

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 22, 2024

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 in person: President Warren D. Goetsch, Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Michael E. Patrick, Dennis Ryan, and Jodine Tate. Director Steve L. Worner and consultant George Lynch from the auditor's firm Kelso Lynch P.C. were present on the phone. Director Rex Muir, Jr. was absent. Also present were Director of Accounting & Finance Julie Atwater, Director of Member Services Trish Michels, Operations Manager Dalton Whitley, Engineering Manager Brady Smith, Attorney Charles K. Smith and General Manager Alisha Anker.

The Agenda of the meeting was read. 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 the Consensus Agenda be approved. Motion carried.

George Lynch of firm Kelso Lynch, P. C. reviewed the 2023 IRS Form 990 tax filing via Zoom. Following his presentation, George dropped off the call and left the meeting.

General Manager Anker advised that the Cooperative was applying for financial assistance in its efforts to resist an attempt by the Village of Riverton to serve a very limited number of current Menard Electric members if annexation into the Village was properly ordained. She advised that the application was for assistance from the CFC Integrity Fund grant program in the amount of \$3,656.25. It was moved and seconded the following Resolution be adopted:

See Exhibit A, which is a copy of said Resolution, attached hereto and incorporated herein by reference.

Motion carried.

General Manager Anker introduced Members of the Cooperative Staff to present their

respective proposed 2025 Budgets. Director of Member Services Trish Michels presented the Insurance Budget and the Member Services Budget. Manager Anker submitted the Directors' Budget and the Manager's Budget. Operations Manager Dalton Whitley presented the Operations Department Budget. Engineering Manager Brady Smith presented the Engineering Department Budget, including the Right of Way Forestry Budget. Director of Accounting & Finance Julie Atwater presented the Accounting and Finance Department Budget. General Manager Anker presented the Prairie Power Financial Forecast and the Purchase Power Budget. Director of Accounting & Finance Julie Atwater, Operations Manager Dalton Whitley and Engineering Manager Brady Smith presented the 2025 Capital Budget. General Manager Anker and Director of Accounting & Finance Julie Atwater presented the 2025 Revenue Assumptions, which are inadequate to satisfy financial covenants of the Mortgage. It was moved and seconded that General Manager Anker and Staff further review revenue structure alternatives and provide options for rate increase implementation for the coming year based on the previous Rate Study at the next Board meeting. Motion carried. Those Members of the Cooperative Staff all exited the Board room.

General Manager Anker presented the Manager's Report for September, 2024. She reviewed the Operating Statement, Balance Sheet and Budget. General Manager Anker presented the Member Services Report, past due notices, generated cut-off tickets and write-offs. She reviewed the Operations Report and Reliability Report for the Month and advised there were 43 incidents, the longest duration of an outage was 155 minutes, total member outage minutes were 19,587.70 and largest number of Members affected by a single outage was 102. General Manager Anker advised there was no Safety Meeting held as a result of the Cooperative participating in Mutual Aid assistance to Georgia. General Manager Anker discussed the contents of the Connect Newsletter. She reviewed correspondence from an entity which had received funds through the Sharing Success Program. She reviewed the Order received from the Illinois Commerce Commission, which was from a joint petition with Ameren IL for approval of the release of two (2) Cooperative members and one (1) Ameren customer. She advised that the Commission found that consent and approval of the releases was in the public interest and should be granted. It was moved and seconded the Manager's Report be approved. Motion carried.

Director Tate advised that the Policy/ByLaws Committee had reviewed proposed changes to Policies and recommended that certain Policies be terminated for reasons discussed in Committee. It was moved and seconded that the proposed changes to the Policies, as recommended by the Committee, be adopted and approved. Motion carried.

Director 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 November 26, 2024 at 8:00 a.m.

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

EXHIBIT A

RESOLUTION FOR INTEGRITY FUND APPLICATION

WHEREAS, the Board President and the Board Secretary of Menard Electric Cooperative do hereby certify that the following is a true and correct copy of a resolution adopted at a regular meeting of the board of directors held on October 22, 2024; and

WHEREAS, the board of directors of Menard Electric Cooperative is applying to the Cooperative System Integrity Fund for assistance in efforts to resist an attempt by the Village of Riverton, IL to the threat of this competing entity taking from the cooperative its right to provide electric service to specifically identified members and further violating the terms and conditions of a Service Area Agreement established in 2019 to reduce if not eliminate threats from this competing entity to acquire electric facilities owned and operated by the cooperative; and,

WHEREAS, the Board of Directors of Menard Electric Cooperative has developed a detailed estimate of expenditures for efforts to resist this threat in the amount of \$7,312.50.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Menard Electric Cooperative wish to be granted assistance from the Integrity Fund in the amount of \$3,656.25.

Such resolution has not been rescinded, modified or amended and is now in full force and effect.

Dated this 22nd day of October, 2024.


Board President

COPY

ATTEST:


Secretary
Menard Electric Cooperative

[SEAL]

MENARD ELECTRIC COOPERATIVE
MONTHLY OPERATING REPORT

	Year to Date			September 2024		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	26,365,067	25,241,706	27,101,864	(1,860,158)	3,032,508	3,004,960	2,816,595	188,365
kWhr Sold	159,269,807	142,252,721	154,574,674	(12,321,953)	16,181,304	15,015,160	16,583,610	(1,568,450)
2. Cost of Power	14,767,648	12,142,568	14,077,628	1,935,060	1,771,999	1,541,701	1,730,515	188,814
kWhr Purchased	171,721,498	153,599,077	166,121,713	12,522,636	17,473,139	16,563,755	17,804,644	1,240,889
3. Operation Expense	947,265	2,012,979	1,840,965	(172,014)	141,933	142,420	195,635	53,215
4. Maintenance Expense	2,462,261	2,765,701	2,788,256	22,555	232,556	391,320	282,276	(109,044)
5. Consumer Accounts & Coll. Exp.	373,998	423,746	569,960	146,214	42,651	60,960	62,093	1,133
6. Member Service Expense	241,761	257,919	231,971	(25,948)	33,226	24,838	24,544	(294)
7. General Office Expense	427,906	450,098	418,884	(31,214)	43,407	46,372	46,871	499
8. Outside Professional Services	74,329	35,592	49,250	13,658	4,889	2,340	4,267	1,927
9. Insurance, Employee & Welfare	17,423	13,673	12,780	(893)	1,777	501	1,420	919
10. Director's Fee & Mileage	92,555	97,693	114,437	16,744	6,409	4,875	8,463	3,588
11. Dues - Assoc. Organizations	99,323	103,233	105,835	2,603	11,583	11,244	12,110	866
12. Other Misc. General Expense	335,912	281,862	324,271	42,409	22,961	27,646	30,435	2,789
13. Depreciation Expense	1,931,235	2,111,061	2,095,335	(15,726)	222,809	239,034	234,415	(4,619)
14. Tax Expense - Property	240,331	251,325	251,325	0	26,695	27,925	27,925	0
15. Tax Expense - Other	21,794	20,627	22,180	1,553	2,453	2,464	2,500	36
16. Interest Expense on L-T Debt	1,027,251	1,168,414	1,153,777	(14,637)	121,174	126,498	130,408	3,910
17. Total Expense less Power	8,293,343	9,993,924	9,979,226	(14,698)	914,525	1,108,437	1,063,362	(45,075)
17a. Total Operating Cost	23,060,991	22,136,492	24,056,854	1,920,362	2,686,524	2,650,138	2,793,877	143,739
18. Operating Margins	3,304,077	3,105,214	3,045,010	60,204	345,984	354,822	22,718	332,104
19. Non-Operating Margins	26,592	91,428	32,400	59,028	5,382	5,781	3,600	2,181
20. G & T Capital Credits	1,069,288	1,089,229	1,000,000	89,229	0	0	0	0
21. Other Capital Credits	198,663	172,618	162,725	9,893	95,786	81,452	3,675	77,777
22. Total Margins	4,598,619	4,458,489	4,240,135	218,354	447,153	442,055	29,993	412,062

Balance Sheet Analysis

Menard Electric Coop

9/30/2023 - 09/30/2024

17-Oct-24

	Prior Yr Balance 9/30/2023	Current Yr Balance 09/30/2024	End of Yr Balance 12/31/2023	Change YTD
ASSETS:				
Utility Plant in Service	86,904,606	91,045,312	88,570,600	2,474,712
Construction Work in Process	842,937	1,108,387	556,703	551,684
Total Utility Plant in Service	87,747,543	92,153,699	89,127,303	3,026,396
Accumulated Depreciation	(24,248,805)	(25,014,989)	(24,461,555)	(553,434)
Net Utility Plant	63,498,738	67,138,710	64,665,748	2,472,962
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	15,582,061	16,767,219	15,585,044	1,182,175
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	680,032	680,032	680,032	0
Investments in Economic Dev. Projects				0
Other Investments	0	0	0	0
Special Funds	163,750	192,673	221,564	(28,891)
Total Other Prop. & Investments	16,425,843	17,639,924	16,486,640	1,153,284
Cash-General Funds	1,228,350	778,078	714,205	63,873
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,147	3,011	3,355	(344)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,388,712	3,412,095	2,837,618	574,477
Accounts Receivable-Net-Other	(2,756)	(2,743)	(2,061)	(682)
Materials & Supplies	1,659,212	845,386	1,681,309	(835,923)
Prepayments	70,982	200,939	200,164	775
Other Current & Accrued Assets	15,883	15,840	9,163	6,677
Total Current & Accrued Assets	6,363,984	5,253,060	5,444,207	(191,147)
Regulatory Assets	0	131,084	154,217	(23,133)
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	86,288,565	90,162,778	86,750,812	3,411,966
OWNER'S EQUITY:				
Memberships	336,045	343,195	337,870	5,325
Patronage Capital	28,677,002	30,134,578	28,635,881	1,498,697
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	4,598,620	4,458,490	2,598,289	1,860,201
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,212,032	3,310,999	3,159,752	151,247
Total Margins & Equities	36,823,699	38,247,262	34,731,792	3,515,470
LIABILITIES:				
Long Term Debt-RUS	670,404	597,970	652,418	(54,448)
Long Term Debt Other - RUS Guar.	35,028,821	38,035,703	34,791,746	3,243,957
Long Term Debt - Other	9,214,187	8,339,506	9,014,640	(675,134)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	44,913,412	46,973,179	44,458,804	2,514,375
Accumulated Operating Provisions	792,034	923,702	911,816	11,886
Total Other Noncurrent Liabilities	792,034	923,702	911,816	11,886
Notes Payable	0	500,000	1,000,000	(500,000)
Accounts Payable	2,281,542	2,007,917	3,909,104	(1,901,187)
Deposits	230,448	232,048	231,292	756
Other Current & Accrued Liabilities	483,835	424,125	495,650	(71,525)
Total Current & Accrued Liabilities	2,995,825	3,164,090	5,636,046	(2,471,956)
Deferred Credits	763,595	854,545	1,012,354	(157,809)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	86,288,565	90,162,778	86,750,812	3,411,966

MENARD ELECTRIC COOPERATIVE

	This Month				
	September20	September21	September22	September23	September24
1. Operating Revenue	2,369,415	2,806,058	2,752,479	3,032,508	3,004,960
kWhr Sold	14,386,679	17,219,356	16,280,473	16,181,304	15,015,160
2. Cost of Power	1,293,036	1,503,611	1,535,450	1,771,999	1,541,701
kWhr Purchased	15,577,225	18,674,451	17,479,817	17,473,139	16,563,755
3. Operation Expense	91,525	167,797	135,750	141,933	142,420
4. Maintenance Expense	279,579	275,140	237,547	232,556	391,320
5. Consumer Accounts & Coll. Exp.	27,476	32,329	43,222	42,651	60,960
6. Member Service Expense	15,101	18,073	23,547	33,226	24,838
7. General Office Expense	40,406	76,628	43,179	43,407	46,372
8. Outside Professional Services	1,530	1,875	7,205	4,889	2,340
9. Insurance, Employee & Welfare	556	241	1,173	1,777	501
10. Director's Fee & Mileage	5,103	10,962	7,282	6,409	4,875
11. Dues - Assoc. Organizations	11,772	11,788	11,012	11,583	11,244
12. Other Misc. General Expense	31,784	19,538	25,095	22,961	27,646
13. Depreciation Expense	195,108	199,047	208,880	222,809	239,034
14. Tax Expense - Property	24,025	24,925	26,025	26,695	27,925
15. Tax Expense - Other	3,556	2,253	2,262	2,453	2,464
16. Interest Expense	102,529	95,799	102,477	121,174	126,498
17. Total Expense less Power	830,050	936,395	874,656	914,523	1,108,437
17a. Total Operating Cost	2,123,086	2,440,006	2,410,106	2,686,522	2,650,138
18. Operating Margins	246,329	366,052	342,373	345,986	354,822
19. Non-Operating Margins	5,037	10,774	4,291	5,382	5,781
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	12	20,291	3,365	95,786	81,452
22. Total Margins	251,378	397,117	350,029	447,154	442,055