	<b>2,441,329</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	10,950,750	12,112,828	10,948,701	1,164,127
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	2,817,205	2,112,905	2,817,205	(704,300)
Special Funds	241,714	231,793	285,652	(53,859)
<b>Total Other Prop. &amp; Investments</b>	<b>14,701,601</b>	<b>15,161,858</b>	<b>14,755,990</b>	<b>405,868</b>
Cash-General Funds	526,086	1,058,071	1,274,558	(216,487)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	4,276	3,381	5,004	(1,623)
Temporary Investments	500,000	622,065	2,830,408	(2,208,343)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,994,983	2,679,493	2,572,954	106,539
Accounts Receivable-Net-Other	132,945	492,507	33,037	459,470
Materials & Supplies	632,909	512,872	497,770	15,102
Prepayments	151,890	144,127	184,520	(40,393)
Other Current & Accrued Assets	16,232	16,232	9,285	6,947
<b>Total Current &amp; Accrued Assets</b>	<b>4,959,775</b>	<b>5,529,202</b>	<b>7,407,990</b>	<b>(1,878,788)</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>70,371,595</b>	<b>74,467,854</b>	<b>73,508,688</b>	<b>959,166</b>
<b>OWNER'S EQUITY:</b>				
Memberships	300,870	310,270	302,940	7,330
Patronage Capital	24,189,329	25,604,927	24,164,587	1,440,340
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,811,867	2,788,880	2,269,313	519,567
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,672,462	2,769,348	2,631,209	138,139
<b>Total Margins &amp; Equities</b>	<b>29,974,528</b>	<b>31,473,425</b>	<b>29,368,049</b>	<b>2,105,376</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	947,892	877,849	930,569	(52,720)
Long Term Debt Other - RUS Guar.	22,671,475	25,001,787	25,519,967	(518,180)
Long Term Debt - Other	13,312,313	13,154,772	12,988,129	166,643
Long Term Debt Other - Adv Payments	(245,584)	(258,104)	(248,679)	(9,425)
<b>Total Long Term Debt</b>	<b>36,686,096</b>	<b>38,776,304</b>	<b>39,189,986</b>	<b>(413,682)</b>
Accumulated Operating Provisions	854,170	956,170	965,479	(9,309)
<b>Total Other Noncurrent Liabilities</b>	<b>854,170</b>	<b>956,170</b>	<b>965,479</b>	<b>(9,309)</b>
Notes Payable	0	0	0	0
Accounts Payable	1,971,972	2,225,893	2,715,860	(489,967)
Deposits	158,820	164,200	154,770	9,430
Other Current & Accrued Liabilities	513,451	676,245	454,009	222,236
<b>Total Current &amp; Accrued Liabilities</b>	<b>2,644,243</b>	<b>3,066,338</b>	<b>3,324,639</b>	<b>(258,301)</b>
<b>Deferred Credits</b>	<b>212,559</b>	<b>195,614</b>	<b>660,534</b>	<b>(464,920)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>70,371,596</b>	<b>74,467,851</b>	<b>73,508,687</b>	<b>959,164</b>

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

	September16	September17	September18	September19	September20
1. Operating Revenue	2,573,292	2,537,127	2,770,576	2,698,473	2,369,415
kWhr Sold	17,243,334	17,317,503	17,554,804	17,059,884	14,386,679
2. Cost of Power	1,551,883	1,460,082	1,564,957	1,497,744	1,293,036
kWhr Purchased	18,560,861	18,810,514	19,021,376	18,511,111	15,577,225
3. Operation Expense	52,128	45,509	62,978	62,560	91,525
4. Maintenance Expense	237,934	93,862	208,538	180,309	279,579
5. Consumer Accounts & Coll. Exp.	30,984	26,465	29,807	23,289	27,476
6. Member Service Expense	8,268	3,102	9,185	12,043	15,101
7. General Office Expense	49,178	51,359	47,604	35,996	40,406
8. Outside Professional Services	2,998	1,250	1,588	0	1,530
9. Insurance, Employee & Welfare	0	400	417	168	556
10. Director's Fee & Mileage	5,579	6,777	1,143	8,656	5,103
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	11,879	9,295	30,592	29,638	31,784
13. Depreciation Expense	164,645	168,876	174,154	187,671	195,108
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	3,436	3,485	2,286	2,173	3,556
16. Interest Expense	103,514	102,578	103,547	103,193	102,529
17. Total Expense less Power	702,020	545,249	705,730	680,622	830,050
17a. Total Operating Cost	2,253,903	2,005,331	2,270,687	2,178,366	2,123,086
<b>18. Operating Margins</b>	319,389	531,796	499,889	520,107	246,329
19. Non-Operating Margins	12,540	16,025	13,938	26,777	5,037
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	4,259	1,109	25,498	0	12
<b>22. Total Margins</b>	336,188	548,930	539,325	546,884	251,378

## MENARD ELECTRIC COOPERATIVE

### Year to Date

	September16	September17	September18	September19	September20
1. Operating Revenue	21,837,546	21,758,567	23,384,287	23,045,126	22,173,398
kWhr Sold	159,942,269	158,088,965	167,592,144	161,108,668	155,694,974
2. Cost of Power	13,702,041	13,384,120	14,616,662	13,715,416	12,933,570
kWhr Purchased	173,478,973	172,616,799	182,176,613	174,005,893	168,508,249
3. Operation Expense	765,710	732,324	1,130,835	1,301,654	1,154,712
4. Maintenance Expense	2,044,321	2,342,698	2,276,265	2,220,421	2,221,127
5. Consumer Accounts & Coll. Exp.	389,414	354,496	382,995	341,129	305,392
6. Member Service Expense	84,588	81,556	92,108	145,342	167,055
7. General Office Expense	652,668	630,646	646,636	465,749	511,277
8. Outside Professional Services	34,799	68,625	31,052	40,043	65,263
9. Insurance, Employee & Welfare	3,753	3,208	3,225	4,254	15,554
10. Director's Fee & Mileage	74,055	94,696	89,758	96,155	75,067
11. Dues - Assoc. Organizations	102,609	103,035	114,321	103,674	104,472
12. Other Misc. General Expense	222,599	228,314	249,872	299,431	222,431
13. Depreciation Expense	1,475,481	1,502,211	1,551,043	1,673,322	1,739,885
14. Tax Expense - Property	180,000	188,100	201,375	210,600	216,225
15. Tax Expense - Other	28,156	27,852	19,332	19,366	20,126
16. Interest Expense	951,667	944,772	947,987	998,405	949,249
17. Total Expense less Power	7,009,820	7,302,533	7,736,804	7,919,545	7,767,835
17a. Total Operating Cost	20,711,861	20,686,653	22,353,466	21,634,961	20,701,405
<b>18. Operating Margins</b>	1,125,685	1,071,914	1,030,821	1,410,165	1,471,993
19. Non-Operating Margins	12,195	69,649	54,174	124,375	55,599
20. G & T Capital Credits	1,156,406	1,141,366	1,146,478	1,139,473	1,116,929
21. Other Capital Credits	213,965	192,551	213,542	137,853	144,350
<b>22. Total Margins</b>	2,508,251	2,475,480	2,445,015	2,811,866	2,788,871