

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JANUARY 30, 2024

The monthly Board Meeting of the Board of Directors of Menard Electric Cooperative was called to order at 8:00 A.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: Directors D. Jay Frye, Gary Holloway, Gary L. Martin, Donald E. McMillan, Michael E. Patrick, Dennis Ryan, and Steve L. Worner. President Warren D. Goetsch and Director Jodine Tate were absent. Also present were Director of Accounting & Finance Julie Atwater, General Manager Alisha Anker and Attorney Charles K. Smith.

The Agenda of the meeting was read. Thereafter, with Vice-President Frye 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).

Vice-President Frye reviewed the Consensus Agenda. It was moved and seconded that the Consensus Agenda be approved. Motion carried.

Director of Accounting & Finance Julie Atwater presented a review of the 2023 Inventory Adjustment. She advised that there were several proposed changes in the management of inventory. She advised that 2023 inventory adjustment was in the negative in the amount of \$67,317.16. She advised that they had several planned steps for 2024 to work on improving the Cooperative's inventory management and to reduce the annual adjustment. She reviewed the proposed improvements to manage the inventory and plans to improve inventory adjustment controls. She discussed the challenges that the Cooperative faced past and present with regard to management of inventory.

General Manager Anker presented the Manager's Report for December, 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. General Manager Anker reviewed the Net Meter KWH Banks. General Manager Anker reviewed the Operations Report and Reliability Report for the Month and advised there were 44 incidents, the longest duration of an outage was 241 minutes, total member minutes were 56,768.67 and largest number of members affected by a single outage was 237. General Manager Anker presented the Irrigation Report and discussed the status of construction for new irrigation services. She presented the Safety Report and advised there were no new injuries for the month. She advised that the Safety Meeting was held on January 15, 2024. General Manager Anker advised about open insurance claims. General Manager Anker distributed a form where interested individuals could sign up for the 2024 Safety Meetings. She discussed the contents of the Connect Newsletter. General Manager Anker advised of the sunset of the water heater load control program and elimination of water heater rates and rebate. General Manager Anker discussed the status of the ICC Complaint and advised that notice had been received that on February 14, 2024 in Case No. 1017-21 such was scheduled to be heard by the Underground Utility Damage

Prevention Advisory Commission. General Manager Anker distributed per diem authorization forms in reference to voluntary contributions to America's Electric Cooperatives PAC, formerly ACRE. It was moved and seconded that the Manager's Report be approved as presented. Motion carried.

Director Martin presented the Report of the Finance Committee. Two topics were discussed. Director Martin discussed the committee's recommendation for 2024 Capital Credit Retirements. After much discussion, it was moved and seconded the Resolution be adopted. Motion carried. See Exhibit A, which is a copy of the Resolution, attached hereto and incorporated herein by reference. Director Martin discussed the committee's recommendation to rebase the power cost adjustment (PCA) and adjust electric charges. After much discussion it was moved and seconded to accept the committee's recommendation to increase the energy charge 1.5 cents per kWh for rates 10, 10SNM, 17, 20, 30, 31, 50/51/52 and 60, and increase the energy charge 0.06 cents/kWh for rate 81 while simultaneously shifting the PCA deadband threshold up 1.5 cents. Motion carried.

In the absence of President Goetsch, General Manager Anker reported on AIEC Activities. She reviewed the Executive Summary and the AIEC Board Meeting on January 18, 2024. She also reviewed and discussed a Report from President Goetsch on NRECA 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. Motion carried.

Vice-President Frye advised the next regular Board Meeting was scheduled for Tuesday, February 27, 2024 at 8:00 a.m.

Under other business, Vice-President Frye discussed the NRECA PowerExchange on March 3-6, 2024, and the Co-Bank Central Regional Meeting on March 21-22, 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

Vice-President

RESOLUTION FOR RETIREMENT OF CAPITAL CREDITS

WHEREAS, Menard Electric Cooperative's 2023 pre-audit Total Margins are approximately \$2,594,000.00, of which pre-audit Operating Margins are approximately \$1,274,000.00; and,

WHEREAS, Menard Electric Cooperative's Equity on December 31, 2023 is approximately 40.2%; and,

WHEREAS, the Cooperative's Board of Directors desire to perform a general retirement in calendar year 2024 of the balance of Capital Credits allocated to members for 2002 and 2003 totaling an approximate amount not to exceed \$922,567.00; and,

WHEREAS, The Cooperative's Board of Directors desire to perform a special retirement of Capital Credits for member estates up to \$250,000.00 in the calendar year 2024; and,

WHEREAS, Menard Electric Cooperative's equity will be approximately 39.3% after retirement of approximately \$1,172,567.00 in Capital Credits; and,

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 2002 and 2003 totaling an amount not to exceed \$922,567.00 and the special retirement of capital credits to member estates not to exceed \$250,000 during the calendar year 2024 for a total capital credit retirement of approximately \$1,172,567.00.

MENARD ELECTRIC COOPERATIVE

MONTHLY OPERATING REPORT

	Year to Date			December 2023		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	30,500,482	33,993,208	33,513,058	480,150	2,378,190	2,373,272	2,148,630	224,642
kWhr Sold	202,323,738	200,087,852	199,066,288	1,021,564	16,312,298	13,607,316	15,252,981	(1,645,665)
2. Cost of Power	18,584,899	21,267,604	20,173,838	(1,093,766)	2,658,395	3,592,007	1,519,080	(2,072,927)
kWhr Purchased	218,601,391	216,158,796	214,950,100	(1,208,696)	17,610,996	14,876,014	16,601,000	1,724,986
3. Operation Expense	2,008,974	1,501,577	1,819,931	318,354	207,636	247,223	147,491	(99,732)
4. Maintenance Expense	3,462,783	3,623,478	3,694,271	70,793	445,121	562,514	264,108	(298,406)
5. Consumer Accounts & Coll. Exp.	462,057	510,585	582,893	72,308	40,053	56,408	44,421	(11,987)
6. Member Service Expense	266,452	323,796	298,054	(25,742)	21,983	32,822	23,912	(8,910)
7. General Office Expense	601,332	588,753	634,044	45,291	38,681	45,734	53,941	8,207
8. Outside Professional Services	56,117	106,133	94,304	(11,829)	22,520	11,424	2,917	(8,507)
9. Insurance, Employee & Welfare	12,106	29,966	22,300	(7,666)	6,845	9,126	12,900	3,774
10. Director's Fee & Mileage	116,974	116,116	122,611	6,495	6,949	10,568	3,666	(6,902)
11. Dues - Assoc. Organizations	135,302	134,074	139,080	5,006	10,762	11,583	12,223	640
12. Other Misc. General Expense	402,292	473,906	388,893	(85,013)	72,370	106,422	23,629	(82,793)
13. Depreciation Expense	2,469,525	2,614,436	2,603,708	(10,728)	211,176	229,458	220,806	(8,652)
14. Tax Expense - Property	0	0	320,340	320,340	(289,306)	(294,510)	26,695	321,205
15. Tax Expense - Other	33,983	28,026	27,044	(982)	2,606	1,963	1,738	(225)
16. Interest Expense on L-T Debt	1,214,631	1,399,913	1,523,746	123,833	118,809	144,095	312,533	168,438
17. Total Expense less Power	11,242,527	11,450,758	12,271,219	820,461	916,205	1,174,831	1,150,980	(23,851)
17a. Total Operating Cost	29,827,426	32,718,362	32,445,057	(273,305)	3,574,600	4,766,838	2,670,060	(2,096,778)
18. Operating Margins	673,055	1,274,846	1,068,001	206,845	(1,196,410)	(2,393,566)	(521,430)	(1,872,136)
19. Non-Operating Margins	64,572	48,967	43,200	5,767	11,031	9,576	3,600	5,976
20. G & T Capital Credits	1,062,294	1,069,288	1,000,000	69,288	0	0		0
21. Other Capital Credits	168,989	201,646	162,725	38,921	333	2,983	300	2,683
22. Total Margins	1,968,911	2,594,747	2,273,926	320,821	(1,185,046)	(2,381,007)	(517,530)	(1,863,477)

Balance Sheet Analysis

Menard Electric Coop

12/31/2022 - 12/31/2023

26-Jan-24

	Prior Yr Balance 12/31/2022	Current Yr Balance 12/31/2023	End of Yr Balance 12/31/2022	Change YTD
ASSETS:				
Utility Plant in Service	83,143,441	88,570,600	83,143,441	5,427,159
Construction Work in Process	888,872	556,703	888,872	(332,169)
Total Utility Plant in Service	84,032,313	89,127,303	84,032,313	5,094,990
Accumulated Depreciation	(25,129,442)	(24,461,555)	(25,129,442)	667,887
Net Utility Plant	58,902,871	64,665,748	58,902,871	5,762,877
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	14,405,851	15,585,044	14,405,851	1,179,193
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	704,305	0	704,305	(704,305)
Special Funds	186,550	221,564	186,550	35,014
Total Other Prop. & Investments	15,976,738	16,486,640	15,976,738	509,902
Cash-General Funds	824,353	714,205	824,353	(110,148)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	7,634	3,355	7,634	(4,279)
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,732,388	2,838,609	2,732,388	106,221
Accounts Receivable-Net-Other	286	(1,898)	286	(2,184)
Materials & Supplies	1,473,956	1,681,309	1,473,956	207,353
Prepayments	192,105	200,164	192,105	8,059
Other Current & Accrued Assets	8,697	9,163	8,697	466
Total Current & Accrued Assets	5,239,873	5,445,361	5,239,873	205,488
Regulatory Assets	0	154,217	0	154,217
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	80,119,482	86,751,966	80,119,482	6,632,484
OWNER'S EQUITY:				
Memberships	330,120	337,870	330,120	7,750
Patronage Capital	27,884,522	28,635,881	27,884,522	751,359
Operating Margins-Prior Years	1,968,911	0	0	0
Operating Margins-Current Year	0	2,594,747	1,968,911	625,836
Non-Operating Margins	0	0	0	0
Other Margins & Equities	2,988,750	3,164,307	2,988,750	175,557
Total Margins & Equities	33,172,303	34,732,805	33,172,303	1,560,502
LIABILITIES:				
Long Term Debt-RUS	724,061	652,418	724,061	(71,643)
Long Term Debt Other - RUS Guar.	29,808,066	34,791,746	29,808,066	4,983,680
Long Term Debt - Other	9,531,004	9,014,640	9,531,004	(516,364)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	40,063,131	44,458,804	40,063,131	4,395,673
Accumulated Operating Provisions	794,171	911,816	794,171	117,645
Total Other Noncurrent Liabilities	794,171	911,816	794,171	117,645
Notes Payable	1,300,000	1,000,000	1,300,000	(300,000)
Accounts Payable	3,147,089	3,909,104	3,147,089	762,015
Deposits	203,095	231,292	203,095	28,197
Other Current & Accrued Liabilities	509,948	495,791	509,949	(14,158)
Total Current & Accrued Liabilities	5,160,132	5,636,187	5,160,133	476,054
Deferred Credits	929,744	1,012,354	929,744	82,610
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	80,119,481	86,751,966	80,119,482	6,632,484