

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
MARCH 28, 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. Directors McMillan and Tate were absent. Also present were Director of Accounting & Finance Julie Atwater, Director of Member Services Trish Michels, Engineering Manager Brady Smith, General Manager Alisha Anker and Attorney Charles K. Smith. President Goetsch introduced Eric Hobbie, President and CEO of Prairie Power, Inc.

The Agenda of the meeting was read. There were no changes to the Agenda. 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).

Eric Hobbie from Prairie Power, Inc. reviewed the changes experienced in the electricity markets over the most recent several years, and discussed various issues before Prairie Power including future energy forecasts, capacity market concerns and transmission line build impacts. He answered questions from Board Members and exited the Board room. Director of Member Services Michels exited the Board room.

Brady Smith presented two (2) 2023 O & M Contracts for consideration by the Board. He discussed the terms of the Electric System Construction Contract and the Power Line ROW Clearance and Vegetation Management Contract. It was moved and seconded that both Contracts be approved as presented. Motion carried. Engineering Manager Smith exited the Board room.

Director Frye reported on the plans for the Cooperative Annual Meeting scheduled for July 12, 2023. He discussed presentation of the Reports from President Goetsch. General Manager Anker and Treasurer Ryan. General Manager Anker advised that the biographies for the two (2) incumbent Directors running for Board seats would need to be completed. There was discussion that there is currently no candidate for the District 3 seat currently served by Director Tate.

General Manager Anker presented the Manager's Report for February, 2023. 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 2022 Alternate Energy Summary. She reviewed the Operations Report and Reliability Report for the Month and advised there were 27 incidents, the longest duration of an outage was 160 minutes, total member hours were 1,490.3 and largest number of Members affected by a single outage was 956. She presented the Safety Report and advised that the Safety Meeting was held on March 20, 2023, and that the Guest Director was Director

Patrick. General Manager Anker presented the Irrigation Report. She advised that the Cooperative was starting to receive equipment and materials that had been on back order for quite some time, so that now progress could be made with regard to irrigation construction. She discussed the contents of the Connect Newsletter. She advised that there was information in the Newsletter with regard to the Director election to be held at the next Annual Meeting. General Manager Anker discussed the 2023 Scholarship Program and the Youth to Washington Program. She advised of some personnel changes. General Manager Anker discussed information with regard to FDIC Insured Sweep Accounts. Julie Atwater discussed Director 1099s and then exited the Board room. It was moved and seconded to approve the Manager's Report. Motion carried.

President Goetsch reported on AIEC Activities. It was moved and seconded that Director Goetsch be the Voting Delegate for the AIEC Annual Meeting with Director Ryan as the Alternate. It was moved and seconded that Director Goetsch be the Director nominee for the AIEC Board with Director Worner as the Alternate Director nominee for the AIEC Board. Motion carried.

Director Martin reported on Prairie Power, Inc. He reviewed the President's Report and the Energy Charge Summary. It was moved and seconded that Director Martin be the Delegate for the Prairie Power, Inc. Annual Meeting with General Manager Anker the Alternate Delegate. Motion carried. It was moved and seconded that General Manager Anker be the CEO position nominee for the PPI Board, Director Martin be the Director nominee for the PPI Board with Director Worner as the Alternate Director nominee for the PPI Board. Motion carried.

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, April 25, 2023, at 6:00 p.m.

Under other business, President Goetsch advised that NRECA Legislative Conference was scheduled for April 16-19, 2023, AIEC Lobby Day was scheduled for May 2, 2023, the NRECA BLC Cyber Security Course was scheduled for May 24, 2023, and that the Prairie Power, Inc. Annual Meeting was scheduled for June 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			February 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	4,326,740	4,437,493	4,279,412	158,081	2,032,376	2,066,080	2,035,290	30,790
kWhr Sold	31,742,366	27,969,914	30,828,814	(2,858,900)	14,622,378	12,711,570	14,522,810	(1,811,240)
2. Cost of Power	957,494	1,625,204	2,027,201	401,997	956,259	1,497,574	1,638,611	141,037
kWhr Purchased	34,289,406	30,369,997	33,165,000	2,795,003	15,779,777	13,863,809	15,483,000	1,619,191
3. Operation Expense	381,605	287,263	303,018	15,755	165,833	149,699	143,396	(6,303)
4. Maintenance Expense	427,363	454,792	529,244	74,452	202,406	208,889	255,582	46,693
5. Consumer Accounts & Coll. Exp.	61,297	81,980	96,410	14,430	32,037	35,061	52,680	17,619
6. Member Service Expense	41,921	46,924	48,086	1,162	20,739	21,794	23,439	1,645
7. General Office Expense	172,366	76,746	95,029	18,283	63,481	30,323	46,009	15,686
8. Outside Professional Services	4,338	7,178	11,834	4,657	3,538	3,298	7,917	4,620
9. Insurance, Employee & Welfare	(2,581)	3,853	1,975	(1,878)	644	1,223	825	(398)
10. Director's Fee & Mileage	18,398	15,203	20,194	4,991	7,569	6,283	8,991	2,708
11. Dues - Assoc. Organizations	23,576	21,524	21,914	390	11,788	10,762	10,957	195
12. Other Misc. General Expense	75,256	74,060	52,713	(21,347)	29,153	16,888	20,579	3,691
13. Depreciation Expense	402,595	418,527	423,905	5,378	201,439	210,009	211,177	1,168
14. Tax Expense - Property	55,081	53,466	53,390	(76)	29,056	26,695	26,695	0
15. Tax Expense - Other	12,017	3,654	3,623	(31)	10,127	1,745	1,751	6
16. Interest Expense on L-T Debt	184,455	213,155	73,751	(139,404)	90,072	104,080	39,287	(64,793)
17. Total Expense less Power	1,857,688	1,758,325	1,735,086	(23,239)	867,882	826,750	849,285	22,535
17a. Total Operating Cost	2,815,181	3,383,529	3,762,287	378,758	1,824,141	2,324,324	2,487,896	163,572
18. Operating Margins	1,511,559	1,053,965	517,125	536,840	208,235	(258,244)	(452,606)	194,362
19. Non-Operating Margins	20,108	8,178	7,200	978	16,253	4,135	3,600	535
20. G & T Capital Credits	0	0	0	0	0	0	0	0
21. Other Capital Credits	6,064	0	0	0	6,064	0	0	0
22. Total Margins	1,537,731	1,062,142	524,325	537,817	230,552	(254,109)	(449,006)	194,897

Balance Sheet Analysis

02/28/2022 - 2/28/2023

23-Mar-23

	Prior Yr Balance 02/28/2022	Current Yr Balance 2/28/2023	End of Yr Balance 12/31/2022	Change YTD
ASSETS:				
Utility Plant in Service	79,509,616	84,448,729	83,143,441	1,305,288
Construction Work in Process	1,263,576	443,549	888,872	(445,323)
Total Utility Plant in Service	80,773,192	84,892,278	84,032,313	859,965
Accumulated Depreciation	(24,549,821)	(25,163,105)	(25,129,442)	(33,663)
Net Utility Plant	56,223,371	59,729,173	58,902,871	826,302
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	13,273,009	14,405,851	14,405,851	0
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	681,132	680,032	680,032	0
Investments in Economic Dev. Projects				0
Other Investments	1,408,605	704,305	704,305	0
Special Funds	228,671	141,820	186,550	(44,730)
Total Other Prop. & Investments	15,591,417	15,932,008	15,976,738	(44,730)
Cash-General Funds	1,447,815	1,300,503	824,353	476,150
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	13,432	6,452	7,634	(1,182)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,991,971	2,311,445	2,732,388	(420,943)
Accounts Receivable-Net-Other	1,567	1,608	286	1,322
Materials & Supplies	798,411	1,567,937	1,473,956	93,981
Prepayments	154,419	124,253	192,105	(67,852)
Other Current & Accrued Assets	13,106	13,106	8,697	4,409
Total Current & Accrued Assets	4,421,175	5,325,758	5,239,873	85,885
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	76,235,963	80,986,939	80,119,482	867,457
OWNER'S EQUITY:				
Memberships	322,695	331,295	330,120	1,175
Patronage Capital	26,335,596	27,820,453	27,884,522	(64,069)
Operating Margins-Prior Years	2,782,379	1,968,911	0	1,968,911
Operating Margins-Current Year	1,537,732	1,062,142	1,968,911	(906,769)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,021,157	3,064,853	2,988,750	76,103
Total Margins & Equities	33,999,559	34,247,654	33,172,303	1,075,351
LIABILITIES:				
Long Term Debt-RUS	782,826	712,149	724,061	(11,912)
Long Term Debt Other - RUS Guar.	25,866,804	31,483,066	29,808,066	1,675,000
Long Term Debt - Other	10,347,050	9,399,069	9,531,004	(131,935)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	36,996,680	41,594,284	40,063,131	1,531,153
Accumulated Operating Provisions	1,054,062	752,733	794,171	(41,438)
Total Other Noncurrent Liabilities	1,054,062	752,733	794,171	(41,438)
Notes Payable	1,800,000	500,000	1,300,000	(800,000)
Accounts Payable	1,377,169	2,261,602	3,147,089	(885,487)
Deposits	186,645	202,635	203,095	(460)
Other Current & Accrued Liabilities	657,894	712,934	509,949	202,985
Total Current & Accrued Liabilities	4,021,708	3,677,171	5,160,133	(1,482,962)
Deferred Credits	163,954	715,097	929,744	(214,647)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	76,235,963	80,986,939	80,119,482	867,457

MENARD ELECTRIC COOPERATIVE

	This Month				
	February19	February20	February21	February22	February23
1. Operating Revenue	2,094,598	1,996,265	2,169,400	2,032,376	2,066,080
kWhr Sold	15,576,868	14,566,486	15,996,173	14,622,378	12,711,570
2. Cost of Power	1,230,027	1,269,599	1,418,588	956,259	1,497,574
kWhr Purchased	16,759,633	15,818,286	17,211,161	15,779,777	13,863,809
3. Operation Expense	150,647	174,468	120,112	165,833	149,699
4. Maintenance Expense	205,539	196,168	168,016	202,406	208,889
5. Consumer Accounts & Coll. Exp.	45,147	33,105	32,700	32,037	35,061
6. Member Service Expense	13,110	18,914	12,692	20,739	21,794
7. General Office Expense	48,980	59,246	57,620	63,481	30,323
8. Outside Professional Services	2,750	4,363	2,313	3,538	3,298
9. Insurance, Employee & Welfare	(339)	441	2,750	644	1,223
10. Director's Fee & Mileage	4,037	11,749	4,577	7,569	6,283
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,788	10,762
12. Other Misc. General Expense	21,987	27,143	26,492	29,153	16,889
13. Depreciation Expense	185,207	190,902	199,144	201,439	210,009
14. Tax Expense - Property	23,400	24,025	24,925	29,056	26,695
15. Tax Expense - Other	1,752	1,678	1,875	10,127	1,745
16. Interest Expense	101,157	101,068	94,006	90,072	104,080
17. Total Expense less Power	814,890	854,796	758,994	867,882	826,750
17a. Total Operating Cost	2,044,917	2,124,395	2,177,582	1,824,141	2,324,324
18. Operating Margins	49,681	(128,130)	(8,182)	208,235	(258,244)
19. Non-Operating Margins	2,627	6,700	2,571	16,253	4,135
20. G & T Capital Credits	0	0	0	0	
21. Other Capital Credits	0	0	0	6,064	
22. Total Margins	52,308	(121,430)	(5,611)	230,552	(254,109)