

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
AUGUST 23, 2022

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: Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate, and Steven L. Worner. President Warren Goetsch was absent. In the absence of President Goetsch, it was moved and seconded that Vice-President Frye preside over the Meeting. Motion carried. Also present were General 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 Vice-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).

Vice-President Frye reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

It was moved and seconded that the August 4, 2022 Reorganizational Meeting Minutes be approved as presented. Motion carried.

Vice-President Frye reviewed the Standing Committee appointments as made by President Goetsch. It was moved and seconded that the Committee appointments be approved. Motion carried. General Manager Anker reviewed and discussed the NRECA Director Survey Results.

General Manager Anker discussed the proposed License Agreement with Illinois Department of Natural Resources for service to an outbuilding in the Jim Edgar Panther Creek State Fish and Wildlife Area. It was moved and seconded that the Agreement be approved. Motion carried.

General Manager Anker presented the Manager's Report for July, 2022. She reviewed the Operating Statement, Balance Sheet and Budget. She presented the Member Services Report, past due notices, generated cut-off tickets and write-offs for the Month. General Manager Anker reviewed the Operations Report and Reliability Report for the Month and advised there were 97 incidents, the longest duration of an outage was 402 minutes, total member hours were 3,707.8 and largest number of Members affected was 1,155. General Manager Anker presented the Safety Report. She advised on the 2023 Experience MOD Factor and that no lost time incidents had occurred since last month. She advised that there was no Guest Director for the Safety Meeting. General Manager Anker reviewed the Education and Event Course Attendance Report. She discussed the contents of the latest Connect Newsletter. General Manager Anker advised that the Board needed to select a Candidate for CoBank Director Election for a four (4) year term. She reviewed the Candidates. After discussion, it was the consensus of the Board to vote for Kevin Still as the Candidate for CoBank Director for a four (4) year term. General Manager

Anker presented the CFC District 5 Nominating Committee ballot. It was moved and seconded to accept the ballot as presented. Motion carried. General Manager Anker discussed the need for a new Alternate Delegate for the Region 5 Meeting. It was moved and seconded that Director McMillan be the Alternate Delegate and President Goetsch remain the Primary Delegate. Motion carried. General Manager Anker advised that the Cooperative had received a Third Notice of Investigation from the Illinois Commerce Commission. She discussed the response to the Notice and provided a copy of the correspondence in response to the Notice. General Manager Anker discussed the Grey Fox Wind Farm status between Virginia and Ashland. It was moved and seconded the Manger's Report be approved as presented. Motion carried.

Director Martin reported on the recent Finance Committee Meeting. He advised the Committee proposed to transfer a portion of unclaimed Capital Credits to permanent equity. He discussed the proposed recommendations of the Finance Committee with regard to unclaimed Capital Credits. It was moved and seconded the Board adopt the recommendations of the Finance Committee for handling and accounting for unclaimed Capital Credits returned to members between 1992 and 2014. Motion carried.

Director Tate reported on the Meeting of the Policy Committee and reviewed proposed changes. The Board discussed those proposed changes. It was moved and seconded that the Policy changes as presented by the Policy Committee be adopted. Motion carried.

General Manager Anker reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc.

General Manager Anker presented the Capital Credit Estates Refund 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.

Vice-President Frye advised the next regular Board Meeting was scheduled for Tuesday, September 27, 2022, at 6:00 p.m.

Under other business, Vice-President Frye reminded the Board that the NRECA Region V Meeting was September 21-23, 2022.

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 | | | July 2022 | | This Month | | |
|-----------------------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| | Last Year | This Year | Budget | Variance | Last Year | This Year | Budget | Variance |
| 1. Operating Revenue | 16,443,275 | 17,236,519 | 17,350,666 | (114,147) | 3,262,217 | 3,681,434 | 3,860,052 | (178,618) |
| kWhr Sold | 110,239,990 | 118,210,885 | 113,748,089 | 4,462,796 | 22,315,212 | 26,066,805 | 25,855,422 | 211,383 |
| 2. Cost of Power | 9,165,829 | 9,199,127 | 9,271,509 | 72,382 | 2,127,217 | 2,462,867 | 2,170,682 | (292,185) |
| kWhr Purchased | 119,431,216 | 127,790,685 | 120,383,531 | (7,407,154) | 24,187,099 | 28,055,236 | 24,722,698 | (3,332,538) |
| 3. Operation Expense | 1,011,762 | 1,209,381 | 1,058,627 | (150,754) | 153,707 | 184,135 | 154,042 | (30,093) |
| 4. Maintenance Expense | 1,869,306 | 1,867,769 | 2,053,735 | 185,966 | 251,756 | 313,244 | 367,940 | 54,696 |
| 5. Consumer Accounts & Coll. Exp. | 245,268 | 240,758 | 291,855 | 51,097 | 36,241 | 41,161 | 40,366 | (795) |
| 6. Member Service Expense | 116,079 | 157,410 | 156,957 | (453) | 15,970 | 23,097 | 22,068 | (1,029) |
| 7. General Office Expense | 399,607 | 371,600 | 337,202 | (34,398) | 60,328 | 38,760 | 48,130 | 9,370 |
| 8. Outside Professional Services | 28,189 | 20,192 | 40,881 | 20,689 | 6,818 | 0 | 4,083 | 4,083 |
| 9. Insurance, Employee & Welfare | (16,932) | 659 | 2,800 | 2,141 | (30,952) | 509 | 400 | (109) |
| 10. Director's Fee & Mileage | 35,543 | 83,126 | 56,791 | (26,335) | 4,641 | 12,961 | 11,278 | (1,683) |
| 11. Dues - Assoc. Organizations | 82,420 | 81,241 | 85,325 | 4,084 | 11,788 | 10,762 | 12,725 | 1,963 |
| 12. Other Misc. General Expense | 211,833 | 234,067 | 256,980 | 22,913 | 33,376 | 58,751 | 24,725 | (34,026) |
| 13. Depreciation Expense | 1,386,292 | 1,419,991 | 1,428,406 | 8,415 | 198,860 | 204,208 | 207,705 | 3,497 |
| 14. Tax Expense - Property | 174,475 | 185,206 | 182,175 | (3,031) | 24,925 | 26,025 | 26,025 | 0 |
| 15. Tax Expense - Other | 13,660 | 22,537 | 15,154 | (7,383) | 2,615 | 3,159 | 3,270 | 111 |
| 16. Interest Expense on L-T Debt | 691,322 | 666,596 | 682,739 | 16,143 | 99,972 | 96,514 | 104,866 | 8,352 |
| 17. Total Expense less Power | 6,248,824 | 6,560,533 | 6,649,627 | 89,094 | 870,045 | 1,013,287 | 1,027,623 | 14,336 |
| 17a. Total Operating Cost | 15,414,653 | 15,759,660 | 15,921,136 | 161,476 | 2,997,262 | 3,476,154 | 3,198,305 | (277,849) |
| 18. Operating Margins | 1,028,622 | 1,476,859 | 1,429,530 | 47,329 | 264,955 | 205,280 | 661,747 | (456,467) |
| 19. Non-Operating Margins | 835,206 | 36,915 | 25,200 | 11,715 | 2,993 | 4,171 | 3,600 | 571 |
| 20. G & T Capital Credits | 1,092,798 | 1,062,294 | 1,000,000 | 62,294 | 0 | 0 | 0 | 0 |
| 21. Other Capital Credits | 140,588 | 137,044 | 90,000 | 47,044 | 0 | 0 | 0 | 0 |
| 22. Total Margins | 3,097,214 | 2,713,112 | 2,544,730 | 168,382 | 267,948 | 209,451 | 665,347 | (455,896) |

Balance Sheet Analysis

Menard Electric Coop

07/31/2021 - 7/31/2022

18-Aug-22

| | Prior Yr Balance 07/31/2021 | Current Yr Balance 7/31/2022 | End of Yr Balance 12/31/2021 | Change YTD |
|--|-----------------------------------|------------------------------------|------------------------------------|------------------|
| ASSETS: | | | | |
| Utility Plant in Service | 78,010,392 | 81,568,469 | 79,123,303 | 2,445,166 |
| Construction Work in Process | 1,485,304 | 311,943 | 1,291,261 | (979,318) |
| Total Utility Plant in Service | 79,495,696 | 81,880,412 | 80,414,564 | 1,465,848 |
| Accumulated Depreciation | (24,652,676) | (24,577,609) | (24,277,381) | (300,228) |
| Net Utility Plant | 54,843,020 | 57,302,803 | 56,137,183 | 1,165,620 |
| Nonutility Property - Net | | | | 0 |
| Inv.in Assoc.Org.-Pat.Cap. | 13,260,420 | 14,386,306 | 13,266,945 | 1,119,361 |
| Inv.in Assoc.Org.- General Funds | | | | 0 |
| Inv.in Assoc.Org.-Non Gen Funds | 681,132 | 681,032 | 681,132 | (100) |
| Investments in Economic Dev. Projects | | | | 0 |
| Other Investments | 2,112,905 | 1,408,605 | 1,408,605 | 0 |
| Special Funds | 254,893 | 237,339 | 284,884 | (47,545) |
| Total Other Prop. & Investments | 16,309,350 | 16,713,282 | 15,641,566 | 1,071,716 |
| Cash-General Funds | 800,257 | 1,154,595 | 711,595 | 443,000 |
| Cash-Constr.Fund Trustee | 454 | 454 | 454 | 0 |
| Special Deposits | 3,468 | 9,612 | 2,891 | 6,721 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Notes Receivable - Net | 0 | 0 | 0 | 0 |
| Accounts Receivable-Net-Energy | 3,250,337 | 3,757,021 | 2,451,975 | 1,305,046 |
| Accounts Receivable-Net-Other | 56,673 | 800 | 23,565 | (22,765) |
| Materials & Supplies | 814,533 | 1,321,874 | 747,887 | 573,987 |
| Prepayments | 196,026 | 181,954 | 192,782 | (10,828) |
| Other Current & Accrued Assets | 10,589 | 10,589 | 7,985 | 2,604 |
| Total Current & Accrued Assets | 5,132,337 | 6,436,899 | 4,139,134 | 2,297,765 |
| Regulatory Assets | 0 | 0 | 0 | 0 |
| Deferred Debits | 0 | 0 | 0 | 0 |
| TOTAL ASSETS & OTHER DEBITS | 76,284,707 | 80,452,984 | 75,917,883 | 4,535,101 |
| OWNER'S EQUITY: | | | | |
| Memberships | 317,420 | 326,415 | 321,540 | 4,875 |
| Patronage Capital | 24,661,311 | 27,974,341 | 26,361,694 | 1,612,647 |
| Operating Margins-Prior Years | 1,744,439 | 0 | 0 | 0 |
| Operating Margins-Current Year | 3,097,217 | 2,713,113 | 2,782,379 | (69,266) |
| Non-Operating Margins | 0 | 0 | 0 | 0 |
| Other Margins & Equities | 2,964,397 | 3,121,868 | 2,980,966 | 140,902 |
| Total Margins & Equities | 32,784,784 | 34,135,737 | 32,446,579 | 1,689,158 |
| LIABILITIES: | | | | |
| Long Term Debt-RUS | 822,090 | 753,694 | 794,120 | (40,426) |
| Long Term Debt Other - RUS Guar. | 24,468,872 | 28,944,697 | 25,866,804 | 3,077,893 |
| Long Term Debt - Other | 11,243,675 | 9,911,621 | 10,627,351 | (715,730) |
| Long Term Debt Other - Adv Payments | (265,896) | 0 | 0 | 0 |
| Total Long Term Debt | 36,268,741 | 39,610,012 | 37,288,275 | 2,321,737 |
| Accumulated Operating Provisions | 1,033,396 | 1,079,151 | 1,114,466 | (35,315) |
| Total Other Noncurrent Liabilities | 1,033,396 | 1,079,151 | 1,114,466 | (35,315) |
| Notes Payable | 2,464,794 | 1,500,000 | 325,000 | 1,175,000 |
| Accounts Payable | 2,840,469 | 3,081,325 | 3,299,660 | (218,335) |
| Deposits | 160,345 | 202,015 | 188,770 | 13,245 |
| Other Current & Accrued Liabilities | 602,214 | 618,720 | 473,713 | 145,007 |
| Total Current & Accrued Liabilities | 6,067,822 | 5,402,060 | 4,287,143 | 1,114,917 |
| Deferred Credits | 129,964 | 226,024 | 781,420 | (555,396) |
| Miscellaneous Operating Reserves | | | | 0 |
| TOTAL LIAB.'S & OTHER CREDITS | 76,284,707 | 80,452,984 | 75,917,883 | 4,535,101 |

MENARD ELECTRIC COOPERATIVE

| | This Month | | | | |
|-----------------------------------|------------|------------|------------|------------|------------|
| | July18 | July19 | July20 | July21 | July22 |
| 1. Operating Revenue | 3,413,429 | 4,025,058 | 3,485,582 | 3,262,217 | 3,681,434 |
| kWhr Sold | 25,431,079 | 29,462,766 | 26,654,655 | 22,315,212 | 26,066,805 |
| 2. Cost of Power | 2,400,837 | 2,405,468 | 2,549,000 | 2,127,217 | 2,462,867 |
| kWhr Purchased | 27,996,716 | 31,793,611 | 28,783,077 | 24,187,099 | 28,055,236 |
| 3. Operation Expense | 110,600 | 50,132 | 122,810 | 153,707 | 184,135 |
| 4. Maintenance Expense | 290,363 | 316,900 | 275,518 | 251,756 | 313,244 |
| 5. Consumer Accounts & Coll. Exp. | 48,903 | 36,917 | 33,909 | 36,241 | 41,161 |
| 6. Member Service Expense | 11,743 | 19,987 | 16,949 | 15,970 | 23,097 |
| 7. General Office Expense | 73,568 | 46,124 | 52,617 | 60,328 | 38,760 |
| 8. Outside Professional Services | 3,400 | 8,472 | 4,998 | 6,818 | 0 |
| 9. Insurance, Employee & Welfare | 318 | 976 | 6,095 | (30,952) | 509 |
| 10. Director's Fee & Mileage | 11,040 | 10,251 | 7,635 | 4,641 | 12,961 |
| 11. Dues - Assoc. Organizations | 11,516 | 11,526 | 11,772 | 11,788 | 10,762 |
| 12. Other Misc. General Expense | 15,293 | 28,292 | 35,175 | 33,376 | 58,751 |
| 13. Depreciation Expense | 173,813 | 186,318 | 195,716 | 198,860 | 204,209 |
| 14. Tax Expense - Property | 22,375 | 23,400 | 24,025 | 24,925 | 26,025 |
| 15. Tax Expense - Other | 2,818 | 3,253 | 2,848 | 2,615 | 3,159 |
| 16. Interest Expense | 107,864 | 114,910 | 106,881 | 99,972 | 96,514 |
| 17. Total Expense less Power | 883,614 | 857,458 | 896,948 | 870,045 | 1,013,287 |
| 17a. Total Operating Cost | 3,284,451 | 3,262,926 | 3,445,948 | 2,997,262 | 3,476,154 |
| 18. Operating Margins | 128,978 | 762,132 | 39,634 | 264,955 | 205,280 |
| 19. Non-Operating Margins | 3,599 | 4,355 | 5,361 | 2,993 | 4,171 |
| 20. G & T Capital Credits | 0 | 0 | 0 | 0 | 0 |
| 21. Other Capital Credits | 0 | 0 | 0 | 0 | 0 |
| 22. Total Margins | 132,577 | 766,487 | 44,995 | 267,948 | 209,451 |