

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
MAY 23, 2023

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, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steve L. Worner. Also present was Director of Accounting & Finance Julie Atwater, Engineering Manager Brady Smith, General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was 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).

General Manager Anker introduced Members requesting the opportunity to appear before the Board to address vegetation management, employee conduct and right-of-way policy relative to the removal of a yard tree. Members presented their issues and asked the Board to reconsider the removal of the tree. Members left the Board room. The matter was discussed by the Board and the Board reviewed the terms of the Cooperative Policy with regard to right-of-way maintenance. The Board directed General Manager Anker to respond to the issues raised by Members. Smith left the Board room.

General Manager Anker introduced Kevin Kelso, the Cooperative Auditor. Mr. Kelso presented the 2022 Financial Audit. He answered questions from Board Members. Mr. Kelso and Ms. Atwater left the Board Room. It was moved and seconded the Audit be accepted. Motion carried.

General Manager Anker presented the Manager's Report for April, 2023. She reviewed the Operating Statement, Balance Sheet and Budget. General Manager Anker discussed the maximum debt limit forecast as updated. General Manager Anker presented the Member Services Report, past due notices, generated cut-off tickets and write-offs for the Month. She reviewed the Operations Report and Reliability Report for the Month and advised there were 70 incidents, the longest duration of an outage was 357 minutes, 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 May 23, 2023 and that Director Dennis Ryan was the Guest Director for that Meeting. She advised that Meeting topics were Pole Top and Hurt Man Rescue, Bucket Truck Rescue Practices and Procedures, as well as Fire Extinguisher use practice and protocols. General Manager Anker reported on those irrigations systems that had been completed as well as those currently under construction. She discussed the contents of the Connect Newsletter. She

discussed the Scholarship and Youth to Washington Tour Winners. She advised that the Cooperative had welcomed two new employees. General Manager Anker discussed the status of matters with regard to the FEMA Appeal. She advised that the First Appeal had been denied. FEMA held that the Cooperative had not demonstrated restoring the damaged facilities during the December 2021 tornadic event was an emergency protective measure. The Board discussed how to proceed with regard to the option to submit a Second Appeal or Arbitration. It was the consensus to engage the services of a Legal Firm well versed in the FEMA Appeal process. It was moved and seconded that the Cooperative proceed with the follow-up Appeal. Motion carried. President Goetsch advised that the Governance Talk topic was on maintaining Cooperative ByLaws. He also advised and reviewed the AIEC Lobby Day Video. It was moved and seconded to approve the Manager's Report. Motion carried.

Jay Frye reported on the Annual Meeting Committee meeting held earlier in the day and discussed plans for the upcoming Cooperative Annual Meeting.

President Goetsch reported on AIEC Activities.

Director Martin reported on Prairie Power, Inc. He discussed the President's Report and Energy Charge Summary. He reviewed the Annual Meeting Sign-up Form.

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 asked that the next regular Board Meeting, scheduled for Thursday, June 29, 2023, be revised to Friday, June 30, 2023 at 8:00 a.m. It was moved and seconded the date be changed.

Under other business, President Goetsch advised that the NRECA BLC Cyber Security Course was scheduled for May 24, 2023, the Prairie Power, Inc. Annual Meeting was scheduled for June 14, 2023, the CoBank Energy Directors Conference was scheduled for July 24-26, 2023, and the AIEC Annual Meeting sign up was scheduled for August 3-4, 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			April 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	8,010,202	8,666,149	7,808,016	858,133	1,794,241	2,004,126	1,686,463	317,663
kWhr Sold	56,507,763	52,172,164	55,894,997	(3,722,833)	11,595,427	11,062,845	11,670,905	(608,060)
2. Cost of Power	3,221,069	4,114,855	4,744,972	630,117	1,082,698	1,109,478	1,271,840	162,362
kWhr Purchased	61,103,521	56,526,460	60,287,100	3,760,640	12,545,518	11,843,155	12,586,100	742,945
3. Operation Expense	719,852	360,452	598,838	238,386	163,063	(25,196)	142,901	168,097
4. Maintenance Expense	947,960	930,470	1,098,344	167,874	242,566	247,757	287,836	40,079
5. Consumer Accounts & Coll. Exp.	140,460	167,315	204,760	37,445	45,131	42,917	42,228	(689)
6. Member Service Expense	88,432	95,176	96,565	1,389	23,549	22,757	23,352	595
7. General Office Expense	256,464	166,609	199,826	33,217	38,227	48,520	50,472	1,952
8. Outside Professional Services	12,913	21,534	40,668	19,135	7,168	12,634	22,917	10,284
9. Insurance, Employee & Welfare	(1,067)	6,223	3,625	(2,598)	1,253	2,127	825	(1,302)
10. Director's Fee & Mileage	53,799	39,012	57,463	18,451	14,275	7,291	10,216	2,925
11. Dues - Assoc. Organizations	47,152	43,049	43,828	779	11,788	10,762	10,957	195
12. Other Misc. General Expense	127,818	125,300	138,521	13,221	24,029	27,197	36,679	9,482
13. Depreciation Expense	807,567	842,210	851,838	9,628	203,339	212,212	215,597	3,385
14. Tax Expense - Property	107,131	106,856	106,780	(76)	26,025	26,695	26,695	0
15. Tax Expense - Other	15,002	7,613	6,556	(1,057)	1,436	2,228	1,379	(849)
16. Interest Expense on L-T Debt	378,411	436,682	383,123	(53,559)	94,820	109,607	32,814	(76,793)
17. Total Expense less Power	3,701,892	3,348,499	3,830,735	482,236	896,668	747,508	904,868	157,360
17a. Total Operating Cost	6,922,960	7,463,354	8,575,707	1,112,353	1,979,366	1,856,986	2,176,708	319,722
<b>18. Operating Margins</b>	<b>1,087,241</b>	<b>1,202,796</b>	<b>(767,691)</b>	<b>1,970,487</b>	<b>(185,125)</b>	<b>147,140</b>	<b>(490,245)</b>	<b>637,385</b>
19. Non-Operating Margins	26,266	18,636	14,400	4,236	2,921	5,581	3,600	1,981
20. G & T Capital Credits	1,062,294	1,069,288	1,000,000	69,288	1,062,294	1,069,288	1,000,000	69,288
21. Other Capital Credits	137,044	102,877	130,800	(27,923)	0	0	0	0
<b>22. Total Margins</b>	<b>2,312,845</b>	<b>2,393,596</b>	<b>377,509</b>	<b>2,016,087</b>	<b>880,090</b>	<b>1,222,009</b>	<b>513,355</b>	<b>708,654</b>

Balance Sheet Analysis

Menard Electric Coop

04/30/2022 - 4/30/2023

19-May-23

	Prior Yr Balance 04/30/2022	Current Yr Balance 4/30/2023	End of Yr Balance 12/31/2022	Change YTD
<b>ASSETS:</b>				
Utility Plant in Service	80,469,626	85,729,386	83,143,441	2,585,945
Construction Work in Process	942,150	995,463	888,872	106,591
Total Utility Plant in Service	81,411,776	86,724,849	84,032,313	2,692,536
Accumulated Depreciation	(24,800,967)	(25,360,891)	(25,129,442)	(231,449)
<b>Net Utility Plant</b>	<b>56,610,809</b>	<b>61,363,958</b>	<b>58,902,871</b>	<b>2,461,087</b>
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	14,386,306	15,513,668	14,405,851	1,107,817
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	232,611	147,020	186,550	(39,530)
<b>Total Other Prop. &amp; Investments</b>	<b>16,708,654</b>	<b>17,045,025</b>	<b>15,976,738</b>	<b>1,068,287</b>
Cash-General Funds	641,136	627,101	824,353	(197,252)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	12,473	4,722	7,634	(2,912)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	1,711,598	2,190,254	2,732,388	(542,134)
Accounts Receivable-Net-Other	91	(1,667)	286	(1,953)
Materials & Supplies	1,008,962	1,756,885	1,473,956	282,929
Prepayments	116,345	97,278	192,105	(94,827)
Other Current & Accrued Assets	2,604	2,604	8,697	(6,093)
<b>Total Current &amp; Accrued Assets</b>	<b>3,493,663</b>	<b>4,677,631</b>	<b>5,239,873</b>	<b>(562,242)</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>76,813,126</b>	<b>83,086,614</b>	<b>80,119,482</b>	<b>2,967,132</b>
<b>OWNER'S EQUITY:</b>				
Memberships	324,085	332,470	330,120	2,350
Patronage Capital	26,214,944	27,756,144	27,884,522	(128,378)
Operating Margins-Prior Years	2,782,379	1,968,911	0	1,968,911
Operating Margins-Current Year	2,312,845	2,393,596	1,968,911	424,685
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,027,324	3,118,032	2,988,750	129,282
<b>Total Margins &amp; Equities</b>	<b>34,661,577</b>	<b>35,569,153</b>	<b>33,172,303</b>	<b>2,396,850</b>
<b>LIABILITIES:</b>				
Long Term Debt-RUS	771,320	700,238	724,061	(23,823)
Long Term Debt Other - RUS Guar.	25,677,937	31,289,704	29,808,066	1,481,638
Long Term Debt - Other	10,241,520	9,292,939	9,531,004	(238,065)
Long Term Debt Other - Adv Payments	0	0	0	0
<b>Total Long Term Debt</b>	<b>36,690,777</b>	<b>41,282,881</b>	<b>40,063,131</b>	<b>1,219,750</b>
Accumulated Operating Provisions	1,064,571	763,825	794,171	(30,346)
<b>Total Other Noncurrent Liabilities</b>	<b>1,064,571</b>	<b>763,825</b>	<b>794,171</b>	<b>(30,346)</b>
Notes Payable	1,800,000	2,250,000	1,300,000	950,000
Accounts Payable	1,607,450	1,727,614	3,147,089	(1,419,475)
Deposits	202,990	203,350	203,095	255
Other Current & Accrued Liabilities	559,182	607,272	509,949	97,323
<b>Total Current &amp; Accrued Liabilities</b>	<b>4,169,622</b>	<b>4,788,236</b>	<b>5,160,133</b>	<b>(371,897)</b>
<b>Deferred Credits</b>	<b>226,579</b>	<b>682,519</b>	<b>929,744</b>	<b>(247,225)</b>
<b>Miscellaneous Operating Reserves</b>				<b>0</b>
<b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>	<b>76,813,126</b>	<b>83,086,614</b>	<b>80,119,482</b>	<b>2,967,132</b>

## MENARD ELECTRIC COOPERATIVE

	This Month				
	April19	April20	April21	April22	April23
1. Operating Revenue	1,727,807	1,672,691	1,746,691	1,794,241	2,004,126
kWhr Sold	11,920,379	10,794,632	11,049,227	11,595,427	11,062,845
2. Cost of Power	1,006,772	971,939	996,278	1,082,698	1,109,478
kWhr Purchased	13,593,281	11,891,977	12,078,192	12,545,518	11,843,155
3. Operation Expense	144,105	166,095	66,753	163,063	(25,196)
4. Maintenance Expense	227,166	239,509	184,640	242,566	247,757
5. Consumer Accounts & Coll. Exp.	38,616	35,543	36,276	45,131	42,917
6. Member Service Expense	16,502	17,956	16,026	23,549	22,757
7. General Office Expense	51,253	62,828	58,012	38,227	48,520
8. Outside Professional Services	8,575	12,594	7,159	7,168	12,634
9. Insurance, Employee & Welfare	718	2,097	1,907	1,253	2,127
10. Director's Fee & Mileage	11,416	6,238	6,351	14,275	7,291
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,788	10,762
12. Other Misc. General Expense	27,811	21,765	51,888	24,028	27,197
13. Depreciation Expense	185,572	192,464	196,689	203,339	212,212
14. Tax Expense - Property	23,400	24,025	24,925	26,025	26,695
15. Tax Expense - Other	1,809	1,381	1,415	1,436	2,228
16. Interest Expense	111,979	103,810	99,100	94,820	109,607
17. Total Expense less Power	860,438	897,831	762,913	896,668	747,508
17a. Total Operating Cost	1,867,210	1,869,770	1,759,191	1,979,366	1,856,986
<b>18. Operating Margins</b>	(139,403)	(197,079)	(12,500)	(185,125)	147,140
19. Non-Operating Margins	2,425	6,878	3,556	2,921	5,581
20. G & T Capital Credits	1,139,473	1,116,929	1,092,798	1,062,294	1,069,288
21. Other Capital Credits	0	0	140,588	0	
<b>22. Total Margins</b>	1,002,495	926,728	1,224,442	880,090	1,222,009