

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
SEPTEMBER 27, 2022

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, and Dennis Ryan. Directors Jodine Tate and Steve L. Worner were absent. Also present were Director of Accounting & Finance Julie Atwater, General Manager Alisha Anker and Attorney Charles K. Smith. Present by zoom was Tom Hancock of Kelso Lynch auditing firm.

The Agenda of the meeting was read. There was one (1) change to the Agenda, being addition of 4a, a discussion by Julie Atwater with regard to unclaimed Capital Credits. There were no other 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.

Tom Hancock presented the 2021 Form 990 tax return by zoom. It was moved and seconded the form be approved as presented. Motion carried. Hancock left the meeting.

Director of Accounting & Finance Julie Atwater summarized last month's discussion by the Finance Committee regarding unclaimed Capital Credits to be used by the Cooperative for educational scholarship purposes. She discussed establishing a separate account for this purpose. Atwater advised that the Committee and Staff would further research account options and report back to the Board. Julie Atwater exited the Board room.

Secretary Michael Patrick presented a Resolution to file Rural Utilities Service (RUS) Form 675 (Certificate of Authority) to authorize Warren Goetsch as Board President, Alisha Anker as General Manager, and Julie Atwater as Director of Accounting and Finance to sign RUS Form 595 (Requirement and Expenditure Statement). It was moved and seconded the Resolution and Form be approved. Motion carried.

General Manager Anker presented the Manager's Report for August, 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 95 incidents, the longest duration of an outage was 337 minutes, total member hours were

144,687.02 and largest number of Members affected by a single outage was 524. General Manager Anker presented the Safety Report. She advised that there was no Guest Director for the Safety Meeting. General Manager Anker presented for review and comment a Worker's Compensation loss analysis. General Manager Anker presented the Irrigation and Load Control Report. She advised that there were two (2) new systems for next year and there had been some load control the past month. She discussed the IT Security Report. General Manager Anker advised that correspondence was received from the Illinois Emergency Management Agency with regard to the Appeal filed for FEMA's denial of reimbursement. IEMA supports the Appeal and recommends approval; still awaiting FEMA's response. General Manager Anker reviewed the contents of the Connect Newsletter. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

It was moved and seconded that the Board enter into Executive Session to discuss the Labor Committee Report. Motion carried.

It was moved and seconded that the Board reconvene the monthly Board Meeting. Motion Carried.

President Goetsch reported there was no AIEC meeting. He discussed the NRECA Region 5 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 Estates Refund Report.

It was moved and seconded that the Board again enter into Executive Session. Motion carried.

It was moved and seconded that the Board reconvene the monthly Board Meeting. Motion carried.

It was moved and seconded that the Board adopt and approve the actions taken in the Executive Session. Motion carried.

President Goetsch advised the next regular Board Meeting was scheduled for Tuesday, October 25, 2022, at 6:00 p.m.

Under other business, President Goetsch reminded the Board of the sign up for the NRECA BLC 958: Succession Planning course scheduled for Tuesday, November 2, 2022. He also reminded Board Members to keep track of their hours.

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			August 2022		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	19,773,603	20,673,698	20,776,314	(102,616)	3,330,328	3,437,179	3,425,648	11,531
kWhr Sold	132,896,676	141,371,164	136,920,225	4,450,939	22,656,686	23,160,279	23,172,136	(11,857)
2. Cost of Power	10,677,306	11,405,741	11,311,864	(93,877)	1,511,477	2,206,614	2,040,355	(166,259)
kWhr Purchased	143,854,000	152,635,064	145,540,271	(7,094,793)	24,422,784	24,844,379	25,156,740	312,361
3. Operation Expense	1,086,198	1,380,844	1,236,738	(144,106)	74,436	171,462	178,111	6,649
4. Maintenance Expense	2,167,064	2,243,133	2,385,535	142,402	297,758	375,364	331,800	(43,564)
5. Consumer Accounts & Coll. Exp.	277,227	282,488	332,702	50,214	31,959	41,730	40,847	(883)
6. Member Service Expense	132,830	179,822	179,790	(32)	16,751	22,412	22,833	421
7. General Office Expense	471,777	414,935	385,474	(29,461)	72,170	43,335	48,272	4,937
8. Outside Professional Services	29,584	20,192	50,864	30,672	1,395	0	9,983	9,983
9. Insurance, Employee & Welfare	(15,067)	1,429	3,200	1,771	1,865	770	400	(370)
10. Director's Fee & Mileage	54,182	92,813	61,418	(31,395)	18,639	9,687	4,627	(5,060)
11. Dues - Assoc. Organizations	94,208	92,003	98,050	6,047	11,788	10,762	12,725	1,963
12. Other Misc. General Expense	262,639	276,819	284,718	7,899	50,806	42,752	27,738	(15,014)
13. Depreciation Expense	1,584,626	1,628,442	1,637,047	8,605	198,334	208,451	208,641	190
14. Tax Expense - Property	199,400	211,231	208,200	(3,031)	24,925	26,025	26,025	0
15. Tax Expense - Other	16,341	25,238	18,077	(7,161)	2,681	2,701	2,923	222
16. Interest Expense on L-T Debt	791,042	785,762	787,422	1,660	99,720	119,167	104,683	(14,484)
17. Total Expense less Power	7,152,050	7,635,152	7,669,235	34,083	903,226	1,074,618	1,019,608	(55,010)
17a. Total Operating Cost	17,829,356	19,040,893	18,981,099	(59,794)	2,414,703	3,281,233	3,059,963	(221,270)
18. Operating Margins	1,944,247	1,632,805	1,795,215	(162,410)	915,625	155,946	365,685	(209,739)
19. Non-Operating Margins	838,619	41,235	28,800	12,435	3,413	4,320	3,600	720
20. G & T Capital Credits	1,092,798	1,062,294	1,000,000	62,294	0	0	0	0
21. Other Capital Credits	140,588	165,291	90,000	75,291	0	28,247	0	28,247
22. Total Margins	4,016,252	2,901,625	2,914,015	(12,390)	919,038	188,513	369,285	(180,772)

Balance Sheet Analysis

08/31/2021 - 8/31/2022

21-Sep-22

	Prior Yr Balance 08/31/2021	Current Yr Balance 8/31/2022	End of Yr Balance 12/31/2021	Change YTD
ASSETS:				
Utility Plant in Service	77,994,666	82,005,485	79,123,303	2,882,182
Construction Work in Process	1,694,296	517,354	1,291,261	(773,907)
Total Utility Plant in Service	79,688,962	82,522,839	80,414,564	2,108,275
Accumulated Depreciation	(24,559,735)	(24,732,172)	(24,277,381)	(454,791)
Net Utility Plant	55,129,227	57,790,667	56,137,183	1,653,484
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	13,260,420	14,408,903	13,266,945	1,141,958
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	2,112,905	1,408,605	1,408,605	0
Special Funds	257,143	239,703	284,884	(45,181)
Total Other Prop. & Investments	16,311,600	16,738,243	15,641,566	1,096,677
Cash-General Funds	648,346	904,600	711,595	193,005
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,584	9,450	2,891	6,559
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,418,111	3,539,641	2,451,975	1,087,666
Accounts Receivable-Net-Other	50,678	1,452	23,565	(22,113)
Materials & Supplies	888,006	1,328,726	747,887	580,839
Prepayments	169,211	156,490	192,782	(36,292)
Other Current & Accrued Assets	13,280	13,280	7,985	5,295
Total Current & Accrued Assets	5,191,670	5,954,093	4,139,134	1,814,959
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	76,632,497	80,483,003	75,917,883	4,565,120
OWNER'S EQUITY:				
Memberships	318,145	327,370	321,540	5,830
Patronage Capital	26,405,751	27,948,504	26,361,694	1,586,810
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	4,016,255	2,901,626	2,782,379	119,247
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,962,638	3,135,267	2,980,966	154,301
Total Margins & Equities	33,702,789	34,312,767	32,446,579	1,866,188
LIABILITIES:				
Long Term Debt-RUS	816,594	747,862	794,120	(46,258)
Long Term Debt Other - RUS Guar.	24,468,872	28,944,697	25,866,804	3,077,893
Long Term Debt - Other	11,006,102	9,686,211	10,627,351	(941,140)
Long Term Debt Other - Adv Payments	(265,896)	0	0	0
Total Long Term Debt	36,025,672	39,378,770	37,288,275	2,090,495
Accumulated Operating Provisions	1,039,247	1,084,011	1,114,466	(30,455)
Total Other Noncurrent Liabilities	1,039,247	1,084,011	1,114,466	(30,455)
Notes Payable	2,664,794	1,500,000	325,000	1,175,000
Accounts Payable	2,228,300	3,016,182	3,299,660	(283,478)
Deposits	158,190	200,865	188,770	12,095
Other Current & Accrued Liabilities	683,541	764,304	473,713	290,591
Total Current & Accrued Liabilities	5,734,825	5,481,351	4,287,143	1,194,208
Deferred Credits	129,964	226,104	781,420	(555,316)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	76,632,497	80,483,003	75,917,883	4,565,120

MENARD ELECTRIC COOPERATIVE

	This Month				
	August18	August19	August20	August21	August22
1. Operating Revenue	3,090,461	3,314,015	3,388,183	3,330,328	3,437,179
kWhr Sold	21,379,983	24,015,752	25,768,874	22,656,686	23,160,279
2. Cost of Power	1,913,132	2,090,176	2,134,284	1,511,477	2,206,614
kWhr Purchased	23,210,544	25,963,692	27,780,155	24,422,784	24,844,379
3. Operation Expense	108,277	105,764	150,367	74,436	171,462
4. Maintenance Expense	356,373	264,061	197,493	297,758	375,365
5. Consumer Accounts & Coll. Exp.	39,805	41,535	31,882	31,959	41,730
6. Member Service Expense	11,482	17,160	22,109	16,751	22,412
7. General Office Expense	62,927	51,394	46,621	72,170	43,335
8. Outside Professional Services	2,247	9,945	(6,142)	1,395	0
9. Insurance, Employee & Welfare	337	1,238	412	1,865	770
10. Director's Fee & Mileage	10,975	13,845	5,282	18,639	9,687
11. Dues - Assoc. Organizations	11,516	11,526	11,772	11,788	10,762
12. Other Misc. General Expense	20,004	31,356	24,493	50,806	42,752
13. Depreciation Expense	173,957	186,960	196,272	198,334	208,451
14. Tax Expense - Property	22,375	23,400	24,025	24,925	26,025
15. Tax Expense - Other	2,453	2,692	2,801	2,681	2,701
16. Interest Expense	107,644	114,451	106,588	99,720	119,167
17. Total Expense less Power	930,372	875,327	813,975	903,226	1,074,619
17a. Total Operating Cost	2,843,504	2,965,503	2,948,259	2,414,703	3,281,233
18. Operating Margins	246,957	348,512	439,924	915,625	155,946
19. Non-Operating Margins	4,007	5,291	(5,430)	3,413	4,320
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	56	454	810	0	28,247
22. Total Margins	251,020	354,257	435,304	919,038	188,513