MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
OCTOBER 28, 2025

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, Rex Muir, Michael E. Patrick, Dennis Ryan, Jodine Tate, and Steve L. Worner. Also present were Attorney Kyle Barry, Engineering Manager Brady Smith, Director of Accounting & Finance Julie Atwater, Operations Manager Dalton Whitley, Director of Member Services Kim Kyes, HR Administrator & Exec Assistant Jessica McKinley 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.

General Manager Alisha Anker initiated the preliminary 2026 budget presentation. She first presented the 2026 Budget Operating Expense Summary. Next, Director of Accounting & Finance Julie Atwater discussed the projected costs for labor and benefits. She then discussed projections for the capital budget for 2026. Engineering Manager Brady Smith next discussed the work plan priority projects for 2026.

Engineering Manager Brady Smith, Director of Accounting & Finance Julie Atwater, Director of Member Services Kim Kyes, HR Administrator & Exec Assistant Jessica McKinley, and Operations Manager Dalton Whitley left the meeting.

General Manager Anker presented a revised proposed resolution to increase MEC's maximum debt limit. It was moved and seconded to approve the proposed resolution to increase the debt limit. Motion carried. See Exhibit A, which is a copy of the Resolution, attached hereto and incorporated herein by reference.

General Manager Anker presented the Manager's Report for September, 2025. 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 69 incidents, the longest duration of a single outage was 220 minutes due to a downed tree, the total member outage minutes were 44,513 and largest number of Members affected by a single outage was 79. General Manager Anker reviewed the outage causes. She reviewed the Safety Report and discussed the various topics for the Safety Meeting. She stated that personal harness fittings were performed for all Operations employees. Under the Safety Report, she advised that there was one injury reported for the month, but no lost time or days from work had occurred. General Manager Anker reviewed the contents of the Connect Newsletter. In Miscellaneous matters, GM Anker stated her desire to appoint Member Services Director Kim Kyes as the CRC alternate voting delegate. GM Anker next discussed a proxy ballot for the CoBank ByLaws. It was moved and seconded to instruct GM Anker to submit the CoBank ballot with an Aye vote for both measures. It was further moved and seconded the Manager's Report be approved. Motion carried.

Director Ryan reported as Chairman of the Finance Committee to discuss the general retirement of capital credits for 2025. Director Ryan stated that the Committee recommended a proposed resolution for retirement of capital credits allocated to members for patronage during 2004 and 2005. It was moved and seconded that the resolution for retirement of capital credits be adopted and approved. Motion carried. See Exhibit B, which is a copy of the Resolution, attached hereto and incorporated herein by reference.

Director Patrick reported as Chairman of the Labor Committee to advise that the committee provided recommendations to GM Anker regarding a cost-of-living salary increases and merit bonuses for non-union employees. It was moved and seconded that the proposed recommendations be adopted and approved. Motion carried.

President Goetsch reported on the October AIEC monthly meeting. President Goetsch advised that AIEC will host a meeting for board chairs on January 9, 2026 and a virtual Q&A with MISO on January 16, 2026.

Director Martin reported on Prairie Power, Inc. including a power supply update and an update on PPI's financial forecast. He reviewed the President's Report and the Energy Charge Summary.

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 November 25, 2025 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,

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Secretary

____

President

____

Date

<u>**RESOLUTION**</u>

WHEREAS, the Cooperative membership resolved on June 4, 2016 that the Board of Directors shall have the full power and authorization to incur indebtedness and to mortgage all the property of the Cooperative, then owned and thereafter acquired, to secure such loans for and on behalf of the Cooperative, and to from time to time incur any indebtedness by the assumption of indebtedness of third parties in such amounts and upon such terms as the Board of Directors shall deem advisable for the purpose of the Cooperative; and,

WHEREAS, the Restated Mortgage and Security Agreement dated July 1, 2021 made by and among the Cooperative (as Mortgagor), and the United States of America and CoBank, ACB (each, a Mortgagee) requires that the Notes secured by the Mortgage at any one time shall not, in the aggregate principal amount, exceed the defined Maximum Debt Limit of Eighty Million Dollars ($80,000,000.00); and,

WHEREAS, the aggregate principal amount of all secured Notes held at this time by the Cooperative is approximately yet does not exceed Seventy-One Million Dollars ($71,000,000.00); and,

WHEREAS, the Board of Directors has determined that it is in the best interest of the Cooperative to apply for additional secured Notes having a principal amount not to exceed Thirty-Three Million Dollars ($33,000,000.00) for purposes of the 2026-2029 Work Plan.

NOW, THEREFORE BE IT RESOLVED, the Board of Directors of Menard Electric Cooperative does hereby authorize an increase in the Cooperative's Maximum Debt Limit by an amount not to exceed Thirty Million Dollars ($30,000,000.00), in order to establish a defined Maximum Debt Limit in which the aggregate principal amount shall not exceed One Hundred Ten Million Dollars ($110,000,000.00).

Approved this 28th day of October, 2025.

Warren D. Goetsch

Board President

Board Secretary

<u>RESOLUTION FOR RETIREMENT OF CAPITAL CREDITS</u>

WHEREAS, Menard Electric Cooperative's 2024 audited Total Margins were $3,279,984, of which the audited Operating Margins were $1,917,331; and,

WHEREAS, Menard Electric Cooperative's Equity on December 31, 2024 was 41.12%; and,

WHEREAS, The Cooperative's Board of Directors resolved on January 23, 2025 to perform a special retirement of Capital Credits for member estates up to $250,000 during calendar year 2025; and

WHEREAS, the Cooperative's Board of Directors desires to perform a general retirement during calendar year 2025 for Capital Credits allocated to members based on their patronage in 2004 and a portion of 2005 totaling an approximate amount not to exceed $750,000; and,

WHEREAS, Menard Electric Cooperative's equity will be approximately 40.6% after a general retirement of approximately $750,000 and a special retirement of approximately $250,000 in Capital Credits.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Menard Electric Cooperative now wish to declare the general retirement of capital credits allocated to members for the balance of 2004 and a portion of 2005 totaling an amount not to exceed $750,000, and when aggregated with the previously resolved special retirement of capital credits to member estates not to exceed $250,000, the total capital credit retirement during calendar year 2025 shall not exceed $1,000,000.

Secretary

10/28/2025
Date

MENARD ELECTRIC COOPERATIVE

MONTHLY OPERATING REPORT

	Year to Date				September 2025	This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	25,241,706	26,664,557	26,925,589	(261,032)	3,004,960	3,104,876	2,884,234	220,642
kWhr Sold	142,163,716	137,701,872	135,225,682	2,476,190	15,015,160	15,514,280	14,335,618	1,178,662
2. Cost of Power	12,142,568	13,341,452	14,205,266	863,814	1,541,701	1,739,190	1,682,826	(56,364)
kWhr Purchased	153,599,077	149,404,122	146,980,208	(2,423,914)	16,563,755	17,191,571	15,555,847	(1,635,724)
3. Operation Expense	2,012,979	2,246,058	2,014,918	(231,140)	142,420	210,490	227,980	17,490
4. Maintenance Expense	2,765,701	2,348,994	2,713,017	364,023	391,320	282,059	314,323	32,264
5. Consumer Accounts & Coll. Exp.	423,746	529,112	480,919	(48,193)	60,960	48,889	52,683	3,794
6. Member Service Expense	257,919	246,755	295,078	48,323	24,838	27,840	32,225	4,385
7. General Office Expense	450,098	639,708	648,264	8,556	46,372	77,445	71,522	(5,923)
8. Outside Professional Services	35,592	53,798	44,503	(9,295)	2,340	10,000	3,667	(6,333)
9. Insurance, Employee & Welfare	13,673	13,200	18,740	5,540	501	1,767	1,860	93
10. Director's Fee & Mileage	97,693	80,477	138,792	58,315	4,875	6,319	10,419	4,100
11. Dues - Assoc. Organizations	103,233	98,710	107,106	8,396	11,244	10,415	11,712	1,297
12. Other Misc. General Expense	281,862	223,128	303,976	80,848	27,646	20,756	25,853	5,097
13. Depreciation Expense	2,111,061	2,174,181	2,206,166	31,985	239,034	243,853	247,801	3,948
14. Tax Expense - Property	251,325	273,780	273,780	0	27,925	30,420	30,420	0
15. Tax Expense - Other	20,627	21,685	21,285	(400)	2,464	2,514	2,226	(288)
16. Interest Expense on L-T Debt	1,168,414	1,290,132	1,311,829	21,697	126,498	145,443	149,281	3,838
17. Total Expense less Power	9,993,924	10,239,717	10,578,373	338,656	1,108,437	1,118,211	1,181,972	63,761
17a. Total Operating Cost	22,136,492	23,581,169	24,783,639	1,202,470	2,650,138	2,857,401	2,864,798	7,397
18. Operating Margins	**3,105,214**	**3,083,388**	**2,141,950**	**941,438**	**354,822**	**247,475**	**19,436**	**228,039**
19. Non-Operating Margins	91,428	(9,996)	20,484	(30,480)	5,781	4,374	2,247	2,127
20. G & T Capital Credits	1,089,229	1,079,317	1,000,000	79,317	0	0	0	0
21. Other Capital Credits	172,618	146,071	155,200	(9,129)	81,452	48,971	79,200	(30,229)
22. Total Margins	**4,458,489**	**4,298,781**	**3,317,634**	**981,146**	**442,055**	**300,820**	**100,883**	**199,937**

REA Form 7 IL 21 Menard

Balance Sheet Analysis Menard Electric Coop

9/30/2024 - 9/30/2025 15-Oct-25

	Prior Yr Balance 9/30/2024	Current Yr Balance 9/30/2025	End of Yr Balance 12/31/2024	Change YTD
ASSETS:				
Utility Plant in Service	91,045,312	94,069,167	91,761,758	2,307,409
Construction Work in Process	1,108,387	1,502,449	1,035,749	466,700
Total Utility Plant in Service	92,153,699	95,571,616	92,797,507	2,774,109
Accumulated Depreciation	(25,014,989)	(25,302,420)	(25,244,550)	(57,870)
Net Utility Plant	**67,138,710**	**70,269,196**	**67,552,957**	**2,716,239**
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	16,767,219	17,911,383	16,761,374	1,150,009
Inv.in Assoc.Org.- General Funds	0	0	0	0
Inv.in Assoc.Org.-Non Gen Funds	680,032	680,070	680,070	0
Investments in Economic Dev. Projects	0	0	0	0
Other Investments	0	0	0	0
Special Funds	192,673	213,097	233,275	(20,178)
Total Other Prop. & Investments	**17,639,924**	**18,804,550**	**17,674,719**	**1,129,831**
Cash-General Funds	778,078	1,300,415	659,147	641,268
Cash-Constr.Fund Trustee	454	0	454	(454)
Special Deposits	3,011	4,278	3,602	676
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	3,412,095	3,841,456	2,854,685	986,771
Accounts Receivable-Net-Other	(2,743)	(3,823)	3,561	(7,384)
Materials & Supplies	845,386	902,503	906,449	(3,946)
Prepayments	200,939	250,090	331,486	(81,396)
Other Current & Accrued Assets	15,840	15,883	9,784	6,099
Total Current & Accrued Assets	**5,253,060**	**6,310,802**	**4,769,168**	**1,541,634**
Regulatory Assets	131,084	210,903	259,573	(48,670)
Deferred Debits	**0**	**0**	**0**	**0**
TOTAL ASSETS & OTHER DEBITS	**90,162,778**	**95,595,451**	**90,256,417**	**5,339,034**
OWNER'S EQUITY:				
Memberships	343,195	230,083	344,995	(114,912)
Patronage Capital	30,134,578	33,241,493	30,098,573	3,142,920
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	4,458,490	4,298,781	3,279,984	1,018,797
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,310,999	3,564,900	3,296,082	268,818
Total Margins & Equities	**38,247,262**	**41,335,257**	**37,019,634**	**4,315,623**
LIABILITIES:				
Long Term Debt-RUS	597,970	408,621	579,574	(170,953)
Long Term Debt Other - RUS Guar.	38,035,703	41,189,975	38,779,923	2,410,052
Long Term Debt - Other	8,339,506	7,570,546	8,129,794	(559,248)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	**46,973,179**	**49,169,142**	**47,489,291**	**1,679,851**
Accumulated Operating Provisions	923,702	1,090,058	1,044,747	45,311
Total Other Noncurrent Liabilities	**923,702**	**1,090,058**	**1,044,747**	**45,311**
Notes Payable	500,000	0	0	0
Accounts Payable	2,007,917	2,495,986	2,857,909	(361,923)
Deposits	232,048	234,126	232,883	1,243
Other Current & Accrued Liabilities	424,125	482,332	522,831	(40,499)
Total Current & Accrued Liabilities	**3,164,090**	**3,212,444**	**3,613,623**	**(401,179)**
Deferred Credits	**854,545**	**788,550**	**1,089,122**	**(300,572)**
Miscellaneous Operating Reserves				**0**
TOTAL LIAB.'S & OTHER CREDITS	**90,162,778**	**95,595,451**	**90,256,417**	**5,339,034**

	MENARD ELECTRIC COOPERATIVE				
			This Month		
	September21	September22	September23	September24	September25
1. Operating Revenue	2,806,058	2,752,479	3,032,508	3,004,960	3,104,876
kWhr Sold	17,219,356	16,280,473	16,181,304	15,015,160	15,514,280
2. Cost of Power	1,503,611	1,535,450	1,771,999	1,541,701	1,739,190
kWhr Purchased	18,674,451	17,479,817	17,473,139	16,563,755	17,191,571
3. Operation Expense	167,797	135,750	141,933	142,420	210,490
4. Maintenance Expense	275,140	237,547	232,556	391,320	282,059
5. Consumer Accounts & Coll. Exp.	32,329	43,222	42,651	60,960	48,889
6. Member Service Expense	18,073	23,547	33,226	24,838	27,840
7. General Office Expense	76,628	43,179	43,407	46,372	77,445
8. Outside Professional Services	1,875	7,205	4,889	2,340	10,000
9. Insurance, Employee & Welfare	241	1,173	1,777	501	1,767
10. Director's Fee & Mileage	10,962	7,282	6,409	4,875	6,319
11. Dues - Assoc. Organizations	11,788	11,012	11,583	11,244	10,415
12. Other Misc. General Expense	19,538	25,095	22,961	27,646	20,756
13. Depreciation Expense	199,047	208,880	222,809	239,034	243,853
14. Tax Expense - Property	24,925	26,025	26,695	27,925	30,420
15. Tax Expense - Other	2,253	2,262	2,453	2,464	2,514
16. Interest Expense	95,799	102,477	121,174	126,498	145,443
17. Total Expense less Power	936,395	874,656	914,523	1,108,437	1,118,210
17a. Total Operating Cost	2,440,006	2,410,106	2,686,522	2,650,138	2,857,400
18. Operating Margins	366,052	342,373	345,986	354,822	247,476
19. Non-Operating Margins	10,774	4,291	5,382	5,781	4,374
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	20,291	3,365	95,786	81,452	48,971
22. Total Margins	397,117	350,029	447,154	442,055	300,821