

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
NOVEMBER 24, 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 Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate, and Steven L. Worner. Also present were Manager of Accounting & Information Systems Chris Hinton, 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 and Chris Hinton presented a review of the proposed 2021 Budget. They also presented a review of the Summary of the Prairie Power Revenue Deferral Plan for 2020 and reviewed the terms and provisions thereof with the Board. It was moved and seconded that the Cooperative request a re-deferral for 2020 of all deferred revenue from prior years that was utilized during this year. Motion carried. The Board then considered the rate at which deferred revenue could be made during 2020 and it was moved and seconded that instead of paying 5.0 mills/kwh under the Plan for all of the 2020 power purchases, the Cooperative would partially waive to pay 2.5 mills/kwh under the Plan for all of its 2020 Power purchases. Motion carried. The Board then considered deferral for 2021 whereby the Cooperative requested a full waiver of the Revenue Deferral Plan and instead of paying 5.0 mills/kwh under the Plan, the Cooperative would request to pay 0.0 mills/kwh under the Plan for all of the 2021 Power purchases. It was so moved and seconded. In addition, based upon the Board's discussion, Manager Anker was given the authority to sign and submit these final decisions as to the amount of the deferrals to PPI, subject to any changes that might occur prior to the end of the 2021 year. Motion carried. It was so moved and seconded that the proposed 2021 Budget be approved. Motion carried.

Manager Anker presented the Manager's Report for October, 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 reviewed a proposed Program Agreement entitled Landlord Reversion Program. The Reversion Program is intended to assist both the Cooperative and Member Landlords. The purpose of the Program is to revert financial responsibility of an account to a Member Landlord when they rent or lease property,

and the tenant disconnects service upon relocation. The tenant would be required to become a Member of Menard. This would assist both the Cooperative and the Landlord in maintaining an account in good standing to facilitate the provisions of the Program. It was moved and seconded that the Program be approved and adopted. Motion carried. Manager Anker reviewed the Operations and Reliability Report and reported that for the month there were 70 incidents and the total number of Members affected was 484. The largest duration of an outage was 153,754.78 minutes. Manager Anker reviewed the Safety Report. She advised that there were no illnesses or injuries for the month. Manager Anker reviewed the Irrigation and Energy Efficiency Rebate Program. She reviewed the contents of the monthly Connect Newsletter. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Goetsch reported on AIEC activities. He reviewed the AIEC Solar Output Data for October, 2020.

Director Martin reported on Prairie Power, Inc.

Manager Anker reviewed the Capital Credit Estate Refunds Report. There was discussion whether the Board was interested in increasing the 2020 Capital Credit allocation by \$10,000.00 to cover remaining 2020 estates. It was so moved and seconded that the following Resolution be approved:

RESOLUTION FOR RETIREMENT OF CAPITAL CREDITS

WHEREAS, Menard Electric Cooperative's 2019 pre-audit margins are in excess of approximately \$2,269,100 and,

WHEREAS, Menard Electric Cooperative's Board of Directors desire to retire an increased total of \$870,000 in Capital Credits in the year 2020; and,

WHEREAS, Menard Electric Cooperative's equity on December 31, 2019 is approximately 40.00%; and,

WHEREAS, Menard Electric Cooperative desires to retire a portion of 1996 and 2018 equally in general retirement for a total amount not to exceed \$700,000; and,

WHEREAS, the Cooperative Board of Directors desires to retire an increase in estates up to \$170,000 during the calendar year 2020.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Menard Electric Cooperative now wish to declare the general retirement of capital credits for a portion of 1996 and 2018 totaling an amount not to exceed \$700,000 and the amount remaining for the retirement of estates up to \$170,000 during the calendar year 2020 for a total retirement of \$870,000.

Motion carried.

President Frye advised that the next regular Board Meeting was scheduled for Tuesday, December 22, 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.

Following adjournment of the November board meeting, the need to appoint a delegate and alternate delegate for the RSI/ICWCG Annual Meeting being held December 16, 2020, arose. By email, it was moved and seconded that Dennis Ryan be appointed as primary delegate and Manager Anker as alternate delegate. Motion carried.

Respectfully submitted,

Secretary

President

MENARD ELECTRIC COOPERATIVE
MONTHLY OPERATING REPORT

	Year to Date			October 2020		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	25,588,011	24,649,676	25,514,938	(865,262)	2,542,885	2,476,278	2,554,085	(77,807)
kWhr Sold	176,940,815	171,141,467	177,519,511	(6,378,044)	15,832,147	15,446,493	15,015,746	430,747
2. Cost of Power	15,148,778	14,200,230	15,783,485	1,583,255	1,433,362	1,266,660	1,372,538	105,878
kWhr Purchased	191,316,380	185,119,796	192,225,000	7,105,204	17,310,487	16,611,547	16,472,000	(139,547)
3. Operation Expense	1,379,373	1,324,362	1,395,349	70,987	77,719	169,650	157,637	(12,013)
4. Maintenance Expense	2,591,361	2,229,045	2,827,462	598,417	370,940	7,918	241,239	233,321
5. Consumer Accounts & Coll. Exp.	372,959	350,071	431,554	81,483	31,830	44,679	42,055	(2,624)
6. Member Service Expense	162,077	184,913	228,717	43,804	16,735	17,858	22,991	5,133
7. General Office Expense	516,714	562,638	452,700	(109,938)	50,965	51,361	44,147	(7,214)
8. Outside Professional Services	45,171	66,783	83,600	16,817	5,128	1,520	2,500	980
9. Insurance, Employee & Welfare	4,996	15,754	4,000	(11,754)	742	200	400	200
10. Director's Fee & Mileage	103,517	79,460	110,550	31,090	7,362	4,393	2,725	(1,668)
11. Dues - Assoc. Organizations	115,200	116,244	121,658	5,414	11,526	11,772	12,557	785
12. Other Misc. General Expense	327,549	236,483	282,063	45,580	28,118	14,052	16,562	2,510
13. Depreciation Expense	1,861,764	1,935,375	1,995,909	60,534	188,442	195,490	206,042	10,552
14. Tax Expense - Property	234,000	240,250	240,250	0	23,400	24,025	24,025	0
15. Tax Expense - Other	21,378	22,223	22,312	89	2,012	2,097	2,233	136
16. Interest Expense on L-T Debt	1,102,975	1,054,582	1,064,125	9,543	104,570	105,333	105,806	473
17. Total Expense less Power	8,839,034	8,418,183	9,260,249	842,066	919,489	650,348	880,919	230,571
17a. Total Operating Cost	23,987,812	22,618,413	25,043,734	2,425,321	2,352,851	1,917,008	2,253,457	336,449
18. Operating Margins	1,600,199	2,031,263	471,204	1,560,059	190,034	559,270	300,628	258,642
19. Non-Operating Margins	118,085	59,500	63,100	(3,600)	(6,290)	3,901	4,175	(274)
20. G & T Capital Credits	1,139,473	1,116,929	1,000,000	116,929	0	0	0	0
21. Other Capital Credits	137,853	144,350	108,000	36,350	0	0	0	0
22. Total Margins	2,995,610	3,352,042	1,642,304	1,709,738	183,744	563,171	304,803	258,368

Balance Sheet Analysis

Menard Electric Coop

10/31/19 - 10/31/20

19-Nov-20

	Prior Yr Balance 10/31/19	Current Yr Balance 10/31/20	End of Yr Balance 12/31/19	Change YTD
ASSETS:				
Utility Plant in Service	72,863,237	75,610,016	73,188,302	2,421,714
Construction Work in Process	1,113,716	1,839,928	1,079,509	760,419
Total Utility Plant in Service	73,976,953	77,449,944	74,267,811	3,182,133
Accumulated Depreciation	(22,965,647)	(23,617,775)	(22,932,346)	(685,429)
Net Utility Plant	51,011,306	53,832,169	51,335,465	2,496,704
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	681,132	704,432	(23,300)
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)
Total Other Prop. & Investments	14,701,601	15,138,658	14,755,990	382,668
Cash-General Funds	600,738	939,408	1,274,558	(335,150)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	4,140	3,458	5,004	(1,546)
Temporary Investments	851,205	1,176,763	2,830,408	(1,653,645)
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,695,232	2,677,158	2,572,954	104,204
Accounts Receivable-Net-Other	26,484	533,767	33,037	500,730
Materials & Supplies	557,952	454,837	497,770	(42,933)
Prepayments	126,073	121,379	184,520	(63,141)
Other Current & Accrued Assets	2,750	2,691	9,285	(6,594)
Total Current & Accrued Assets	4,865,028	5,909,915	7,407,990	(1,498,075)
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	9,243	(9,243)
TOTAL ASSETS & OTHER DEBITS	70,577,935	74,880,742	73,508,688	1,372,054
OWNER'S EQUITY:				
Memberships	301,595	311,245	302,940	8,305
Patronage Capital	24,179,451	25,594,743	24,164,587	1,430,156
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,995,612	3,352,051	2,269,313	1,082,738
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,659,832	2,774,731	2,631,209	143,522
Total Margins & Equities	30,136,490	32,032,770	29,368,049	2,664,721
LIABILITIES:				
Long Term Debt-RUS	942,640	872,468	930,569	(58,101)
Long Term Debt Other - RUS Guar.	22,671,475	25,001,787	25,519,967	(518,180)
Long Term Debt - Other	13,261,004	13,098,920	12,988,129	110,791
Long Term Debt Other - Adv Payments	(245,584)	(258,104)	(248,679)	(9,425)
Total Long Term Debt	36,629,535	38,715,071	39,189,986	(474,915)
Accumulated Operating Provisions	874,607	961,120	965,479	(4,359)
Total Other Noncurrent Liabilities	874,607	961,120	965,479	(4,359)
Notes Payable	0	0	0	0
Accounts Payable	1,921,546	2,212,640	2,715,860	(503,220)
Deposits	159,050	164,405	154,770	9,635
Other Current & Accrued Liabilities	644,148	599,122	454,009	145,113
Total Current & Accrued Liabilities	2,724,744	2,976,167	3,324,639	(348,472)
Deferred Credits	212,559	195,614	660,534	(464,920)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	70,577,935	74,880,742	73,508,687	1,372,055

MENARD ELECTRIC COOPERATIVE

This Month

	October16	October17	October18	October19	October20
1. Operating Revenue	2,336,547	2,424,482	2,466,809	2,542,885	2,476,278
kWhr Sold	14,530,712	15,569,384	15,139,453	15,832,147	15,446,493
2. Cost of Power	1,282,559	1,246,876	1,382,015	1,433,362	1,266,660
kWhr Purchased	15,978,150	16,938,831	16,468,232	17,310,487	16,611,547
3. Operation Expense	106,390	85,860	106,849	77,719	169,650
4. Maintenance Expense	257,935	306,063	257,543	370,940	7,918
5. Consumer Accounts & Coll. Exp.	(229,261)	55,530	44,343	31,830	44,679
6. Member Service Expense	13,022	8,210	14,072	16,735	17,858
7. General Office Expense	54,894	62,009	55,604	50,965	51,361
8. Outside Professional Services	6,150	1,858	1,465	5,128	1,520
9. Insurance, Employee & Welfare	570	495	972	742	200
10. Director's Fee & Mileage	4,493	6,557	9,914	7,362	4,393
11. Dues - Assoc. Organizations	11,477	11,391	11,516	11,526	11,772
12. Other Misc. General Expense	12,678	18,438	30,379	28,118	14,052
13. Depreciation Expense	165,683	169,509	174,688	188,442	195,490
14. Tax Expense - Property	20,000	20,900	22,375	23,400	24,025
15. Tax Expense - Other	3,589	3,376	1,952	2,012	2,097
16. Interest Expense	105,251	105,486	106,564	104,570	105,333
17. Total Expense less Power	532,871	855,682	838,236	919,489	650,348
17a. Total Operating Cost	1,815,430	2,102,558	2,220,251	2,352,851	1,917,008
18. Operating Margins	521,117	321,924	246,558	190,034	559,270
19. Non-Operating Margins	4,155	5,795	4,287	(6,290)	3,901
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	0	
22. Total Margins	525,272	327,719	250,845	183,744	563,171

MENARD ELECTRIC COOPERATIVE

Year to Date

	October16	October17	October18	October19	October20
1. Operating Revenue	24,174,093	24,183,049	25,851,096	25,588,011	24,649,676
kWhr Sold	174,472,981	173,658,349	182,731,597	176,940,815	171,141,467
2. Cost of Power	14,984,600	14,630,996	15,998,677	15,148,778	14,200,230
kWhr Purchased	189,457,123	189,555,630	198,644,845	191,316,380	185,119,796
3. Operation Expense	872,100	818,184	1,237,684	1,379,373	1,324,362
4. Maintenance Expense	2,302,256	2,648,761	2,533,808	2,591,361	2,229,045
5. Consumer Accounts & Coll. Exp.	160,153	410,026	427,338	372,959	350,071
6. Member Service Expense	97,610	89,766	106,180	162,077	184,913
7. General Office Expense	707,562	692,655	702,240	516,714	562,638
8. Outside Professional Services	40,949	70,483	32,517	45,171	66,783
9. Insurance, Employee & Welfare	4,323	3,703	4,197	4,996	15,754
10. Director's Fee & Mileage	78,548	101,253	99,672	103,517	79,460
11. Dues - Assoc. Organizations	114,086	114,426	125,837	115,200	116,244
12. Other Misc. General Expense	235,277	246,752	280,251	327,549	236,483
13. Depreciation Expense	1,641,164	1,671,720	1,725,731	1,861,764	1,935,375
14. Tax Expense - Property	200,000	209,000	223,750	234,000	240,250
15. Tax Expense - Other	31,745	31,228	21,284	21,378	22,223
16. Interest Expense	1,056,918	1,050,258	1,054,551	1,102,975	1,054,582
17. Total Expense less Power	7,542,691	8,158,215	8,575,040	8,839,034	8,418,183
17a. Total Operating Cost	22,527,291	22,789,211	24,573,717	23,987,812	22,618,413
18. Operating Margins	1,646,802	1,393,838	1,277,379	1,600,199	2,031,263
19. Non-Operating Margins	16,350	75,444	58,461	118,085	59,500
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
22. Total Margins	3,033,523	2,803,199	2,695,860	2,995,610	3,352,042