

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JULY 31, 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 and Dennis Ryan. Directors Jodine Tate and Steven L. Worner were absent. Also present was 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).

The Board reviewed the Minutes for the July 12, 2023 Reorganizational Meeting. It was moved and seconded those Minutes be approved as presented. Motion carried.

General Manager Anker reviewed and discussed the results from the 2022 KRTA Review.

General Manager Anker discussed the Annual Conflict of Interest Review and Disclosure. The Board discussed the information that was necessary to complete the Disclosure. Each Board Member was asked to return the executed Disclosure to General Manager Anker.

General Manager Anker presented the Manager's Report for June, 2023. She reviewed the Operating Statement, Balance Sheet and Budget. General Manager Anker discussed the recent Annual Meeting and advised that there were 410 Members registered for the Meeting and that was more than sufficient to constitute a quorum for the Annual Meeting. 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 and Reliability Report for the Month and advised there were 219 incidents, the longest duration of an outage was 2,888 minutes, total member outage minutes were 2,020,557.05 and the largest number of Members affected by an outage was 1,154. She reviewed the outage causes by consumer hours and work orders. General Manager Anker presented the Safety Report and advised that the Safety Meeting was held on Tuesday, July 18, 2023. She reviewed the Meeting topics. General Manager Anker discussed the status of open insurance claims. She discussed the Irrigation and Load Control Report. She reviewed the contents of the Connect Newsletter. She advised that Daniel Edge had been hired by the Cooperative and would start working in August. She also reviewed other employee changes with regard to duties and responsibilities. She advised that NRECA was encouraging the Cooperative to submit comments voicing opposition to proposed new rules by the Environmental

Protection Agency. It was the consensus of the Board to send such a letter. General Manager Anker advised that there needed to be an NRECA Region V Delegate and Alternate Delegate. It was moved and seconded that President Goetsch be the Delegate and Director McMillan the Alternate Delegate for NRECA Region V. Motion carried. The Board viewed a video on preparation of Cooperative Board Minutes. 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 and Energy Charge Summary.

General Manager Anker presented the Capital Credit Estate Refunds Report. She advised that Staff recommend the Board approve an additional Special Retirement of \$75,000.00 in addition to the \$250,000.00 that had already been authorized for estates, for a total Special Retirement up to \$325,000.00 for Calendar year 2023. It was so moved and seconded. Motion carried. A copy of the Resolution is marked Exhibit A, attached hereto and incorporated herein by reference.

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, August 22, 2023 at 8:00 a.m.

Under other business, President Goetsch advised that the AIEC Annual Meeting was scheduled for August 3-4, 2023, and that the NRECA Region V Meeting was scheduled for September 12-14, 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			June 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	13,555,085	15,833,142	14,325,366	1,507,776	3,218,995	4,071,343	4,158,243	(86,900)
kWhr Sold	92,144,080	95,018,841	90,717,146	4,301,695	22,610,380	26,950,040	21,356,134	5,593,906
2. Cost of Power	6,736,260	8,224,233	8,582,950	358,717	2,260,691	2,574,316	2,400,844	(173,472)
kWhr Purchased	99,735,449	102,548,011	97,561,100	(4,986,911)	24,355,997	29,005,606	22,908,000	(6,097,606)
3. Operation Expense	1,025,246	732,941	901,573	168,632	107,925	210,339	150,311	(60,028)
4. Maintenance Expense	1,554,525	1,589,359	1,817,376	228,017	333,531	424,008	372,639	(51,369)
5. Consumer Accounts & Coll. Exp.	199,598	241,301	292,102	50,801	15,308	18,212	43,209	24,997
6. Member Service Expense	134,313	161,929	152,241	(9,688)	21,291	32,426	25,599	(6,827)
7. General Office Expense	332,840	303,734	308,432	4,698	36,455	87,344	53,243	(34,101)
8. Outside Professional Services	20,192	42,437	47,502	5,065	5,106	16,442	2,917	(13,525)
9. Insurance, Employee & Welfare	151	12,304	5,275	(7,029)	468	1,122	825	(297)
10. Director's Fee & Mileage	70,165	58,496	74,352	15,856	6,685	7,608	10,036	2,428
11. Dues - Assoc. Organizations	70,479	64,573	65,742	1,169	11,539	10,762	10,957	195
12. Other Misc. General Expense	175,316	210,873	223,199	12,326	29,152	41,385	45,149	3,764
13. Depreciation Expense	1,215,782	1,271,956	1,285,900	13,944	203,910	214,969	218,003	3,034
14. Tax Expense - Property	159,181	160,246	160,170	(76)	26,025	26,695	26,695	0
15. Tax Expense - Other	19,378	13,290	11,740	(1,550)	2,429	3,299	3,286	(13)
16. Interest Expense on L-T Debt	570,081	662,402	735,400	72,998	93,974	112,638	310,672	198,034
17. Total Expense less Power	5,547,246	5,525,841	6,081,004	555,163	893,798	1,207,250	1,273,541	66,291
17a. Total Operating Cost	12,283,506	13,750,074	14,663,954	913,880	3,154,489	3,781,566	3,674,385	(107,181)
18. Operating Margins	1,271,579	2,083,068	(338,588)	2,421,656	64,506	289,777	483,858	(194,081)
19. Non-Operating Margins	32,744	24,191	21,600	2,591	3,400	1,027	3,600	(2,573)
20. G & T Capital Credits	1,062,294	1,069,288	1,000,000	69,288	0	0	0	0
21. Other Capital Credits	137,044	102,877	130,800	(27,923)	0	0	0	0
22. Total Margins	2,503,661	3,279,423	813,812	2,465,611	67,906	290,804	487,458	(196,654)

Balance Sheet Analysis

Menard Electric Coop

06/30/2022 - 06/30/2023

19-Jul-23

	Prior Yr Balance 06/30/2022	Current Yr Balance 06/30/2023	End of Yr Balance 12/31/2022	Change YTD
ASSETS:				
Utility Plant in Service	81,013,199	86,594,948	83,143,441	3,451,507
Construction Work in Process	1,002,692	1,243,473	888,872	354,601
Total Utility Plant in Service	82,015,891	87,838,421	84,032,313	3,806,108
Accumulated Depreciation	(24,796,362)	(25,556,401)	(25,129,442)	(426,959)
Net Utility Plant	57,219,529	62,282,020	58,902,871	3,379,149
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	235,763	152,220	186,550	(34,330)
Total Other Prop. & Investments	16,711,806	17,050,225	15,976,738	1,073,487
Cash-General Funds	662,066	1,140,961	824,353	316,608
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	10,349	3,373	7,634	(4,261)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,128,287	4,212,605	2,732,388	1,480,217
Accounts Receivable-Net-Other	1,104	(450)	286	(736)
Materials & Supplies	1,237,597	1,708,155	1,473,956	234,199
Prepayments	207,417	92,267	192,105	(99,838)
Other Current & Accrued Assets	7,898	7,898	8,697	(799)
Total Current & Accrued Assets	5,255,172	7,165,263	5,239,873	1,925,390
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	79,186,507	86,497,508	80,119,482	6,378,026
OWNER'S EQUITY:				
Memberships	325,545	333,845	330,120	3,725
Patronage Capital	25,191,962	26,785,860	27,884,522	(1,098,662)
Operating Margins-Prior Years	2,782,379	1,968,911	0	1,968,911
Operating Margins-Current Year	2,503,661	3,279,424	1,968,911	1,310,513
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,124,132	3,162,707	2,988,750	173,957
Total Margins & Equities	33,927,679	35,530,747	33,172,303	2,358,444
LIABILITIES:				
Long Term Debt-RUS	759,576	688,352	724,061	(35,709)
Long Term Debt Other - RUS Guar.	28,944,697	33,251,733	29,808,066	3,443,667
Long Term Debt - Other	9,960,423	9,411,358	9,531,004	(119,646)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	39,664,696	43,351,443	40,063,131	3,288,312
Accumulated Operating Provisions	1,074,291	773,616	794,171	(20,555)
Total Other Noncurrent Liabilities	1,074,291	773,616	794,171	(20,555)
Notes Payable	500,000	2,000,000	1,300,000	700,000
Accounts Payable	3,091,320	3,180,097	3,147,089	33,008
Deposits	204,560	233,092	203,095	29,997
Other Current & Accrued Liabilities	497,937	663,116	509,949	153,167
Total Current & Accrued Liabilities	4,293,817	6,076,305	5,160,133	916,172
Deferred Credits	226,024	765,397	929,744	(164,347)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	79,186,507	86,497,508	80,119,482	6,378,026

MENARD ELECTRIC COOPERATIVE

	This Month				
	June19	June20	June21	June22	June23
1. Operating Revenue	2,483,267	3,027,328	3,046,417	3,218,995	4,071,343
kWhr Sold	16,211,571	21,937,048	20,850,540	22,610,380	26,950,040
2. Cost of Power	1,678,890	1,964,204	1,956,895	2,260,691	2,574,316
kWhr Purchased	17,397,125	23,590,529	22,571,075	24,355,997	29,005,606
3. Operation Expense	161,413	84,859	135,014	107,925	210,339
4. Maintenance Expense	397,555	405,436	372,660	333,531	424,008
5. Consumer Accounts & Coll. Exp.	46,708	40,409	37,639	15,308	18,212
6. Member Service Expense	15,892	12,034	14,363	21,291	32,426
7. General Office Expense	39,220	57,479	46,473	36,455	87,344
8. Outside Professional Services	2,273	14,160	1,835	5,106	16,442
9. Insurance, Employee & Welfare	1,125	6,186	2,686	468	1,122
10. Director's Fee & Mileage	9,885	3,957	6,337	6,685	7,608
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,539	10,762
12. Other Misc. General Expense	57,961	13,132	16,164	29,152	41,385
13. Depreciation Expense	186,044	194,758	198,761	203,910	214,970
14. Tax Expense - Property	23,400	24,025	24,925	26,025	26,695
15. Tax Expense - Other	1,974	2,422	2,430	2,429	3,299
16. Interest Expense	112,554	104,020	89,102	93,974	112,638
17. Total Expense less Power	1,067,520	974,403	960,161	893,798	1,207,250
17a. Total Operating Cost	2,746,410	2,938,607	2,917,056	3,154,489	3,781,566
18. Operating Margins	(263,143)	88,721	129,361	64,506	289,777
19. Non-Operating Margins	35,810	8,175	813,314	3,400	1,027
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	0	0	0
22. Total Margins	(227,333)	96,896	942,675	67,906	290,804