

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
DECEMBER 22, 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, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steve L. Worner. Also present were General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one change, being the deletion of item number four, Inventory Adjustment. General Manager Anker advised that the inventory count had just occurred earlier in the week therefore the Inventory Adjustment would be on the Agenda for the January 2024 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.

The Board reviewed a proposed draft of the 2024 Financial Budget. General Manager Anker discussed deferred revenue, including expected year-end margins and ratios. It was moved and seconded that the proposed 2024 Budget, as presented, be adopted. Motion carried.

General Manager Anker presented a Rate Consolidation Project Summary and phased-in timeline as a follow-up to one of the Strategic Plan goals. She made suggestions as far as certain rates that should be consolidated, as well as ones that could be eliminated. She discussed the agreement dictating the rate for 21 lots in the East Bluff Subdivision and reminded the Board that this was a special rate. Attorney Smith advised that he would schedule a Meeting with the lot Developers and with General Manager Anker to discuss further. It was moved and seconded that Phases 1 and 2 of the Consolidation Project be approved, and Phase 3 involving the 21 lots be kicked off. Phase 4 will be considered at a later date. Motion carried.

General Manager Anker presented the Manager's Report for November, 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, as well as the KRTA Percentage of Operating Revenue. General Manager Anker presented a 2023 Energy Efficiency Rebate Summary. General Manager Anker reviewed the Operations Report and Reliability Report for November and advised there were 47 incidents, the longest duration of an outage was 259 minutes, total member hours were 632.9 and largest number of Members

affected by a single outage was 121. General Manager Anker presented the Safety Report. She advised that the Safety Meeting was held on December 19, 2023. She advised that meeting topics were Team Building Exercises, Communication Improvement Efforts, Near Miss Review and Statewide incidents review. General Manager Anker reviewed the contents of the Connect Newsletter. General Manager Anker discussed the fixed rate expense reimbursements. She advised that there were some changes that needed to be made in the fixed rate reimbursement for block heaters. General Manager Anker reviewed the current cell phone plan costs and recommended that those rates remain unchanged. It was so moved and seconded that the block heater reimbursement be updated and the phone reimbursement remain the same. Motion carried. General Manager Anker discussed a possible contribution to the CFC Integrity Fund. It was moved and seconded that the Cooperative contribute \$500.00 to the CFC Integrity Fund for the purpose of protecting service territorial challenges. Motion carried. General Manager Anker also discussed the recent FEMA Disaster request for public assistance grant and advised that the Claim was \$112,000.00. She advised the grant application had been submitted and the Cooperative was awaiting a response. General Manager Anker discussed and reviewed the 2023 NERC Long Term Reliability Assessment. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Director Tate reported on behalf of the Policy/ByLaw Committee to discuss the Net Metering Policy amendment approved in November 2023. Manager Anker explained that she met with Prairie Power's Attorney, Tracy Johansson, and originally thought that there was an agreement on the language thereof. She advised that Ms. Johansson had recently informed her that the language included in the Net Metering Policy revision was no longer acceptable. Director Tate recommended that the Net Metering Policy revisions, as amended and approved, be rescinded prior to becoming effective on January 1, 2024. It was so moved and seconded. Motion carried. The matter would be referred back to the Policy/ByLaw Committee for further discussion.

Director Frye reported on the Illinois Cooperative Workers Compensation Group/Rochdale Services Inc. (ICWCG/RCI) Annual Meeting.

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 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 and that the actions taken by the Board in Executive Session be adopted. Motion carried.

President Goetsch advised the next regular Board Meeting was scheduled for Tuesday, January 30, 2024 at 8:00 a.m.

Under other business, President Goetsch discussed the NRECA BLC 973 course (Moving the Fence - M&A) scheduled for February 7, 2024, the NRECA PowerXchange (Annual Meeting) on March 3-6, 2024, and the Co-Bank Central Regional Meeting scheduled for March 21-22, 2024.

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 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	28,122,292	31,619,935	31,364,428	255,507	2,168,881	2,358,788	2,086,804	271,984
kWhr Sold	186,011,440	186,480,536	183,813,307	2,667,229	13,974,803	13,222,980	13,892,900	(669,920)
2. Cost of Power	15,926,504	17,675,596	18,654,758	979,162	1,598,516	1,403,997	1,491,822	87,825
kWhr Purchased	200,990,395	201,282,782	198,349,100	(2,933,682)	15,163,277	14,394,770	15,189,000	794,230
3. Operation Expense	1,801,338	1,254,354	1,672,440	418,086	117,128	172,601	150,980	(21,621)
4. Maintenance Expense	3,017,662	3,060,964	3,430,163	369,199	287,431	263,555	304,081	40,526
5. Consumer Accounts & Coll. Exp.	422,004	454,177	538,472	84,295	38,645	33,084	45,447	12,363
6. Member Service Expense	244,470	290,974	274,142	(16,832)	19,922	25,942	24,479	(1,463)
7. General Office Expense	562,651	543,019	580,103	37,084	39,313	37,959	54,859	16,900
8. Outside Professional Services	33,597	94,709	91,387	(3,322)	0	11,500	5,917	(5,583)
9. Insurance, Employee & Welfare	5,261	20,841	9,400	(11,441)	1,616	2,245	825	(1,420)
10. Director's Fee & Mileage	110,024	105,548	118,945	13,397	5,145	8,577	7,228	(1,349)
11. Dues - Assoc. Organizations	124,540	122,490	126,857	4,367	10,762	11,583	12,223	640
12. Other Misc. General Expense	329,922	367,484	365,264	(2,220)	65	15,395	18,729	3,334
13. Depreciation Expense	2,258,349	2,384,979	2,382,902	(2,077)	211,052	227,795	220,336	(7,459)
14. Tax Expense - Property	289,306	294,510	293,645	(865)	26,025	27,090	26,695	(395)
15. Tax Expense - Other	31,377	26,063	25,306	(757)	1,807	1,936	1,675	(261)
16. Interest Expense on L-T Debt	1,095,822	1,255,818	1,211,213	(44,605)	102,311	114,917	39,767	(75,150)
17. Total Expense less Power	10,326,322	10,275,927	11,120,239	844,312	861,222	954,178	913,241	(40,937)
17a. Total Operating Cost	26,252,826	27,951,524	29,774,997	1,823,473	2,459,738	2,358,174	2,405,063	46,889
18. Operating Margins	1,869,466	3,668,412	1,589,431	2,078,981	(290,857)	613	(318,259)	318,872
19. Non-Operating Margins	53,541	39,391	39,600	(209)	3,906	5,971	3,600	2,371
20. G & T Capital Credits	1,062,294	1,069,288	1,000,000	69,288	0	0	0	0
21. Other Capital Credits	168,656	198,663	162,425	36,238	0	0	0	0
22. Total Margins	3,153,956	4,975,753	2,791,456	2,184,297	(286,951)	6,584	(314,659)	321,243

REA Form 7
Balance Sheet Analysis
11/30/2022 - 11/30/2023

IL 21 Menard
Menard Electric Coop
20-Dec-23

	Prior Yr Balance 11/30/2022	Current Yr Balance 11/30/2023	End of Yr Balance 12/31/2022	Change YTD
ASSETS:				
Utility Plant in Service	83,049,657	88,110,944	83,143,441	4,967,503
Construction Work in Process	613,541	495,917	888,872	(392,955)
Total Utility Plant in Service	83,663,198	88,606,861	84,032,313	4,574,548
Accumulated Depreciation	(25,114,156)	(24,381,943)	(25,129,442)	747,499
Net Utility Plant	58,549,042	64,224,918	58,902,871	5,322,047
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	14,404,518	15,582,061	14,405,851	1,176,210
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	681,032	680,032	680,032	0
Investments in Economic Dev. Projects				0
Other Investments	704,305	0	704,305	(704,305)
Special Funds	244,431	171,980	186,550	(14,570)
Total Other Prop. & Investments	16,034,286	16,434,073	15,976,738	457,335
Cash-General Funds	1,061,517	1,372,614	824,353	548,261
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	8,851	3,481	7,634	(4,153)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,517,939	2,511,574	2,732,388	(220,814)
Accounts Receivable-Net-Other	(764)	(992)	286	(1,278)
Materials & Supplies	1,634,324	1,791,777	1,473,956	317,821
Prepayments	95,002	57,039	192,105	(135,066)
Other Current & Accrued Assets	5,294	5,294	8,697	(3,403)
Total Current & Accrued Assets	5,322,617	5,741,241	5,239,873	501,368
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	79,905,945	86,400,232	80,119,482	6,280,750
OWNER'S EQUITY:				
Memberships	329,445	337,385	330,120	7,265
Patronage Capital	27,902,223	28,652,224	27,884,522	767,702
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	3,153,956	4,975,753	1,968,911	3,006,842
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,712,786	3,216,462	2,988,750	227,712
Total Margins & Equities	34,098,410	37,181,824	33,172,303	4,009,521
LIABILITIES:				
Long Term Debt-RUS	730,095	658,420	724,061	(65,641)
Long Term Debt Other - RUS Guar.	29,986,967	35,028,821	29,808,066	5,220,755
Long Term Debt - Other	9,582,746	9,072,660	9,531,004	(458,344)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	40,299,808	44,759,901	40,063,131	4,696,770
Accumulated Operating Provisions	1,099,379	809,077	794,171	14,906
Total Other Noncurrent Liabilities	1,099,379	809,077	794,171	14,906
Notes Payable	650,000	0	1,300,000	(1,300,000)
Accounts Payable	2,185,834	1,961,797	3,147,089	(1,185,292)
Deposits	204,735	230,102	203,095	27,007
Other Current & Accrued Liabilities	697,098	682,035	509,949	172,086
Total Current & Accrued Liabilities	3,737,667	2,873,934	5,160,133	(2,286,199)
Deferred Credits	670,681	775,496	929,744	(154,248)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	79,905,945	86,400,232	80,119,482	6,280,750

MENARD ELECTRIC COOPERATIVE

	This Month				
	November19	November20	November21	November22	November23
1. Operating Revenue	2,276,104	1,981,618	2,084,864	2,168,881	2,358,788
kWhr Sold	15,947,546	13,298,897	14,025,135	13,974,803	13,222,980
2. Cost of Power	1,392,456	1,388,042	1,657,055	1,598,516	1,403,997
kWhr Purchased	17,152,386	13,844,251	15,196,050	15,163,277	14,394,770
3. Operation Expense	136,361	100,188	129,125	117,128	172,601
4. Maintenance Expense	199,801	264,316	255,588	287,431	263,555
5. Consumer Accounts & Coll. Exp.	43,400	31,795	33,540	38,645	33,084
6. Member Service Expense	14,696	17,211	25,158	19,922	25,942
7. General Office Expense	46,511	52,806	105,004	39,313	37,958
8. Outside Professional Services	0	9,308	13,750	0	11,500
9. Insurance, Employee & Welfare	328	422	2,291	1,616	2,245
10. Director's Fee & Mileage	4,669	3,529	5,045	5,145	8,577
11. Dues - Assoc. Organizations	11,526	11,772	11,788	10,762	11,583
12. Other Misc. General Expense	32,650	30,044	30,373	65	15,395
13. Depreciation Expense	189,558	196,484	199,757	211,052	227,795
14. Tax Expense - Property	23,400	21,318	22,410	26,025	27,090
15. Tax Expense - Other	1,844	1,660	1,685	1,807	1,936
16. Interest Expense	100,951	101,765	95,868	102,311	114,917
17. Total Expense less Power	805,695	842,618	931,382	861,222	954,178
17a. Total Operating Cost	2,198,151	2,230,660	2,588,437	2,459,738	2,358,175
18. Operating Margins	77,953	(249,042)	(503,573)	(290,857)	613
19. Non-Operating Margins	7,881	4,264	11,424	3,906	5,971
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
22. Total Margins	85,834	(244,778)	(492,149)	(286,951)	6,584