

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
DECEMBER 22, 2022

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 8:30 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, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steve L. Worner. Also present were Director of Accounting & Finance Julie Atwater, 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.

General Manager Anker presented the proposed 2023 Rate Increase as discussed at last month's Meeting. She reviewed a Rate Component Adjustment Model. After discussion, it was moved and seconded that the Board adopt the new rate adjustments and that the changes set forth in the Model Example be effective January 1, 2023, for the February billing. Motion carried.

General Manager Anker then discussed the proposed 2023 Budget. After review, it was moved and seconded the 2023 Budget be adopted. Motion carried.

Director of Accounting & Finance Atwater discussed the results of the 2022 Inventory count. She discussed different ways the Staff would be handling matters related to tracking and documenting the flow of Inventory. She advised there was an inventory adjustment of (\$1,500.79). It was moved and seconded that the inventory adjustment be approved. Motion carried. Atwater left the room.

General Manager reviewed the Franchise Agreement with the City of Petersburg. It was moved and seconded the Ordinance establishing the Franchise Agreement be accepted. Motion carried.

General Manager Anker discussed the Account Authorization Resolution for IEC Credit Union. It was moved and seconded the Account Authorization Resolution be adopted. Motion carried. (See Exhibit A, attached hereto and incorporated herein by reference.)

General Manager Anker presented the Manager's Report for November, 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 69 incidents, the longest duration of an outage was 300 minutes, total member-hours affected were 2,269.5 and the largest number of Members affected by a single outage was 237. General Manager Anker presented the Fixed Expenses Annual Review. It was moved to decrease the block heater fixed expense to \$51.55 per month and make no change to the personal cell phone fixed expense. Motion carried. She presented the Irrigation Report. She reviewed the contents of the Connect Newsletter. President Goetsch advised that it was necessary to appoint a Delegate to the NRECA Annual Meeting. It was moved and seconded that President Goetsch be named the primary Delegate with Director Martin as the Alternate Delegate. Motion carried. General Manager Anker shared the FCC Draft National Broadband Map, indicating disputes and comments were being accepted until mid-January. She reported on the results of the Electric Vehicle Survey. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

President Goetsch reported on AIEC Activities.

Director Frye reported on the ICWCG/RSI Annual Meeting.

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

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 and that the Board adopt and ratify the actions taken in the Executive Session Meeting. Motion carried.

President Goetsch advised the next regular Board Meeting was scheduled for Tuesday, January 24, 2023, at 8:30 a.m.

Under other business, President Goetsch advised that the NRECA Annual Meeting is March 5-8, 2023, and the CoBank Customer Meeting is 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			November 2022		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	27,154,646	28,122,292	27,898,300	223,992	2,084,864	2,168,881	2,035,794	133,087
kWhr Sold	178,797,403	186,011,440	182,090,827	3,920,613	14,025,135	13,974,803	14,032,911	(58,108)
2. Cost of Power	15,112,509	15,926,504	15,601,282	(325,222)	1,657,055	1,598,516	1,346,233	(252,283)
kWhr Purchased	193,495,261	200,990,395	195,793,564	(5,196,831)	15,196,050	15,163,277	14,736,304	(426,973)
3. Operation Expense	1,573,766	1,801,338	1,733,031	(68,307)	129,125	117,128	169,793	52,665
4. Maintenance Expense	2,955,012	3,017,662	3,178,916	161,254	255,588	287,431	262,166	(25,265)
5. Consumer Accounts & Coll. Exp.	396,603	422,004	468,414	46,410	33,540	38,645	56,413	17,768
6. Member Service Expense	192,440	244,470	246,851	2,381	25,158	19,922	22,423	2,501
7. General Office Expense	743,571	562,651	526,528	(36,123)	105,004	39,313	46,644	7,331
8. Outside Professional Services	45,209	33,597	67,613	34,016	13,750	0	6,083	6,083
9. Insurance, Employee & Welfare	(16,227)	5,261	4,400	(861)	2,291	1,616	400	(1,216)
10. Director's Fee & Mileage	74,032	110,024	82,799	(27,225)	5,045	5,145	6,377	1,232
11. Dues - Assoc. Organizations	129,572	124,540	136,225	11,685	11,788	10,762	12,725	1,963
12. Other Misc. General Expense	358,646	329,922	353,317	23,396	30,373	65	22,923	22,858
13. Depreciation Expense	2,182,193	2,258,349	2,272,373	14,024	199,757	211,052	213,269	2,217
14. Tax Expense - Property	269,145	289,306	286,275	(3,031)	22,410	26,025	26,025	0
15. Tax Expense - Other	22,358	31,377	24,321	(7,056)	1,685	1,807	1,811	4
16. Interest Expense on L-T Debt	1,081,177	1,095,822	1,091,527	(4,295)	95,868	102,311	99,977	(2,334)
17. Total Expense less Power	10,007,499	10,326,322	10,472,590	146,268	931,381	861,222	947,029	85,807
17a. Total Operating Cost	25,120,008	26,252,826	26,073,872	(178,954)	2,588,436	2,459,738	2,293,262	(166,476)
18. Operating Margins	2,034,639	1,869,466	1,824,428	45,038	(503,572)	(290,857)	(257,468)	(33,389)
19. Non-Operating Margins	865,084	53,541	39,600	13,941	11,424	3,906	3,600	306
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	0	0	0	0
22. Total Margins	4,154,053	3,153,956	2,954,028	199,928	(492,148)	(286,951)	(253,868)	(33,083)

Balance Sheet Analysis

Menard Electric Coop

11/30/2021 - 11/30/2022

15-Dec-22

	Prior Yr Balance 11/30/2021	Current Yr Balance 11/30/2022	End of Yr Balance 12/31/2021	Change YTD
ASSETS:				
Utility Plant in Service	78,075,048	83,049,657	79,123,303	3,926,354
Construction Work in Process	2,502,851	613,541	1,291,261	(677,720)
Total Utility Plant in Service	80,577,899	83,663,198	80,414,564	3,248,634
Accumulated Depreciation	(24,860,131)	(25,114,156)	(24,277,381)	(836,775)
Net Utility Plant	55,717,768	58,549,042	56,137,183	2,411,859
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	261,643	244,431	284,884	(40,453)
Total Other Prop. & Investments	15,622,690	16,034,286	15,641,566	392,720
Cash-General Funds	1,225,513	1,061,517	711,595	349,922
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,815	8,851	2,891	5,960
Temporary Investments	126,213	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,153,798	2,517,938	2,451,975	65,963
Accounts Receivable-Net-Other	50,564	(764)	23,565	(24,329)
Materials & Supplies	696,510	1,634,324	747,887	886,437
Prepayments	219,947	95,002	192,782	(97,780)
Other Current & Accrued Assets	5,294	5,294	7,985	(2,691)
Total Current & Accrued Assets	4,482,108	5,322,616	4,139,134	1,183,482
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	75,822,566	79,905,944	75,917,883	3,988,061
OWNER'S EQUITY:				
Memberships	320,795	329,445	321,540	7,905
Patronage Capital	26,405,751	27,902,223	26,361,694	1,540,529
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	4,154,056	3,153,956	2,782,379	371,577
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,957,363	2,712,786	2,980,966	(268,180)
Total Margins & Equities	33,837,965	34,098,410	32,446,579	1,651,831
LIABILITIES:				
Long Term Debt-RUS	799,849	730,095	794,120	(64,025)
Long Term Debt Other - RUS Guar.	26,040,831	29,986,967	25,866,804	4,120,163
Long Term Debt - Other	10,678,798	9,582,746	10,627,351	(1,044,605)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	37,519,478	40,299,808	37,288,275	3,011,533
Accumulated Operating Provisions	1,057,550	1,099,379	1,114,466	(15,087)
Total Other Noncurrent Liabilities	1,057,550	1,099,379	1,114,466	(15,087)
Notes Payable	0	650,000	325,000	325,000
Accounts Payable	2,431,991	2,185,833	3,299,660	(1,113,827)
Deposits	186,215	204,735	188,770	15,965
Other Current & Accrued Liabilities	623,425	697,098	473,713	223,385
Total Current & Accrued Liabilities	3,241,631	3,737,666	4,287,143	(549,477)
Deferred Credits	165,942	670,681	781,420	(110,739)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	75,822,566	79,905,944	75,917,883	3,988,061

MENARD ELECTRIC COOPERATIVE

	This Month				
	November18	November19	November20	November21	November22
1. Operating Revenue	2,173,483	2,276,104	1,981,618	2,084,864	2,168,881
kWhr Sold	15,303,039	15,947,546	13,298,897	14,025,135	13,974,803
2. Cost of Power	1,722,427	1,392,456	1,388,042	1,657,055	1,598,516
kWhr Purchased	16,547,335	17,152,386	13,844,251	15,196,050	15,163,277
3. Operation Expense	88,319	136,361	100,188	129,125	117,128
4. Maintenance Expense	132,538	199,801	264,316	255,588	287,431
5. Consumer Accounts & Coll. Exp.	26,302	43,400	31,795	33,540	38,645
6. Member Service Expense	16,777	14,696	17,211	25,158	19,922
7. General Office Expense	45,483	46,511	52,806	105,004	39,313
8. Outside Professional Services	6,835	0	9,308	13,750	0
9. Insurance, Employee & Welfare	576	328	422	2,291	1,616
10. Director's Fee & Mileage	4,200	4,669	3,529	5,045	5,145
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,788	10,762
12. Other Misc. General Expense	36,828	32,650	30,044	30,373	65
13. Depreciation Expense	284,003	189,558	196,484	199,757	211,052
14. Tax Expense - Property	20,380	23,400	21,318	22,410	26,025
15. Tax Expense - Other	1,700	1,844	1,660	1,685	1,807
16. Interest Expense	102,846	100,951	101,765	95,868	102,311
17. Total Expense less Power	778,303	805,695	842,618	931,382	861,222
17a. Total Operating Cost	2,500,730	2,198,151	2,230,660	2,588,437	2,459,738
18. Operating Margins	(327,247)	77,953	(249,042)	(503,573)	(290,857)
19. Non-Operating Margins	5,163	7,881	4,264	11,424	3,906
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
22. Total Margins	(322,084)	85,834	(244,778)	(492,149)	(286,951)