

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
NOVEMBER 28, 2023

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 either in person or via zoom: President Warren D. Goetsch, Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, Jodine Tate and Steve L. Worner. Also present were Director of Accounting & Finance Julie Atwater, Director of Member Services Trish Michels, Operations Manager Dalton Whitley, Engineering Manager Brady Smith, General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. There was one addition being Reading of Minutes of Special Meeting of November 16, 2023. 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 introduced Members of the Cooperative Staff to present their respective proposed Budgets. Director of Accounting & Finance Julie Atwater presented the Accounting and Information Department Budget. Director of Member Services Trish Michels presented the Insurance Budget and the Member Services Budget. Operations Manager Dalton Whitley presented the Operations Department Budget. Engineering Manager Brady Smith presented the Right of Way and Engineering Department Budget. General Manager Anker submitted the Directors' Budget and the Manager's Budget.

General Manager Anker discussed the 2023 Prairie Power Revenue Deferral Plan and the Waiver Request Form for 2023, which is due December 1, 2023. She reviewed the 2024 Budget tiers, including rate scenarios with various options based on recommendations from the Cost of Service Study. It was agreed the Finance Committee would review and make a recommendation to the Board in January. It was moved and seconded that the Board elect to revise deferral by eliminating the Cooperative's full waiver. Motion carried. It was moved and seconded that the Cooperative seek a full waiver going into 2024, and defer 0 mills/kwh throughout the year. Motion carried.

General Manager Anker discussed the “VCAP” Agreement from NRECA, as sponsor for the Retirement Security Plan. She advised that “VCAP” stood for Voluntary Contribution Acceleration Program, which is a pre-pay program for the RS Plan. This allows the Cooperative to take advantage of a lower billing rate for a chosen discount period. General Manager Anker reviewed the estimated reduction in RS Plan billing rates with application of the “VCAP” amount. It was moved and seconded that the Program be adopted for an 8% reduction factor across a 5-year term and the “VCAP” election form be executed. Motion carried.

General Manager Anker presented the Manager’s Report for October, 2023. 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 49 incidents, the longest duration of an outage was 214 minutes, total member hours were 1152.4 and largest number of Members affected by a single outage was 172. General Manager Anker presented the Safety Report. She advised that the Safety Meeting was held on November 21, 2023 and there was no Guest Director. She advised of the meeting topics. General Manager Anker reviewed the contents of the Connect Newsletter. General Manager Anker reported on the FEMA Appeal decision for disaster 3577EM-IL. She discussed correspondence received from the Director of the Illinois Emergency Management Agency regarding the Cooperative’s Second Appeal. She advised that it had been determined by the Agency that Menard had demonstrated that work to repair its distribution system was an emergency protective measure and therefore, the Appeal was granted. General Manager Anker reviewed the Residential Facility charges for Illinois Cooperatives. She discussed an article from EnerStar Electric Cooperative and their investigation into the feasibility of providing access to Broadband internet. The article concluded that based on study results, the EnerStar Board and Management team regrettably determined that the financial risk was too sufficient for small Cooperatives and would not be economically viable at this time. General Manager Anker discussed the fact that seventeen (17) 2024 IEC Memorial Scholarships were available. She reported on correspondence received from Meridian Cooperatives with regard to a recent ransomware breach. The correspondence reported Menard Electric systems were not included in the compromise and outlined steps taken by Meridian to further secure Meridian’s Systems. There was discussion about the Annual Meetings for the Illinois Cooperative Worker’s Compensation Group and Roschdale Services, which both were to be held on December 13, 2023. It was moved and seconded that Director Frye be the Authorized Representative and Director of Member Services Trish Michels be the Alternate Authorized Representative for each Annual Meeting. Motion carried. General Manager Anker reviewed the NRECA Voting Delegate Form, which would name the Voting Delegate and Alternate Delegate at the NRECA Business Meetings during 2024. It was moved and seconded that Director Goetsch remain as the Primary Delegate and Director McMillan remain the Alternate. Motion carried. It was moved and seconded the Manager’s Report be approved as presented. Motion carried. Members of the Cooperative Staff all exited the Board room.

Director Tate presented the ByLaw Policy Committee Report. She advised that there had been a Meeting of the Bylaw Policy Committee. She discussed recommended changes by the

Committee as to various Policies. She advised that they had discussed the Policies: Metering Equipment, Continuity and Discontinuance of Service, Net Metering and Cooperative Credit for Excess Member-Generated Electric Energy, Group Hospitalization and Major Medical Plan, Health Savings Accounts, Paid Time Off and Short-Term Sick Bank, and Paid Leave for all Workers Act, which was a new Policy. She reviewed the recommended changes to those various Policies and establishment of the Paid Leave for All Workers Act Policy. It was moved and seconded that the changes, as proposed, and the establishment of the new Paid Leave for All Workers Act Policy, be approved by the Board, as presented to them by the Committee. Motion carried.

President 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 Friday, December 22, 2023 at 8:00 a.m.

Under other business, President Goetsch discussed the EV Strategy & Policy Considerations Class scheduled for Wednesday, November 29 at 9:00 a.m. and discussed the Sign-up for NRECA PowerExchange (Annual Meeting) on March 3-6, 2024.

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			October 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	25,953,411	29,261,147	29,277,624	(16,477)	2,527,234	2,896,080	2,663,609	232,471
kWhr Sold	172,036,637	173,257,556	169,920,407	3,337,149	14,385,000	13,987,749	15,090,019	(1,102,270)
2. Cost of Power	14,327,988	16,271,600	17,162,936	891,336	1,386,797	1,503,952	1,594,505	90,553
kWhr Purchased	185,827,118	186,888,012	183,160,100	(3,727,912)	15,712,237	15,166,514	16,094,000	927,486
3. Operation Expense	1,684,210	1,081,753	1,521,460	439,707	167,617	134,488	150,542	16,054
4. Maintenance Expense	2,730,231	2,797,409	3,126,082	328,673	249,551	335,148	306,094	(29,054)
5. Consumer Accounts & Coll. Exp.	383,359	421,093	493,025	71,932	57,649	47,096	63,602	16,506
6. Member Service Expense	224,548	265,032	249,663	(15,369)	21,178	23,271	24,484	1,213
7. General Office Expense	523,338	505,059	525,244	20,185	65,223	77,153	54,782	(22,371)
8. Outside Professional Services	33,597	83,209	85,470	2,261	6,200	8,880	7,117	(1,763)
9. Insurance, Employee & Welfare	3,645	18,596	8,575	(10,021)	1,043	1,173	825	(348)
10. Director's Fee & Mileage	104,879	96,972	111,717	14,745	4,785	4,417	5,216	799
11. Dues - Assoc. Organizations	113,778	110,907	114,634	3,727	10,762	11,583	12,223	640
12. Other Misc. General Expense	329,857	352,089	346,535	(5,554)	27,943	16,177	22,079	5,902
13. Depreciation Expense	2,047,297	2,157,183	2,162,566	5,383	209,975	225,948	219,867	(6,081)
14. Tax Expense - Property	263,281	267,420	266,950	(470)	26,025	27,090	26,695	(395)
15. Tax Expense - Other	29,570	24,127	23,631	(496)	2,070	2,333	2,124	(209)
16. Interest Expense on L-T Debt	993,511	1,140,901	1,171,446	30,545	105,272	113,651	33,562	(80,089)
17. Total Expense less Power	9,465,100	9,321,750	10,206,998	885,248	955,293	1,028,407	929,212	(99,195)
17a. Total Operating Cost	23,793,088	25,593,349	27,369,934	1,776,585	2,342,090	2,532,359	2,523,717	(8,642)
18. Operating Margins	2,160,323	3,667,798	1,907,690	1,760,108	185,144	363,721	139,892	223,829
19. Non-Operating Margins	49,635	33,420	36,000	(2,580)	4,108	6,828	3,600	3,228
20. G & T Capital Credits	1,062,294	1,069,288	1,000,000	69,288	0	0	0	0
21. Other Capital Credits	168,656	198,663	162,425	36,238	0	0	0	0
22. Total Margins	3,440,907	4,969,169	3,106,115	1,863,054	189,252	370,550	143,492	227,058

Balance Sheet Analysis

Menard Electric Coop

10/31/2022 - 10/31/2023

20-Nov-23

	Prior Yr Balance 10/31/2022	Current Yr Balance 10/31/2023	End of Yr Balance 12/31/2022	Change YTD
ASSETS:				
Utility Plant in Service	82,831,825	87,221,684	83,143,441	4,078,243
Construction Work in Process	447,475	974,911	888,872	86,039
Total Utility Plant in Service	83,279,300	88,196,595	84,032,313	4,164,282
Accumulated Depreciation	(24,975,560)	(24,403,439)	(25,129,442)	726,003
Net Utility Plant	58,303,740	63,793,156	58,902,871	4,890,285
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	14,404,518	15,582,061	14,405,851	1,176,210
Inv.in Assoc.Org.- General Funds				0
Inv.in Assoc.Org.-Non Gen Funds	681,032	680,032	680,032	0
Investments in Economic Dev. Projects				0
Other Investments	704,305	0	704,305	(704,305)
Special Funds	242,855	167,390	186,550	(19,160)
Total Other Prop. & Investments	16,032,710	16,429,483	15,976,738	452,745
Cash-General Funds	639,336	1,266,539	824,353	442,186
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	9,022	3,314	7,634	(4,320)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,700,674	3,124,098	2,732,388	391,710
Accounts Receivable-Net-Other	(1,629)	(1,368)	286	(1,654)
Materials & Supplies	1,554,451	1,592,138	1,473,956	118,182
Prepayments	120,466	85,106	192,105	(106,999)
Other Current & Accrued Assets	2,691	2,691	8,697	(6,006)
Total Current & Accrued Assets	5,025,465	6,072,972	5,239,873	833,099
Regulatory Assets	0	0	0	0
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	79,361,915	86,295,611	80,119,482	6,176,129
OWNER'S EQUITY:				
Memberships	328,765	336,765	330,120	6,645
Patronage Capital	27,908,843	28,667,934	27,884,522	783,412
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	3,440,908	4,969,169	1,968,911	3,000,258
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,155,659	3,211,877	2,988,750	223,127
Total Margins & Equities	34,834,175	37,185,745	33,172,303	4,013,442
LIABILITIES:				
Long Term Debt-RUS	736,034	664,441	724,061	(59,620)
Long Term Debt Other - RUS Guar.	29,986,967	35,028,821	29,808,066	5,220,755
Long Term Debt - Other	9,788,475	9,156,632	9,531,004	(374,372)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	40,511,476	44,849,894	40,063,131	4,786,763
Accumulated Operating Provisions	1,094,519	800,080	794,171	5,909
Total Other Noncurrent Liabilities	1,094,519	800,080	794,171	5,909
Notes Payable	0	0	1,300,000	(1,300,000)
Accounts Payable	1,870,139	1,850,446	3,147,089	(1,296,643)
Deposits	202,235	231,867	203,095	28,772
Other Current & Accrued Liabilities	623,187	610,055	509,949	100,106
Total Current & Accrued Liabilities	2,695,561	2,692,368	5,160,133	(2,467,765)
Deferred Credits	226,184	767,524	929,744	(162,220)
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	79,361,915	86,295,611	80,119,482	6,176,129

MENARD ELECTRIC COOPERATIVE

	This Month				
	October19	October20	October21	October22	October23
1. Operating Revenue	2,542,885	2,476,278	2,490,122	2,527,234	2,896,080
kWhr Sold	15,832,147	15,446,493	14,656,236	14,385,000	13,987,749
2. Cost of Power	1,433,362	1,266,660	1,274,537	1,386,797	1,503,952
kWhr Purchased	17,310,487	16,611,547	15,770,760	15,712,237	15,166,514
3. Operation Expense	77,719	169,650	190,646	167,617	134,488
4. Maintenance Expense	370,940	7,918	257,220	249,551	335,148
5. Consumer Accounts & Coll. Exp.	31,830	44,679	53,507	57,649	47,096
6. Member Service Expense	16,735	17,858	16,379	21,178	23,271
7. General Office Expense	50,965	51,361	90,163	65,223	77,153
8. Outside Professional Services	5,128	1,520	0	6,200	8,880
9. Insurance, Employee & Welfare	742	200	(3,692)	1,043	1,173
10. Director's Fee & Mileage	7,362	4,393	3,843	4,785	4,417
11. Dues - Assoc. Organizations	11,526	11,772	11,788	10,762	11,583
12. Other Misc. General Expense	28,118	14,052	46,096	27,943	16,177
13. Depreciation Expense	188,442	195,490	198,764	209,975	225,948
14. Tax Expense - Property	23,400	24,025	22,410	26,025	27,090
15. Tax Expense - Other	2,012	2,097	2,079	2,070	2,333
16. Interest Expense	104,570	105,333	98,468	105,272	113,651
17. Total Expense less Power	919,489	650,348	987,671	955,293	1,028,408
17a. Total Operating Cost	2,352,851	1,917,008	2,262,208	2,342,090	2,532,360
18. Operating Margins	190,034	559,270	227,914	185,144	363,720
19. Non-Operating Margins	(6,290)	3,901	4,266	4,108	6,828
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	653	0	0
22. Total Margins	183,744	563,171	232,833	189,252	370,548