

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 25, 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: President Warren D. Goetsch, Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steve L. Worner. Director Donald E. McMillan was absent. Also present were Director of Accounting & Finance Julie Atwater, Director of Member Services Trish Michels, Operations Manager Dalton Whitley, Engineering Manager Brady Smith, 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 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.

Manager Anker introduced Members of the Cooperative Staff to present their respective Budgets for 2023. Director of Accounting & Finance Julie Atwater presented the Accounting and Information Department Budget. Director of Member Services Trish Michels presented the Insurance Budget and the Member Services Budget. Operations Manager Dalton Whitley presented the Operations Department Budget. Engineering Manager Brady Smith presented the Right of Way Budget and the Engineering Department Budget. Manager Anker submitted the Director's Budget and the Manager's Budget. Those members of the Cooperative Staff all exited the Board room.

General Manager Anker reviewed the revised CoBank Incumbency Certificate and associated Resolution, which revokes and rephrases all previous Incumbency Certificates. It was moved and seconded that the authorized Officers of the Board of Directors execute the Incumbency Certificate. Motion carried. See the attached Incumbency Certificate and Resolution marked Exhibit A, attached hereto and incorporated herein by reference.

General Manager Anker discussed proposed amendment to NRECA Benefit Plans and the reasons for the amendments. It was moved and seconded that the Resolution Authorizing the Amendment of the NRECA 401(k) Pension Plan to change the compliance period from current year to prior year be approved and adopted. Motion carried. A copy of the Resolution Authorizing the Amendment of the NRECA 401(k) Pension Plan is marked Exhibit B, attached hereto and incorporated herein by reference. It was moved and seconded that the Resolution

authorizing the amendment of the NRECA Retirement Security Plan for Group #2 employees, and creation of Subgroups RUS #14021-002A and #14021-002B be approved and adopted. Motion carried. A copy of the Resolution Authorizing the Amendment of the NRECA Retirement Security Plan, and creation of RUS #14021-002A and #14021-002B is marked Exhibit C, attached hereto and incorporated herein by reference.

General Manager Anker presented the Manager's Report for September 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 50 incidents, the longest duration of an outage was 416 minutes, total member-hours affected were 1,057.6, and largest number of Members affected by a single outage was 194. General Manager Anker presented the Safety Report. She advised that the Safety Meeting was held on October 18, 2022, and that Guest Director McMillan was unable to attend. She advised that some of the meeting topics were distracted winter driving and office ergonomics. General Manager Anker reviewed the Education and Course Event Attendance Report. General Manager Anker reviewed the contents of the Connect Newsletter. She discussed Board Meeting time changes for January, February, March and June of 2023 having start times revised to 8:00 a.m. rather than 6:00 p.m. It was moved and seconded that the time changes be adopted. Motion carried. General Manager Anker discussed the Governance Talk, which was entitled "Filling Board Vacancies." She discussed television coverage of United Regional Water Coop. General Manager Anker discussed the FERC Winter Assessment on reliability, demand and prices. She reviewed an infographic entitled "Staying Safe." It was moved and seconded the Manager's Report be approved as presented. Motion carried.

President Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. He reviewed the President's Report, Energy Charge Summary and 2023 budget highlights.

General Manager Anker presented the Capital Credit Estates Refund Report. The Board discussed performing an additional special retirement of Capital Credits for member estates not to exceed an additional \$20,000.00. It was moved and seconded that the following Resolution be approved. See Exhibit D, attached hereto and incorporated herein by reference. Motion carried.

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, November 29, 2022, 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,

Secretary

President

MENARD ELECTRIC COOPERATIVE
MONTHLY OPERATING REPORT

	Year to Date			October 2022		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	25,069,782	25,953,411	25,862,506	90,905	2,490,122	2,527,234	2,455,293	71,941
kWhr Sold	164,772,268	172,036,637	168,057,916	3,978,721	14,656,236	14,385,000	14,689,119	(304,119)
2. Cost of Power	13,455,454	14,327,988	14,255,049	(72,939)	1,274,537	1,386,797	1,350,279	(36,518)
kWhr Purchased	178,299,211	185,827,118	181,057,260	(4,769,858)	15,770,760	15,712,237	16,195,268	483,031
3. Operation Expense	1,444,641	1,684,210	1,563,238	(120,972)	190,646	167,617	160,036	(7,581)
4. Maintenance Expense	2,699,424	2,730,231	2,916,750	186,519	257,220	249,551	259,000	9,449
5. Consumer Accounts & Coll. Exp.	363,063	383,359	412,001	28,642	53,507	57,649	39,187	(18,462)
6. Member Service Expense	167,282	224,548	224,428	(120)	16,379	21,178	22,380	1,202
7. General Office Expense	638,567	523,338	479,884	(43,454)	90,163	65,223	47,311	(17,912)
8. Outside Professional Services	31,459	33,597	61,530	27,933	0	6,200	4,083	(2,117)
9. Insurance, Employee & Welfare	(18,518)	3,645	4,000	355	(3,692)	1,043	400	(643)
10. Director's Fee & Mileage	68,988	104,879	76,422	(28,457)	3,843	4,785	6,127	1,342
11. Dues - Assoc. Organizations	117,784	113,778	123,500	9,722	11,788	10,762	12,725	1,963
12. Other Misc. General Expense	328,273	329,857	330,394	538	46,096	27,943	22,077	(5,866)
13. Depreciation Expense	1,982,437	2,047,297	2,059,104	11,807	198,764	209,975	212,271	2,296
14. Tax Expense - Property	246,735	263,281	260,250	(3,031)	22,410	26,025	26,025	0
15. Tax Expense - Other	20,674	29,570	22,510	(7,060)	2,079	2,070	2,146	76
16. Interest Expense on L-T Debt	985,309	993,511	991,550	(1,961)	98,468	105,272	103,384	(1,888)
17. Total Expense less Power	9,076,118	9,465,100	9,525,561	60,461	987,672	955,293	917,152	(38,141)
17a. Total Operating Cost	22,531,572	23,793,088	23,780,610	(12,478)	2,262,210	2,342,090	2,267,431	(74,659)
18. Operating Margins	2,538,211	2,160,323	2,081,896	78,427	227,912	185,144	187,862	(2,718)
19. Non-Operating Margins	853,660	49,635	36,000	13,635	4,266	4,108	3,600	508
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	168,656	90,000	78,656	653	0	0	0
22. Total Margins	4,646,201	3,440,907	3,207,896	233,011	232,831	189,252	191,462	(2,210)

Balance Sheet Analysis

Menard Electric Coop

10/31/2021 - 10/31/2022

23-Nov-22

	Prior Yr Balance 10/31/2021	Current Yr Balance 10/31/2022	End of Yr Balance 12/31/2021	Change YTD
ASSETS:				
Utility Plant in Service	78,055,300	82,831,825	79,123,303	3,708,522
Construction Work in Process	2,246,888	447,475	1,291,261	(843,786)
Total Utility Plant in Service	80,302,188	83,279,300	80,414,564	2,864,736
Accumulated Depreciation	(24,768,784)	(24,975,560)	(24,277,381)	(698,179)
Net Utility Plant	55,533,404	58,303,740	56,137,183	2,166,557
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	13,271,310	14,404,518	13,266,945	1,137,573
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	1,408,605	704,305	1,408,605	(704,300)
Special Funds	260,143	242,855	284,884	(42,029)
Total Other Prop. & Investments	15,621,190	16,032,710	15,641,566	391,144
Cash-General Funds	569,983	639,336	711,595	(72,259)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,738	9,022	2,891	6,131
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,654,422	2,700,674	2,451,975	248,699
Accounts Receivable-Net-Other	155,752	(1,629)	23,565	(25,194)
Materials & Supplies	852,308	1,554,451	747,887	806,564
Prepayments	130,320	120,466	192,782	(72,316)
Other Current & Accrued Assets	2,691	2,691	7,985	(5,294)
Total Current & Accrued Assets	4,369,668	5,025,465	4,139,134	886,331
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	75,524,262	79,361,915	75,917,883	3,444,032
OWNER'S EQUITY:				
Memberships	320,070	328,765	321,540	7,225
Patronage Capital	26,405,751	27,908,843	26,361,694	1,547,149
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	4,646,204	3,440,908	2,782,379	658,529
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,959,122	3,155,659	2,980,966	174,693
Total Margins & Equities	34,331,147	34,834,175	32,446,579	2,387,596
LIABILITIES:				
Long Term Debt-RUS	805,376	736,034	794,120	(58,086)
Long Term Debt Other - RUS Guar.	24,290,831	29,986,967	25,866,804	4,120,163
Long Term Debt - Other	10,902,850	9,788,475	10,627,351	(838,876)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	35,999,057	40,511,476	37,288,275	3,223,201
Accumulated Operating Provisions	1,051,699	1,094,519	1,114,466	(19,947)
Total Other Noncurrent Liabilities	1,051,699	1,094,519	1,114,466	(19,947)
Notes Payable	1,214,794	0	325,000	(325,000)
Accounts Payable	1,998,337	1,870,139	3,299,660	(1,429,521)
Deposits	186,650	202,235	188,770	13,465
Other Current & Accrued Liabilities	576,636	623,187	473,713	149,474
Total Current & Accrued Liabilities	3,976,417	2,695,561	4,287,143	(1,591,582)
Deferred Credits	165,942	226,184	781,420	(555,236)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	75,524,262	79,361,915	75,917,883	3,444,032