

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
MENARD ELECTRIC COOPERATIVE
PETERSBURG, ILLINOIS
JANUARY 23, 2025

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 in person: President Warren D. Goetsch, Directors D. Jay Frye, Gary L. Martin, Michael E. Patrick, Jodine Tate, Rex Muir, Jr. and Steve L. Worner. Directors Dennis Ryan and Gary Holloway were present on the phone and via Zoom. Also present was General Manager Alisha Anker and Director of Accounting & Finance Julie Atwater.

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.

Director of Accounting & Finance Julie Atwater presented a review of the 2024 Inventory Adjustment. She advised that the adjustment was positive in the amount of \$12,830.87. She reported on improvements made during 2024 to the management and accounting for inventory, and how those improvements led to a reduction in the annual adjustment.

Julie Atwater left the Board room.

General Manager Anker presented on the status of the Strategic Planning Goals and sub-goal activities. Manager Anker reported that one of the four sub-goals for Goal #1 (Improving Rate Structures) is Complete, two are On-Track at 99% completion, and the final sub-goal is On-Hold awaiting the next Work Plan. Anker reported two of the three sub-goals for Goal #2 (Implementing an EV Program) are complete, and the final sub-goal is On-Hold awaiting the next Work Plan. Manager Anker reported one of the two sub-goals for Goal #3 (Educating Co-op Member on Benefits and Drawbacks of Renewables) is complete and advised the other should be Reconsidered given budget constraints and denial of grant funding. Anker reported that one of the three sub-goals for Goal #4 (Evaluating participation in Rural Economic Development Loan & Grant program) is On-track at 15% completion and that more information would be presented to Directors at the next meeting. Anker reported that three of the five sub-goals for Goal #5 (Evaluating and Employing Technology to improve Processes and Services) are Complete, one is On-Track at 90% completion, and the final sub-goal is On-Hold awaiting the next Work Plan. Finally, Anker reported that the three sub-goals for Goal #6 (Prioritization in the Reduction of Line

Loss in the Co-op's system Planning and Investment practices) are On-Track at 10%, 15% and 20% completion.

General Manager Anker presented the Manager's Report for January, 2025. She reviewed the Operating Statement, Balance Sheet and Budget. She presented the Loan Maturity Schedule as of the end of 2024. Anker presented the Member Services Report, past due notices, generated cut-off tickets, write-offs, and Net Metering bank at the end of 2024. She reviewed the Operations and Reliability Report for the Month and advised there were 40 incidents, the longest duration of a single outage was 300 minutes, total customer minutes were 52,343 and the largest number of Members affected by a single outage was 128. General Manager Anker discussed the Safety Meeting, various topics of the Meeting, and presented the 2024 OSHA Form 300. General Manager Anker discussed the contents of the February Connect Newsletter issue. She discussed the 2025 campaign for America's Electric Cooperatives PAC and distributed contribution forms. It was moved and seconded the Manager's Report be approved. Motion carried.

President Goetsch reported on AIEC Activities and reviewed the NRECA Report.

Director Martin reported on Prairie Power, Inc. He reviewed the President's Report and the Energy Charge Summary.

Director Martin presented the Report of the Finance Committee, and the results of a Special Meeting held via eMail. Director Martin discussed the Committee's recommendation for the Special Retirement of Capital Credits during 2025 to accommodate member estates. After 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.

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.

President Goetsch advised the next regular Board Meeting was scheduled for Tuesday, February 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,

Secretary

President

RESOLUTION FOR SPECIAL RETIREMENT OF CAPITAL CREDITS

WHEREAS, Menard Electric Cooperative's 2024 pre-audit Total Margins are approximately \$3,285,500.00, of which pre-audit Operating Margins are approximately \$1,922,800.00; and,

WHEREAS, Menard Electric Cooperative's Equity on December 31, 2024 is approximately 41.1%; and,

WHEREAS, The Cooperative's Board of Directors desire to perform a special retirement of Capital Credits for member estates up to \$250,000 in the calendar year 2025; and,

WHEREAS, Menard Electric Cooperative's equity will be approximately 40.9% after special retirements of up to \$250,000 in Capital Credits; and,

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Menard Electric Cooperative now wish to declare the special retirement of capital credits to member estates not to exceed \$250,000 during the calendar year 2025.

MENARD ELECTRIC COOPERATIVE

MONTHLY OPERATING REPORT

	Year to Date			December 2024		This Month		
	Last Year	This Year	Budget	Variance	Last Year	This Year	Budget	Variance
1. Operating Revenue	33,993,208	32,394,298	34,434,059	(2,039,761)	2,373,272	2,338,560	2,682,271	(343,711)
kWhr Sold	200,087,852	179,671,284	198,514,291	(18,843,007)	13,607,316	13,573,884	15,998,617	(2,424,733)
2. Cost of Power	21,267,604	17,606,279	18,548,361	942,082	3,592,007	2,409,713	1,571,650	(838,063)
kWhr Purchased	216,158,796	194,735,039	213,554,988	18,819,949	14,876,014	14,902,911	17,263,114	2,360,203
3. Operation Expense	1,501,577	2,547,925	2,444,141	(103,784)	247,223	193,350	204,491	11,141
4. Maintenance Expense	3,623,060	3,607,985	3,855,847	247,862	562,097	492,101	325,271	(166,830)
5. Consumer Accounts & Coll. Exp.	511,576	568,170	775,037	206,867	57,399	61,946	61,679	(267)
6. Member Service Expense	319,241	333,315	307,220	(26,095)	28,267	28,403	25,087	(3,316)
7. General Office Expense	588,753	659,940	559,778	(100,162)	45,734	103,724	47,235	(56,489)
8. Outside Professional Services	106,133	57,226	65,900	8,674	11,424	8,264	4,217	(4,047)
9. Insurance, Employee & Welfare	29,996	20,430	29,264	8,834	9,155	5,162	13,644	8,482
10. Director's Fee & Mileage	116,141	119,018	131,826	12,808	10,593	11,519	5,463	(6,056)
11. Dues - Assoc. Organizations	134,074	136,965	142,165	5,201	11,583	11,244	12,110	866
12. Other Misc. General Expense	473,832	382,461	400,334	17,873	106,349	64,470	31,423	(33,047)
13. Depreciation Expense	2,614,436	2,830,764	2,800,980	(29,784)	229,458	240,011	235,615	(4,396)
14. Tax Expense - Property	0	0	335,100	335,100	(294,510)	(309,915)	27,925	337,840
15. Tax Expense - Other	28,485	23,175	28,240	5,065	2,422	(1,438)	2,020	3,458
16. Interest Expense on L-T Debt	1,399,913	1,583,316	1,576,913	(6,403)	144,095	138,469	141,108	2,639
17. Total Expense less Power	11,447,216	12,870,689	13,452,745	582,056	1,171,289	1,047,310	1,137,288	89,978
17a. Total Operating Cost	32,714,819	30,476,967	32,001,106	1,524,139	4,763,296	3,457,023	2,708,938	(748,085)
18. Operating Margins	1,278,388	1,917,330	2,432,953	(515,623)	(2,390,023)	(1,118,463)	(26,667)	(1,091,796)
19. Non-Operating Margins	48,967	100,082	43,200	56,882	9,576	24,433	3,600	20,833
20. G & T Capital Credits	1,069,288	1,089,229	1,000,000	89,229	0	0	0	0
21. Other Capital Credits	201,646	173,342	162,725	10,617	2,983	723	0	723
22. Total Margins	2,598,289	3,279,983	3,638,878	(358,895)	(2,377,464)	(1,093,307)	(23,067)	(1,070,240)

Balance Sheet Analysis

Menard Electric Coop

12/31/2023 - 12/31/2024

24-Jan-25

	Prior Yr Balance 12/31/2023	Current Yr Balance 12/31/2024	End of Yr Balance 12/31/2023	Change YTD
ASSETS:				
Utility Plant in Service	88,570,600	91,761,758	88,570,600	3,191,158
Construction Work in Process	556,703	1,035,749	556,703	479,046
Total Utility Plant in Service	89,127,303	92,797,507	89,127,303	3,670,204
Accumulated Depreciation	(24,461,555)	(25,244,550)	(24,461,555)	(782,995)
Net Utility Plant	64,665,748	67,552,957	64,665,748	2,887,209
Nonutility Property - Net				0
Inv.in Assoc.Org.-Pat.Cap.	15,585,044	16,761,374	15,585,044	1,176,330
Inv.in Assoc.Org.- General Funds	0	0	0	0
Inv.in Assoc.Org.-Non Gen Funds	680,032	680,070	680,032	38
Investments in Economic Dev. Projects	0	0	0	0
Other Investments	0	0	0	0
Special Funds	221,564	233,275	221,564	11,711
Total Other Prop. & Investments	16,486,640	17,674,719	16,486,640	1,188,079
Cash-General Funds	714,205	659,147	714,205	(55,058)
Cash-Constr.Fund Trustee	454	454	454	0
Special Deposits	3,355	3,602	3,355	247
Temporary Investments	0	0	0	0
Notes Receivable - Net	0	0	0	0
Accounts Receivable-Net-Energy	2,837,618	2,854,685	2,837,618	17,067
Accounts Receivable-Net-Other	(2,061)	3,561	(2,061)	5,622
Materials & Supplies	1,681,309	906,449	1,681,309	(774,860)
Prepayments	200,164	331,486	200,164	131,322
Other Current & Accrued Assets	9,163	9,784	9,163	621
Total Current & Accrued Assets	5,444,207	4,769,168	5,444,207	(675,039)
Regulatory Assets	154,217	259,573	154,217	105,356
Deferred Debits	0	0	0	0
TOTAL ASSETS & OTHER DEBITS	86,750,812	90,256,417	86,750,812	3,505,605
OWNER'S EQUITY:				
Memberships	337,870	344,995	337,870	7,125
Patronage Capital	28,635,881	30,098,573	28,635,881	1,462,692
Operating Margins-Prior Years	0	0	0	0
Operating Margins-Current Year	2,598,289	3,279,984	2,598,289	681,695
Non-Operating Margins	0	0	0	0
Other Margins & Equities	3,159,752	3,296,082	3,159,752	136,330
Total Margins & Equities	34,731,792	37,019,634	34,731,792	2,287,842
LIABILITIES:				
Long Term Debt-RUS	652,418	579,574	652,418	(72,844)
Long Term Debt Other - RUS Guar.	34,791,746	38,779,923	34,791,746	3,988,177
Long Term Debt - Other	9,014,640	8,129,794	9,014,640	(884,846)
Long Term Debt Other - Adv Payments	0	0	0	0
Total Long Term Debt	44,458,804	47,489,291	44,458,804	3,030,487
Accumulated Operating Provisions	911,816	1,044,747	911,816	132,931
Total Other Noncurrent Liabilities	911,816	1,044,747	911,816	132,931
Notes Payable	1,000,000	0	1,000,000	(1,000,000)
Accounts Payable	3,909,103	2,857,909	3,909,104	(1,051,195)
Deposits	231,292	232,883	231,292	1,591
Other Current & Accrued Liabilities	495,651	522,831	495,650	27,181
Total Current & Accrued Liabilities	5,636,046	3,613,623	5,636,046	(2,022,423)
Deferred Credits	1,012,354	1,089,122	1,012,354	76,768
Miscellaneous Operating Reserves				0
TOTAL LIAB.'S & OTHER CREDITS	86,750,812	90,256,417	86,750,812	3,505,605

MENARD ELECTRIC COOPERATIVE

	This Month				
	December20	December21	December22	December23	December24
1. Operating Revenue	2,112,935	2,091,975	2,378,190	2,373,272	2,338,560
kWhr Sold	15,101,802	14,174,449	16,312,298	13,607,316	13,573,884
2. Cost of Power	2,472,134	2,596,741	2,658,395	3,592,007	2,409,713
kWhr Purchased	17,087,063	15,406,005	17,610,996	14,876,014	14,902,911
3. Operation Expense	219,179	159,957	207,636	247,223	193,350
4. Maintenance Expense	498,701	232,815	445,121	562,097	492,101
5. Consumer Accounts & Coll. Exp.	38,545	12,687	40,053	57,399	61,946
6. Member Service Expense	19,472	19,744	21,983	28,267	28,403
7. General Office Expense	131,301	65,635	38,681	45,734	103,724
8. Outside Professional Services	2,610	5,948	22,520	11,424	8,264
9. Insurance, Employee & Welfare	37,987	4,518	6,845	9,155	5,162
10. Director's Fee & Mileage	4,320	6,587	6,949	10,593	11,519
11. Dues - Assoc. Organizations	11,772	11,788	10,762	11,583	11,244
12. Other Misc. General Expense	75,005	(474)	72,369	106,349	64,470
13. Depreciation Expense	198,325	200,739	211,176	229,458	240,011
14. Tax Expense - Property	(261,568)	22,410	(289,306)	(294,510)	(309,915)
15. Tax Expense - Other	3,705	1,695	2,606	2,422	(1,438)
16. Interest Expense	104,421	106,222	118,809	144,095	138,469
17. Total Expense less Power	1,083,775	850,271	916,204	1,171,289	1,047,310
17a. Total Operating Cost	3,555,909	3,447,012	3,574,599	4,763,296	3,457,023
18. Operating Margins	(1,442,974)	(1,355,037)	(1,196,409)	(2,390,024)	(1,118,463)
19. Non-Operating Margins	80,141	4,197	11,031	9,576	24,433
20. G & T Capital Credits	0	0	0	0	0
21. Other Capital Credits	0	0	333	2,983	723
22. Total Margins	(1,362,833)	(1,350,840)	(1,185,045)	(2,377,465)	(1,093,307)