

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JANUARY 24, 2023

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 8:00 A.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 Warren D. Goetsch, Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Michael E. Patrick, Dennis Ryan, and Steve L. Worner (via Zoom). Directors Don McMillan and Jodine Tate were absent. Also present were General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one change to the Agenda, that being under Manager's Report that LT Debt Maturity Schedule be postponed until next Month's Meeting. Thereafter, with President Goetsch 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 Goetsch reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

General Manager Anker reviewed a Consent and Crossing Agreement with Moraine Sands Wind Power, LLC. It was moved and seconded to approve the Consent and Crossing Agreement with Moraine Sands Wind Power, LLC. Motion carried.

General Manager Anker presented the Manager's Report for December 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 46 incidents, the longest duration of an outage was 447 minutes, total member minutes were 3348.2 and largest number of Members affected by a single outage was 974. She presented the Safety Report and the Irrigation Report. General Manager Anker reviewed the contents of the Connect Newsletter. General Manager Anker advised that there had been a new JULIE Case Claim investigation filed. She reviewed the response to the Claim. General Manager Anker discussed the "Rebrand of ACRE." It was moved and seconded to approve the Manager's Report. Motion carried.

General Manager Anker presented the Bylaw-Policy Committee Meeting Report. She reviewed the proposed revisions and changes to Policies as proposed by the Committee. The Board reviewed the recommended changes to the Policies. It was moved and seconded that all changes as presented to the Board as recommended by the Committee be adopted. Motion carried.

General Manager Anker advised that the Finance Committee had met. She advised the Committee had discussed the manner of handling G&T Capital Credits going forward. It was the consensus to review this issue each year. After discussion, it was the recommendation from the Finance Committee to increase the Discount Factor for G&T Capital Credits to 100% as of April 1, 2023. It was so moved and seconded. Motion carried. She reviewed the recommendations with regard to Capital Credit Retirements. It was the recommendation that the Board approve a Special Retirement of Capital Credits for Estates up to \$250,000.00 in the calendar year 2023 and a General Retirement of \$900,000.00 for a total retirement of \$1,150,000.00. It was moved and seconded the following Resolution be adopted.

(See Exhibit A, attached hereto and incorporated herein by reference.)

Motion carried.

President Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. He reviewed the President's Report and the Energy Charge Summary.

General Manager Anker provided a refresher tutorial of the Harvest Time-Keeping App.

General Manager Anker presented 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 Goetsch advised the next regular Board Meeting was scheduled for Tuesday, February 28, 2023, at 8:00 a.m.

Under other business, President Goetsch advised that the NRECA Annual Meeting was March 5-8, 2023 and that the CoBank Central Customer Meeting was March 13-14, 2023.

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			December 2022		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	29,246,621	30,500,482	30,084,356	416,126	2,091,975	2,378,190	2,186,056	192,134
kWhr Sold	192,971,852	202,323,738	197,175,785	5,147,953	14,174,449	16,312,298	15,084,958	1,227,340
2. Cost of Power	17,709,250	18,584,899	17,944,494	(640,405)	2,596,741	2,658,395	2,343,212	(315,183)
kWhr Purchased	208,901,266	218,601,391	212,505,340	(6,096,051)	15,406,005	17,610,996	16,711,776	(899,220)
3. Operation Expense	1,733,724	2,008,974	1,906,468	(102,506)	159,957	207,636	173,437	(34,199)
4. Maintenance Expense	3,187,827	3,462,783	3,446,509	(16,274)	232,815	445,121	267,593	(177,528)
5. Consumer Accounts & Coll. Exp.	409,289	462,057	509,728	47,671	12,687	40,053	41,314	1,261
6. Member Service Expense	212,184	266,452	270,264	3,812	19,744	21,983	23,413	1,430
7. General Office Expense	809,206	601,332	575,153	(26,179)	65,635	38,681	48,625	9,944
8. Outside Professional Services	51,157	56,117	72,696	16,579	5,948	22,520	5,083	(17,437)
9. Insurance, Employee & Welfare	(11,709)	12,106	4,800	(7,306)	4,518	6,845	400	(6,445)
10. Director's Fee & Mileage	80,620	116,974	87,926	(29,048)	6,587	6,949	5,127	(1,822)
11. Dues - Assoc. Organizations	141,360	135,302	148,950	13,648	11,788	10,762	12,725	1,963
12. Other Misc. General Expense	358,172	402,292	390,985	(11,306)	(474)	72,369	37,668	(34,701)
13. Depreciation Expense	2,382,932	2,469,525	2,486,530	17,005	200,739	211,176	214,157	2,981
14. Tax Expense - Property	291,555	0	312,300	312,300	22,410	(289,306)	26,025	315,331
15. Tax Expense - Other	24,053	33,983	26,252	(7,731)	1,695	2,606	1,931	(675)
16. Interest Expense on L-T Debt	1,187,399	1,214,631	1,194,068	(20,563)	106,222	118,809	102,541	(16,268)
17. Total Expense less Power	10,857,768	11,242,527	11,432,629	190,102	850,269	916,204	960,039	43,835
17a. Total Operating Cost	28,567,018	29,827,426	29,377,123	(450,303)	3,447,010	3,574,599	3,303,251	(271,348)
18. Operating Margins	679,603	673,055	707,233	(34,178)	(1,355,036)	(1,196,409)	(1,117,195)	(79,214)
19. Non-Operating Margins	869,281	64,572	43,200	21,372	4,197	11,031	3,600	7,431
20. G & T Capital Credits	1,092,798	1,062,294	1,000,000	62,294	0	0	0	0
21. Other Capital Credits	161,532	168,989	90,000	78,989	0	333	0	333
22. Total Margins	2,803,214	1,968,911	1,840,433	128,478	(1,350,839)	(1,185,045)	(1,113,595)	(71,449)

Balance Sheet Analysis

Menard Electric Coop

12/31/2021 - 12/31/2022

02-Feb-23

	Prior Yr Balance 12/31/2021	Current Yr Balance 12/31/2022	End of Yr Balance 12/31/2021	Change YTD
ASSETS:				
Utility Plant in Service	79,123,303	83,143,441	79,123,303	4,020,138
Construction Work in Process	1,291,261	888,872	1,291,261	(402,389)
Total Utility Plant in Service	80,414,564	84,032,313	80,414,564	3,617,749
Accumulated Depreciation	(24,277,381)	(25,129,442)	(24,277,381)	(852,061)
Net Utility Plant	56,137,183	58,902,871	56,137,183	2,765,688
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	13,266,945	14,405,851	13,266,945	1,138,906
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	681,132	680,032	681,132	(1,100)
Investments in Economic Dev. Projects				0
Other Investments	1,408,605	704,305	1,408,605	(704,300)
Special Funds	284,884	186,550	284,884	(98,334)
Total Other Prop. & Investments	15,641,566	15,976,738	15,641,566	335,172
Cash-General Funds	711,595	824,353	711,595	112,758
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	2,891	7,634	2,891	4,743
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,451,975	2,732,388	2,451,975	280,413
Accounts Receivable-Net-Other	23,565	286	23,565	(23,279)
Materials & Supplies	747,887	1,473,956	747,887	726,069
Prepayments	192,782	192,105	192,782	(677)
Other Current & Accrued Assets	7,985	8,697	7,985	712
Total Current & Accrued Assets	4,139,134	5,239,873	4,139,134	1,100,739
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	75,917,883	80,119,482	75,917,883	4,201,599
OWNER'S EQUITY:				
Memberships	321,540	330,120	321,540	8,580
Patronage Capital	26,361,694	27,884,522	26,361,694	1,522,828
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,782,379	1,968,911	2,782,379	(813,468)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,980,966	2,988,750	2,980,966	7,784
Total Margins & Equities	32,446,579	33,172,303	32,446,579	725,724
LIABILITIES:				
Long Term Debt-RUS	794,120	724,061	794,120	(70,059)
Long Term Debt Other - RUS Guar.	25,866,804	29,808,066	25,866,804	3,941,262
Long Term Debt - Other	10,627,351	9,531,004	10,627,351	(1,096,347)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	37,288,275	40,063,131	37,288,275	2,774,856
Accumulated Operating Provisions	1,114,466	794,171	1,114,466	(320,295)
Total Other Noncurrent Liabilities	1,114,466	794,171	1,114,466	(320,295)
Notes Payable	325,000	1,300,000	325,000	975,000
Accounts Payable	3,299,660	3,147,089	3,299,660	(152,571)
Deposits	188,770	203,095	188,770	14,325
Other Current & Accrued Liabilities	473,713	509,949	473,713	36,236
Total Current & Accrued Liabilities	4,287,143	5,160,133	4,287,143	872,990
Deferred Credits	781,420	929,744	781,420	148,324
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	75,917,883	80,119,482	75,917,883	4,201,599

MENARD ELECTRIC COOPERATIVE

	This Month				
	December18	December19	December20	December21	December22
1. Operating Revenue	2,171,232	2,208,468	2,112,935	2,091,975	2,378,190
kWhr Sold	16,013,754	15,707,879	15,101,802	14,174,449	16,312,298
2. Cost of Power	1,741,737	2,216,480	2,472,134	2,596,741	2,658,395
kWhr Purchased	17,316,045	17,164,812	17,087,063	15,406,005	17,610,996
3. Operation Expense	63,505	84,121	219,179	159,957	207,636
4. Maintenance Expense	484,154	514,048	498,701	232,815	445,121
5. Consumer Accounts & Coll. Exp.	35,542	26,781	38,545	12,687	40,053
6. Member Service Expense	10,712	15,581	19,472	19,744	21,983
7. General Office Expense	34,466	93,824	131,301	65,635	38,681
8. Outside Professional Services	8,095	4,515	2,610	5,948	22,520
9. Insurance, Employee & Welfare	21,562	15,608	37,987	4,518	6,845
10. Director's Fee & Mileage	12,801	3,948	4,320	6,587	6,949
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,788	10,762
12. Other Misc. General Expense	74,199	49,844	75,005	(474)	72,369
13. Depreciation Expense	182,985	189,580	198,325	200,739	211,176
14. Tax Expense - Property	(244,130)	(257,400)	(261,568)	22,410	(289,306)
15. Tax Expense - Other	1,756	1,855	3,705	1,695	2,606
16. Interest Expense	106,626	107,852	104,421	106,222	118,809
17. Total Expense less Power	803,789	861,683	1,083,775	850,271	916,204
17a. Total Operating Cost	2,545,526	3,078,163	3,555,909	3,447,012	3,574,599
18. Operating Margins	(374,294)	(869,695)	(1,442,974)	(1,355,037)	(1,196,409)
19. Non-Operating Margins	19,466	57,554	80,141	4,197	11,031
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	744	10	0	0	333
22. Total Margins	(354,084)	(812,131)	(1,362,833)	(1,350,840)	(1,185,045)