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Monday through Friday

(Salem Office closed from
noon-1:00 p.m. each day)

Board of Directors

President

Greg Vieira - Salem

Vice President

Donnie Laird - Waltonville

Secretary/Treasurer

Sam Phillips - Salem

Tom Beyers - Odin

Phil Carson - Oakdale

Doug Knolhoff - Hoyleton

Larry Manning - Belle Rive

Rick Russell - Richview

Kathy Withers - Mt. Vernon

Mission Statement

To safely provide our member-owners with reliable electric service, superior customer service, and practical energy solutions, all at reasonable prices.

2019 Annual Meeting Report



**Marcia Scott
Manager**

Thank you to all of the members who were able to attend this year's Annual Meeting. We had a great time visiting with everyone.

This year, I had the pleasure of congratulating Tri-County employees on their excellent safety record – almost 10 years and over 945,000 working hours without a lost-time accident by a full-time employee. This is a major accomplishment and I was honored to commend and congratulate our employees for their dedication to working safely.

Secretary/Treasurer, Sam Phillips reported that the Cooperative is in good financial condition. We ended last year with ample margins to meet all of our required ratios. We are meeting our budget expectations this year-to-date. Your Cooperative is very fortunate to continue to experience load growth in our service territory. This load growth assists the cooperative in

keeping your rates stable.

We continue to refund patronage credits. At this year's Annual Meeting, Tri-County Electric Cooperative retired the remaining portion of 1996 totaling nearly \$972,000. The total amount of checks written this year for patronage credits was \$794,000.

In addition to the state of your cooperative, I took a few moments to speak with members and discuss the challenges and opportunities the cooperative faces today.

Integrating solar generation into the electric grid is both a challenge and an opportunity. On a local cooperative basis, we are working diligently to be fair to the member that has installed solar power, while making certain that it is not a cost burden on the members of the cooperative that do not choose to install solar power.

In simple terms, finding a way to bring this power into our system without increasing the cost to the average member is our challenge. And, in order to be fair to the members installing solar, it is important to contact the cooperative if you are considering installation of

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2019 Annual Meeting Report Continued

solar power, so we can have the opportunity to explain our policies and procedures.

On a Statewide basis, continuing to provide you with reliable and affordable power continues to be a challenge. There were several legislative proposals involving energy, circling Springfield during the spring session that will continue to be discussed over the next several months. It is important that you, along with your cooperative, our power supply cooperative, and our Statewide organization pay close attention to the content of these proposals.

The general theme of the recent energy proposals in Illinois is to close coal and natural gas baseload generation facilities, and rely on nuclear, solar and wind. Let's put this in perspective – during the coldest winter weather in January of this year – approximately 83% of the needed energy was supplied by coal and natural gas – so closure of our baseload generation in such a short timeframe would certainly not be advisable.

Today, renewable energy generates only 7% of our energy needs. These resources are considered intermittent resources due to the simple fact that the sun doesn't shine and the wind doesn't blow 24-hours per day, 365 days per year.

As you all know, our need for electricity occurs 24-hours per day, 365 days per year. The obvious question is how and where will the needed energy come from to serve the load if Illinois were to close the coal generation facilities and natural gas plants?

Is nuclear the answer? In the short-term, it certainly is not. It would take approximately 10 years from the date of conception to the date of operation for any new nuclear power facilities. Is battery storage the answer? The answer currently is obviously, no. The size and scale of battery storage that would be required is currently technologically unachievable and certainly not affordable.

If legislation was passed in Illinois that would require the premature closure of coal and natural gas generation facilities, the only

reasonable way to have the needed energy for Illinois would be to import it from surrounding states via transmission lines constructed and connected to their generation facilities.

This means Illinois would lose all of the numerous jobs, tax base and positive economic impact created by these generating facilities while neighboring states would operate their coal and natural gas facilities, gain the jobs, tax base and other positive economic impacts, while serving Illinois the needed energy.

I want to assure you that electric cooperatives continue to support an "all of the above" energy strategy, one that incorporates renewable energy, nuclear, natural gas, and coal.

As discussed at last year's annual meeting, we are continuing to implement the rate adjustments that better reflect Tri-County's costs. We will repeat the adjustment that occurred in January 2019 in January of 2020. Beginning with January 2020 usage, our service availability charge for single phase service will increase by \$3.00 per month. This will be accompanied by a decrease in the price of the first 1,000 kWh from 11.5 cents to 11.1 cents or 4/10ths of a cent decrease. The combined increase of the service availability charge and decrease of the kWh charge results in between a \$3 increase and a \$1 decrease in your monthly bill. The effect will be identical to last year. Some examples as follows:

Zero usage	\$3.00 increase
500 kWh usage	\$1.00 increase
750 kWh usage	no change
1000 kWh and above	\$1.00 decrease

Our challenge is to make rates equitable for all members. If one member uses only 1 kWh and another member uses 500 kWhs, the cost to build the line, maintain the distribution system and deliver electric to both members is relatively the same. These costs are considered fixed costs. It takes just as much infrastructure, the same amount of tree trimming, spraying, pole inspection, accounting, billing, bucket trucks, digger trucks, etcetera to deliver 1 kWh as it does 500 kWh's.

Annual Meeting in Review

President's Report



President Greg Vieira welcomed the cooperative members to the 81st Annual Meeting.

Vieira spoke about the cooperative's mission statement, which is located on the front page of the Hi-Lites newsletter.

Vieira elaborated that this mission is accomplished through a comprehensive forestry program and a \$2.5 million

dollar work plan, which places 600 poles and makes line improvements.

Tri-County Electric Cooperative has experienced the loss of several long-term employees through retirement. Now, excellent employees have been hired to continue superior customer service.

Vieira concluded by thanking members for their attendance and support on behalf of the board of directors and staff of Tri-County Electric Cooperative.

Following the reports, the bylaw revisions were approved by the membership.

Secretary/Treasurer's Report



Sam Phillips, Secretary/Treasurer of the Cooperative, informed the membership that the Cooperative reported revenue of \$53,455,000 during the calendar year ending December 31, 2018.

Also for 2018 the Cooperative purchased 429,112,000 kilowatt hours.

The Cooperative's cost of purchased power for the year was \$33,382,000 and other expenses were \$15,138,000. The Cooperative reported

margins of \$4,935,000.

Of that amount \$1,460,000 were patronage credits from Southern Illinois Power Cooperative. The patronage credits have been assigned as capital credits to the accounts of members receiving service during 2018.

Phillips also reported that the Cooperative constructed 207 new services in 2018 for a total of 18,284 services in place. The Cooperative has 3,407 miles of line which includes 80 miles of transmission line.

Officers Selected



Officers selected during the board's reorganizational meeting for the 2019-2020 year from left are: Greg Vieira, President; Sam Phillips, Secretary Treasurer; and Donnie Laird, Vice-President.

Directors Elected




Directors elected for three-year terms from left are: Phil Carson, Washington County; Tom Beyers, Marion County; and Kathy Withers, Jefferson County.

2019 Annual Meeting Report Continued

Although some of the fixed costs will still be collected through the kWh charge, the planned changes are another step in the right direction. Plans are to gradually increase the service availability charge on an annual basis. We further plan to offset this increase by a decrease in the first 1,000 kWh charges when possible. Remember, this rate adjustment will not be effective until your bill for January 2020 usage.



Members enjoyed a full breakfast and BBQ lunch at the Tri-County Electric Cooperative Annual Meeting.



Blood Drive
Wednesday, August 14th
Tri-County Electric Cooperative
3906 W. Broadway, Mt. Vernon
12:00 p.m. - 4:00 p.m.
Homemade pie served!

Annual Meeting Moments

We would like to thank the following businesses and organizations who helped to make this Annual Meeting a success: CASA, Dr. Hurst, Air Evac, Mt. Vernon City Police Dept., Jefferson Co. Sherriff's Dept., Litton Ambulance Service, Good Samaritan Regional Health Center, Wal-Mart Pharmacy, S.I. Services, Big Boy BBQ, Niemerg's Steakhouse, Prairie Farms, Holloway Heating and Air Conditioning, Durham Bus Services, Holtz Tool Supply, and Rod Payne Insulation.



Members who were on the line in 1996 received capital credit checks at the Annual Meeting. Checks that were not picked up will be mailed.



Members enjoyed watching the Live Line safety demonstration before the Annual Meeting.



Kids enjoyed getting in the bucket and pretending to be a lineman for the day!