

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
MENARD ELECTRIC COOPERATIVE  
PETERSBURG, ILLINOIS  
NOVEMBER 29, 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 Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steve L. Worner. Director D. Jay Frye absent. Also present were General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There were no 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.

General Manager Anker discussed the 2023 Budget in light of PPI rate increase forecasts. General Manager Anker advised that she met with Members of the Irrigation Committee last week and that the Committee had reviewed the previous Cost of Service Study and a 2023 Rate Component Adjustment was discussed. No formal action was taken; the Committee will meet again to present recommendations at the next Board Meeting. After further discussion, it was moved and seconded that the Cooperative defer 2.3 mils per purchased kWh during 2022 to PPI for use in 2023. Motion carried. It was moved and seconded to establish 2023 Revenue Deferral at 0.0 mils per purchased kWh. No further action was taken with regard to the Budget.

General Manager Anker discussed the 2022 Member Survey results and did an overview of those results.

General Manager Anker presented the Manager's Report for October, 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 60 incidents, the longest duration of an outage was 313 minutes, total member-hours affected were 426.1 and largest number of Members affected by a single outage was 60. The cause of the outage was reviewed. General Manager Anker advised that there were 4 solar installations for the month. She presented the Irrigation Report. General Manager Anker presented the Safety Report. She advised that there were no injuries to report. General Manager Anker reviewed the Education and Course Event Attendance Report. She reviewed the contents of the Connect Newsletter. President Goetsch advised that it was necessary to appoint a Delegate

to the ICWCG/RSI Annual Meeting. It was moved and seconded that Director Frye be named the primary Delegate with Director of Member Services Trish Michels as the Alternate. Motion carried. General Manager Anker advised that there was a request for a contribution to the CFC Integrity Fund. She advised that last year the Cooperative had donated \$500.00 to the Fund. It was moved and seconded that the Cooperative contribute \$500.00 to the CFC Integrity Fund. Motion carried. It was moved and seconded the Manager's Report be approved as presented. Motion carried.

Committee Chairman Steve Worner advised that the topics discussed in the Irrigation Committee Report had already been discussed earlier in the Meeting with regard to the 2023 Budget discussion.

President Goetsch reported on AIEC Activities and advised that Craig Sondgeroth had been selected as the next CEO of the AIEC.

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 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 and that the Board adopt and ratify the actions taken in the Executive Session Meeting. Motion carried.

President Goetsch advised the next regular Board Meeting was scheduled for Thursday, December 22, 2022, at 8:30 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

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President

**MENARD ELECTRIC COOPERATIVE**  
**MONTHLY OPERATING REPORT**

|                                   | Year to Date     |                  |                  | October 2022   |                | This Month     |                |                |
|-----------------------------------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|
|                                   | Last Year        | This Year        | Budget           | Variance       | Last Year      | This Year      | Budget         | Variance       |
| 1. Operating Revenue              | 25,069,782       | 25,953,411       | 25,862,506       | 90,905         | 2,490,122      | 2,527,234      | 2,455,293      | 71,941         |
| kWhr Sold                         | 164,772,268      | 172,036,637      | 168,057,916      | 3,978,721      | 14,656,236     | 14,385,000     | 14,689,119     | (304,119)      |
| 2. Cost of Power                  | 13,455,454       | 14,327,988       | 14,255,049       | (72,939)       | 1,274,537      | 1,386,797      | 1,350,279      | (36,518)       |
| kWhr Purchased                    | 178,299,211      | 185,827,118      | 181,057,260      | (4,769,858)    | 15,770,760     | 15,712,237     | 16,195,268     | 483,031        |
| 3. Operation Expense              | 1,444,641        | 1,684,210        | 1,563,238        | (120,972)      | 190,646        | 167,617        | 160,036        | (7,581)        |
| 4. Maintenance Expense            | 2,699,424        | 2,730,231        | 2,916,750        | 186,519        | 257,220        | 249,551        | 259,000        | 9,449          |
| 5. Consumer Accounts & Coll. Exp. | 363,063          | 383,359          | 412,001          | 28,642         | 53,507         | 57,649         | 39,187         | (18,462)       |
| 6. Member Service Expense         | 167,282          | 224,548          | 224,428          | (120)          | 16,379         | 21,178         | 22,380         | 1,202          |
| 7. General Office Expense         | 638,567          | 523,338          | 479,884          | (43,454)       | 90,163         | 65,223         | 47,311         | (17,912)       |
| 8. Outside Professional Services  | 31,459           | 33,597           | 61,530           | 27,933         | 0              | 6,200          | 4,083          | (2,117)        |
| 9. Insurance, Employee & Welfare  | (18,518)         | 3,645            | 4,000            | 355            | (3,692)        | 1,043          | 400            | (643)          |
| 10. Director's Fee & Mileage      | 68,988           | 104,879          | 76,422           | (28,457)       | 3,843          | 4,785          | 6,127          | 1,342          |
| 11. Dues - Assoc. Organizations   | 117,784          | 113,778          | 123,500          | 9,722          | 11,788         | 10,762         | 12,725         | 1,963          |
| 12. Other Misc. General Expense   | 328,273          | 329,857          | 330,394          | 538            | 46,096         | 27,943         | 22,077         | (5,866)        |
| 13. Depreciation Expense          | 1,982,437        | 2,047,297        | 2,059,104        | 11,807         | 198,764        | 209,975        | 212,271        | 2,296          |
| 14. Tax Expense - Property        | 246,735          | 263,281          | 260,250          | (3,031)        | 22,410         | 26,025         | 26,025         | 0              |
| 15. Tax Expense - Other           | 20,674           | 29,570           | 22,510           | (7,060)        | 2,079          | 2,070          | 2,146          | 76             |
| 16. Interest Expense on L-T Debt  | 985,309          | 993,511          | 991,550          | (1,961)        | 98,468         | 105,272        | 103,384        | (1,888)        |
| 17. Total Expense less Power      | 9,076,118        | 9,465,100        | 9,525,561        | 60,461         | 987,672        | 955,293        | 917,152        | (38,141)       |
| 17a. Total Operating Cost         | 22,531,572       | 23,793,088       | 23,780,610       | (12,478)       | 2,262,210      | 2,342,090      | 2,267,431      | (74,659)       |
| <b>18. Operating Margins</b>      | <b>2,538,211</b> | <b>2,160,323</b> | <b>2,081,896</b> | <b>78,427</b>  | <b>227,912</b> | <b>185,144</b> | <b>187,862</b> | <b>(2,718)</b> |
| 19. Non-Operating Margins         | 853,660          | 49,635           | 36,000           | 13,635         | 4,266          | 4,108          | 3,600          | 508            |
| 20. G & T Capital Credits         | 1,092,798        | 1,062,294        | 1,000,000        | 62,294         | 0              | 0              | 0              | 0              |
| 21. Other Capital Credits         | 161,532          | 168,656          | 90,000           | 78,656         | 653            | 0              | 0              | 0              |
| <b>22. Total Margins</b>          | <b>4,646,201</b> | <b>3,440,907</b> | <b>3,207,896</b> | <b>233,011</b> | <b>232,831</b> | <b>189,252</b> | <b>191,462</b> | <b>(2,210)</b> |

Balance Sheet Analysis

Menard Electric Coop

10/31/2021 - 10/31/2022

23-Nov-22

|  | Prior Yr<br>Balance<br>10/31/2021 | Current Yr<br>Balance<br>10/31/2022 | End of Yr<br>Balance<br>12/31/2021 | Change<br>YTD      |
|--|-----------------------------------|-------------------------------------|------------------------------------|--------------------|
| <b>ASSETS:</b>                                 |                                   |                                     |                                    |                    |
| Utility Plant in Service                       | 78,055,300                        | 82,831,825                          | 79,123,303                         | 3,708,522          |
| Construction Work in Process                   | 2,246,888                         | 447,475                             | 1,291,261                          | (843,786)          |
| Total Utility Plant in Service                 | 80,302,188                        | 83,279,300                          | 80,414,564                         | 2,864,736          |
| Accumulated Depreciation                       | (24,768,784)                      | (24,975,560)                        | (24,277,381)                       | (698,179)          |
| <b>Net Utility Plant</b>                       | <b>55,533,404</b>                 | <b>58,303,740</b>                   | <b>56,137,183</b>                  | <b>2,166,557</b>   |
| Nonutility Property - Net                      |                                   |                                     |                                    | 0                  |
| Inv.in Assoc.Org.-Pat.Cap.                     | 13,271,310                        | 14,404,518                          | 13,266,945                         | 1,137,573          |
| 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                              | 1,408,605                         | 704,305                             | 1,408,605                          | (704,300)          |
| Special Funds                                  | 260,143                           | 242,855                             | 284,884                            | (42,029)           |
| <b>Total Other Prop. &amp; Investments</b>     | <b>15,621,190</b>                 | <b>16,032,710</b>                   | <b>15,641,566</b>                  | <b>391,144</b>     |
| Cash-General Funds                             | 569,983                           | 639,336                             | 711,595                            | (72,259)           |
| Cash-Constr.Fund Trustee                       | 454                               | 454                                 | 454                                | 0                  |
| Special Deposits                               | 3,738                             | 9,022                               | 2,891                              | 6,131              |
| Temporary Investments                          | 0                                 | 0                                   | 0                                  | 0                  |
| Notes Receivable - Net                         | 0                                 | 0                                   | 0                                  | 0                  |
| Accounts Receivable-Net-Energy                 | 2,654,422                         | 2,700,674                           | 2,451,975                          | 248,699            |
| Accounts Receivable-Net-Other                  | 155,752                           | (1,629)                             | 23,565                             | (25,194)           |
| Materials & Supplies                           | 852,308                           | 1,554,451                           | 747,887                            | 806,564            |
| Prepayments                                    | 130,320                           | 120,466                             | 192,782                            | (72,316)           |
| Other Current & Accrued Assets                 | 2,691                             | 2,691                               | 7,985                              | (5,294)            |
| <b>Total Current &amp; Accrued Assets</b>      | <b>4,369,668</b>                  | <b>5,025,465</b>                    | <b>4,139,134</b>                   | <b>886,331</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>75,524,262</b>                 | <b>79,361,915</b>                   | <b>75,917,883</b>                  | <b>3,444,032</b>   |
| <b>OWNER'S EQUITY:</b>                         |                                   |                                     |                                    |                    |
| Memberships                                    | 320,070                           | 328,765                             | 321,540                            | 7,225              |
| Patronage Capital                              | 26,405,751                        | 27,908,843                          | 26,361,694                         | 1,547,149          |
| Operating Margins-Prior Years                  | 0                                 | 0                                   | 0                                  | 0                  |
| Operating Margins-Current Year                 | 4,646,204                         | 3,440,908                           | 2,782,379                          | 658,529            |
| Non-Operating Margins                          | 0                                 | 0                                   | 0                                  | 0                  |
| Other Margins & Equities                       | 2,959,122                         | 3,155,659                           | 2,980,966                          | 174,693            |
| <b>Total Margins &amp; Equities</b>            | <b>34,331,147</b>                 | <b>34,834,175</b>                   | <b>32,446,579</b>                  | <b>2,387,596</b>   |
| <b>LIABILITIES:</b>                            |                                   |                                     |                                    |                    |
| Long Term Debt-RUS                             | 805,376                           | 736,034                             | 794,120                            | (58,086)           |
| Long Term Debt Other - RUS Guar.               | 24,290,831                        | 29,986,967                          | 25,866,804                         | 4,120,163          |
| Long Term Debt - Other                         | 10,902,850                        | 9,788,475                           | 10,627,351                         | (838,876)          |
| Long Term Debt Other - Adv Payments            | 0                                 | 0                                   | 0                                  | 0                  |
| <b>Total Long Term Debt</b>                    | <b>35,999,057</b>                 | <b>40,511,476</b>                   | <b>37,288,275</b>                  | <b>3,223,201</b>   |
| Accumulated Operating Provisions               | 1,051,699                         | 1,094,519                           | 1,114,466                          | (19,947)           |
| <b>Total Other Noncurrent Liabilities</b>      | <b>1,051,699</b>                  | <b>1,094,519</b>                    | <b>1,114,466</b>                   | <b>(19,947)</b>    |
| Notes Payable                                  | 1,214,794                         | 0                                   | 325,000                            | (325,000)          |
| Accounts Payable                               | 1,998,337                         | 1,870,139                           | 3,299,660                          | (1,429,521)        |
| Deposits                                       | 186,650                           | 202,235                             | 188,770                            | 13,465             |
| Other Current & Accrued Liabilities            | 576,636                           | 623,187                             | 473,713                            | 149,474            |
| <b>Total Current &amp; Accrued Liabilities</b> | <b>3,976,417</b>                  | <b>2,695,561</b>                    | <b>4,287,143</b>                   | <b>(1,591,582)</b> |
| <b>Deferred Credits</b>                        | <b>165,942</b>                    | <b>226,184</b>                      | <b>781,420</b>                     | <b>(555,236)</b>   |
| <b>Miscellaneous Operating Reserves</b>        |                                   |                                     |                                    | <b>0</b>           |
| <b>TOTAL LIAB.'S &amp; OTHER CREDITS</b>       | <b>75,524,262</b>                 | <b>79,361,915</b>                   | <b>75,917,883</b>                  | <b>3,444,032</b>   |

## MENARD ELECTRIC COOPERATIVE

|                                   | This Month |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|------------|
|                                   | October18  | October19  | October20  | October21  | October22  |
| 1. Operating Revenue              | 2,466,809  | 2,542,885  | 2,476,278  | 2,490,122  | 2,527,234  |
| kWhr Sold                         | 15,139,453 | 15,832,147 | 15,446,493 | 14,656,236 | 14,385,000 |
| 2. Cost of Power                  | 1,382,015  | 1,433,362  | 1,266,660  | 1,274,537  | 1,386,797  |
| kWhr Purchased                    | 16,468,232 | 17,310,487 | 16,611,547 | 15,770,760 | 15,712,237 |
| 3. Operation Expense              | 106,849    | 77,719     | 169,650    | 190,646    | 167,617    |
| 4. Maintenance Expense            | 257,543    | 370,940    | 7,918      | 257,220    | 249,551    |
| 5. Consumer Accounts & Coll. Exp. | 44,343     | 31,830     | 44,679     | 53,507     | 57,649     |
| 6. Member Service Expense         | 14,072     | 16,735     | 17,858     | 16,379     | 21,178     |
| 7. General Office Expense         | 55,604     | 50,965     | 51,361     | 90,163     | 65,223     |
| 8. Outside Professional Services  | 1,465      | 5,128      | 1,520      | 0          | 6,200      |
| 9. Insurance, Employee & Welfare  | 972        | 742        | 200        | (3,692)    | 1,043      |
| 10. Director's Fee & Mileage      | 9,914      | 7,362      | 4,393      | 3,843      | 4,785      |
| 11. Dues - Assoc. Organizations   | 11,516     | 11,526     | 11,772     | 11,788     | 10,762     |
| 12. Other Misc. General Expense   | 30,379     | 28,118     | 14,052     | 46,096     | 27,943     |
| 13. Depreciation Expense          | 174,688    | 188,442    | 195,490    | 198,764    | 209,975    |
| 14. Tax Expense - Property        | 22,375     | 23,400     | 24,025     | 22,410     | 26,025     |
| 15. Tax Expense - Other           | 1,952      | 2,012      | 2,097      | 2,079      | 2,070      |
| 16. Interest Expense              | 106,564    | 104,570    | 105,333    | 98,468     | 105,272    |
| 17. Total Expense less Power      | 838,236    | 919,489    | 650,348    | 987,671    | 955,293    |
| 17a. Total Operating Cost         | 2,220,251  | 2,352,851  | 1,917,008  | 2,262,208  | 2,342,090  |
| <b>18. Operating Margins</b>      | 246,558    | 190,034    | 559,270    | 227,914    | 185,144    |
| 19. Non-Operating Margins         | 4,287      | (6,290)    | 3,901      | 4,266      | 4,108      |
| 20. G & T Capital Credits         | 0          | 0          | 0          | 0          | 0          |
| 21. Other Capital Credits         | 0          | 0          | 0          | 653        | 0          |
| <b>22. Total Margins</b>          | 250,845    | 183,744    | 563,171    | 232,833    | 189,252    |