

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,

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Secretary

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President

**MENARD ELECTRIC COOPERATIVE**  
**MONTHLY OPERATING REPORT**

	Year to Date			January 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	2,294,364	2,371,413	2,244,122	127,291	2,294,364	2,371,413	2,244,122	127,291
kWhr Sold	17,119,988	15,258,344	16,306,004	(1,047,660)	17,119,988	15,258,344	16,306,004	(1,047,660)
2. Cost of Power	1,235	127,630	388,590	260,960	1,235	127,630	388,590	260,960
kWhr Purchased	18,509,629	16,506,188	17,682,000	1,175,812	18,509,629	16,506,188	17,682,000	1,175,812
3. Operation Expense	215,772	137,563	159,622	22,059	215,772	137,563	159,622	22,059
4. Maintenance Expense	224,957	245,903	273,662	27,759	224,957	245,903	273,662	27,759
5. Consumer Accounts & Coll. Exp.	29,260	46,918	43,730	(3,188)	29,260	46,918	43,730	(3,188)
6. Member Service Expense	21,182	25,130	24,647	(483)	21,182	25,130	24,647	(483)
7. General Office Expense	108,885	46,422	49,020	2,598	108,885	46,422	49,020	2,598
8. Outside Professional Services	800	3,880	3,917	37	800	3,880	3,917	37
9. Insurance, Employee & Welfare	(3,225)	2,630	1,150	(1,480)	(3,225)	2,630	1,150	(1,480)
10. Director's Fee & Mileage	10,829	8,920	11,203	2,283	10,829	8,920	11,203	2,283
11. Dues - Assoc. Organizations	11,788	10,762	10,957	195	11,788	10,762	10,957	195
12. Other Misc. General Expense	46,103	57,172	32,134	(25,038)	46,103	57,172	32,134	(25,038)
13. Depreciation Expense	201,156	208,518	212,728	4,210	201,156	208,518	212,728	4,210
14. Tax Expense - Property	26,025	26,771	26,695	(76)	26,025	26,771	26,695	(76)
15. Tax Expense - Other	1,890	1,910	1,872	(38)	1,890	1,910	1,872	(38)
16. Interest Expense on L-T Debt	94,383	109,076	34,464	(74,612)	94,383	109,076	34,464	(74,612)
17. Total Expense less Power	989,806	931,575	885,801	(45,774)	989,806	931,575	885,801	(45,774)
17a. Total Operating Cost	991,040	1,059,205	1,274,391	215,186	991,040	1,059,205	1,274,391	215,186
<b>18. Operating Margins</b>	<b>1,303,324</b>	<b>1,312,208</b>	<b>969,731</b>	<b>342,477</b>	<b>1,303,324</b>	<b>1,312,208</b>	<b>969,731</b>	<b>342,477</b>
19. Non-Operating Margins	3,855	4,043	3,600	443	3,855	4,043	3,600	443
20. G & T Capital Credits	0	0	0	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0	0	0	0
<b>22. Total Margins</b>	<b>1,307,179</b>	<b>1,316,251</b>	<b>973,331</b>	<b>342,920</b>	<b>1,307,179</b>	<b>1,316,251</b>	<b>973,331</b>	<b>342,920</b>

## Balance Sheet Analysis

Menard Electric Coop

01/31/2022 - 1/31/2023

24-Feb-23

	Prior Yr Balance 01/31/2022	Current Yr Balance 1/31/2023	End of Yr Balance 12/31/2022	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	79,475,303	83,660,660	83,143,441	517,219
Construction Work in Process	1,141,608	929,934	888,872	41,062
Total Utility Plant in Service	80,616,911	84,590,594	84,032,313	558,281
Accumulated Depreciation	(24,381,685)	(25,151,167)	(25,129,442)	(21,725)
<b>Net Utility Plant</b>	<b>56,235,226</b>	<b>59,439,427</b>	<b>58,902,871</b>	<b>536,556</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	13,266,945	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	227,883	139,720	186,550	(46,830)
<b>Total Other Prop. &amp; Investments</b>	<b>15,584,565</b>	<b>15,929,908</b>	<b>15,976,738</b>	<b>(46,830)</b>
Cash-General Funds	962,883	1,101,771	824,353	277,418
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	14,968	7,369	7,634	(265)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,032,415	2,494,156	2,732,388	(238,232)
Accounts Receivable-Net-Other	1,497	728	286	442
Materials & Supplies	808,899	1,472,481	1,473,956	(1,475)
Prepayments	180,908	150,033	192,105	(42,072)
Other Current & Accrued Assets	10,676	10,676	8,697	1,979
<b>Total Current &amp; Accrued Assets</b>	<b>4,012,700</b>	<b>5,237,668</b>	<b>5,239,873</b>	<b>(2,205)</b>
Regulatory Assets	0	0	0	0
<b>Deferred Debits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>75,832,491</b>	<b>80,607,003</b>	<b>80,119,482</b>	<b>487,521</b>
<b>OWNER'S EQUITY:</b>				
Memberships	322,245	330,720	330,120	600
Patronage Capital	26,361,694	27,864,041	27,884,522	(20,481)
Operating Margins-Prior Years	2,782,379	1,968,911	0	1,968,911
Operating Margins-Current Year	1,307,179	1,316,251	1,968,911	(652,660)
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,979,008	2,998,823	2,988,750	10,073
<b>Total Margins &amp; Equities</b>	<b>33,752,505</b>	<b>34,478,746</b>	<b>33,172,303</b>	<b>1,306,443</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	788,572	718,164	724,061	(5,897)
Long Term Debt Other - RUS Guar.	25,866,804	31,483,066	29,808,066	1,675,000
Long Term Debt - Other	10,575,721	9,479,097	9,531,004	(51,907)
Long Term Debt Other - Adv Payments	0	0	0	0
<b>Total Long Term Debt</b>	<b>37,231,097</b>	<b>41,680,327</b>	<b>40,063,131</b>	<b>1,617,196</b>
Accumulated Operating Provisions	1,049,202	748,837	794,171	(45,334)
<b>Total Other Noncurrent Liabilities</b>	<b>1,049,202</b>	<b>748,837</b>	<b>794,171</b>	<b>(45,334)</b>
Notes Payable	2,325,000	1,300,000	1,300,000	0
Accounts Payable	565,760	812,511	3,147,089	(2,334,578)
Deposits	186,230	201,230	203,095	(1,865)
Other Current & Accrued Liabilities	557,897	625,575	509,949	115,626
<b>Total Current &amp; Accrued Liabilities</b>	<b>3,634,887</b>	<b>2,939,316</b>	<b>5,160,133</b>	<b>(2,220,817)</b>
<b>Deferred Credits</b>	<b>164,800</b>	<b>759,777</b>	<b>929,744</b>	<b>(169,967)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>75,832,491</b>	<b>80,607,003</b>	<b>80,119,482</b>	<b>487,521</b>

**MENARD ELECTRIC COOPERATIVE**

	This Month				
	January19	January20	January21	January22	January23
1. Operating Revenue	2,335,065	2,193,854	2,223,828	2,294,364	2,371,413
kWhr Sold	17,635,382	16,257,017	15,610,875	17,119,988	15,258,344
2. Cost of Power	1,389,527	466,021	416,937	1,235	127,630
kWhr Purchased	19,015,785	17,517,717	16,881,006	18,509,629	16,506,188
3. Operation Expense	309,422	127,463	206,763	215,772	137,563
4. Maintenance Expense	188,778	250,345	294,803	224,957	245,903
5. Consumer Accounts & Coll. Exp.	38,540	42,233	33,228	29,260	46,918
6. Member Service Expense	17,808	19,982	18,349	21,182	25,130
7. General Office Expense	91,776	68,919	65,065	108,885	46,422
8. Outside Professional Services	5,168	3,153	3,268	800	3,880
9. Insurance, Employee & Welfare	368	(3,536)	4,246	(3,225)	2,630
10. Director's Fee & Mileage	6,959	10,839	4,679	10,829	8,920
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,788	10,762
12. Other Misc. General Expense	51,924	32,373	43,909	46,103	57,172
13. Depreciation Expense	184,541	190,561	199,360	201,156	208,518
14. Tax Expense - Property	23,400	24,025	24,925	26,025	26,771
15. Tax Expense - Other	1,994	2,173	1,683	1,890	1,910
16. Interest Expense	112,059	108,995	103,988	94,383	109,076
17. Total Expense less Power	1,044,253	889,051	1,016,038	989,805	931,575
17a. Total Operating Cost	2,433,780	1,355,072	1,432,975	991,040	1,059,205
<b>18. Operating Margins</b>	(98,715)	838,782	790,853	1,303,324	1,312,208
19. Non-Operating Margins	4,100	8,755	4,278	3,855	4,043
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
<b>22. Total Margins</b>	(94,615)	847,537	795,131	1,307,179	1,316,251