



Your Touchstone Energy® Cooperative 

Hi-Lites

2022 Annual Meeting Report

by Luke Johnson, General Manager



I'd like to take a moment to thank all of our members that attended the 84th Annual Membership Meeting of Tri-County Electric Cooperative. I enjoyed the opportunity to fellowship with those in attendance.

At the business meeting, I had the opportunity to commend our employees on 13 years and 1.2 million hours without a lost time incident as well as their eagerness to serve the members of the cooperative.

At the Annual Meeting, I touched on the most pressing issues in our industry and our plan moving forward. We are living in both, exciting and unnerving times as we look to the future of energy in Illinois. It is exciting to see new technologies evolve in energy efficiency and smart homes, along with smart devices to reduce costs to you. There are very few businesses that encourage consumers to use less of their product, but we know that if there are economical ways for you to save, we want to be here for you, ready to advise.

A cooperative is a not-for-profit entity that only desires to make enough to pay the bills

and reinvest in your system to maintain the lines, substations, and keep the trees trimmed. Any additional revenue received outside of expenses is then returned to you in the form of capital credits. If you were on Tri-County Electric Cooperative lines during the years of 1998 and 1999, you should have received a check for your capital credits. If you did not, please contact our offices and someone will be able to assist you.

In the wake of the electric vehicle (EV) movement, we have been making efforts to inform you of the pros and cons of owning an EV through informational pieces in our Hi-Lites newsletter and our website. Members had the opportunity to view an EV at our Annual Meeting and consult with our engineering department regarding power requirements within the home to successfully charge an EV.

The unnerving times we are battling include a lack of robust generation to supply power during peak times. The problems we are facing today are nothing new to the cooperative. I want to read an article that was published in your Hi-Lites from 1975. *“Cooperative leaders face a precarious challenge as a high wire performer. On one side, they face expanding needs for more electric power from consumer-owners. On the*

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MISSION STATEMENT

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

3906 Broadway
Mt. Vernon, IL 62864

618-244-5151
Toll-Free: 800-244-5151
Fax: 618-244-1496
Pay by phone:
855-385-9902

Mt. Vernon
Office Hours
Monday - Friday
7:30 a.m. - 4:30 p.m.

Salem
Office Hours
Tuesday - Thursday
7:30 a.m. - 4:30 p.m.
(Closed 12 p.m. - 1 p.m.)

BOARD OF DIRECTORS

President
Donnie Laird - Waltonville

Vice-President
Doug Knolhoff - Hoyleton

Secretary/Treasurer
Sam Phillips - Salem

Michelle Barbee - Salem
Tom Beyers - Odin
Jordan Brink - Richview
Phil Carson - Oakdale
Larry Manning - Belle Rive
Kathy Withers - Mt. Vernon

2022 Annual Meeting Report Continued

other side, they anxiously balance increasing costs and shortages of fuels that produce the power. It's a narrow path to walk—demanding dedication, a balance of priorities, and skill... but that's our job. Today, we're working harder than ever to do our part to find solutions to America's energy problems and to fulfill our commitments to the people we serve."

What I found encouraging about that article from 1975 is that the cooperative's vision is still the same today as it was 47 years ago.

You may have recently heard about rolling blackouts and Ameren's recent rate increase. While that may be true for investor-owned utilities, your cooperative has taken a different path. We are an owner in SIPC, our Generation and Transmission Cooperative that provides us with wholesale power service. Through our long-term contract, we have hedged the majority of our power needs over the next 20 years, as long as legislation does not call for them to shut down any more baseload generation.

Last year, we were fighting to keep Prairie State and SIPC unit 123 open, and with your support, the Association of Illinois Electric Cooperatives, municipal agencies, and many other cooperatives across the state, we achieved that goal! However, SIPC also faces rising costs associated with coal purchases, fuel and inventory, so SIPC continues to look for economical ways to save money as we do also.

Even though we purchase our power from SIPC, we still receive our power from the transmission grid (that is interconnected throughout the Midwest) and if there is not enough generation to supply that midwestern region, they will start shutting down areas of service to prevent entire blackout scenarios. We are meeting with Ameren, since they own the transmission lines in our area, to develop a plan in the event there is a call to load shed. In some cases, we may have little to no warning or ability to control the load that is shed, similar to what happened last year. Fortunately, if it is done correctly, the outages will only last during the peak time of the evening or early morning, whether it is winter or summer. It would be similar to what you would experience in a severe storm situation or if a car knocked down a power pole in your area.

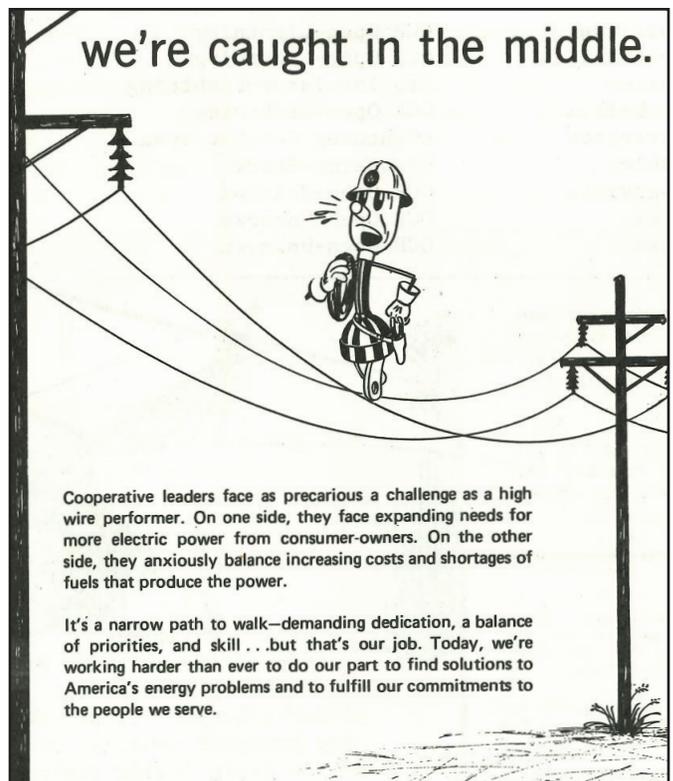
Beginning in 2019, SIPC, began looking into the future to diversify our generation portfolio, limit exposure to the open market, and reduce penalties that the Illinois EPA were instituting. The results of the decision made by SIPC staff, with the board's

direction, were a cost savings to you, our member. With the savings that they provided we were able to stave off any rate increases and provide rate stability through 2023, barring no unexpected surprises.

Some of the challenges we face, as I previously mentioned are the rising costs of materials, fuel prices, and supply chain shortages. We are no stranger to these issues, so as our staff and employees work to serve you, we are always looking for ways to be efficient and economical, without sacrificing our mission, "to safely provide our member-owners with reliable electric service, superior customer service, and practical energy solutions, all at reasonable prices".

Our lines have been well maintained, but will always need to be examined as load increases, the system ages, or technology is needed to serve you better. For this reason, the board will be working on a strategic plan, starting in August, to evaluate strengths and weakness regarding your Cooperative and give the staff and I direction to execute the plan in a responsible manner that will benefit you.

Thank you again for attending to the business of your cooperative at the Annual Meeting.



The above image was featured on the front page of the July 1975 TCEC Hi-Lites Newsletter. It reminds us that there have been challenges in the past and there will be challenges in the future, but we remain dedicated to our mission of service to our members.

Secretary/Treasurer's Report



Sam Phillips, Secretary/Treasurer of the Cooperative, informed the membership that the Cooperative reported revenue of \$48,522,000 during the calendar year ending December 31, 2021.

Also for 2021, the Cooperative purchased 396,896,000 kilowatt hours.

The Cooperative's cost of purchased power for the year was \$29,226,000 and other expenses were \$16,248,000.

The Cooperative reported margins of \$3,048,000. Of that amount \$519,000 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 2021.

Phillips also reported that the Cooperative constructed 153 new services in 2021 for a total of 18,543 services in place. The Cooperative has 3,410 miles of line which includes 80 miles of transmission line.

Officers Selected

Officers selected during the board's reorganizational meeting for the 2022-2023 year are as follows:



President
Donnie Laird,
Jefferson County



Vice-President
Doug Knolhoff,
Washington County



Secretary/Treasurer
Sam Phillips,
Marion County

Directors Elected

Directors elected by the membership to serve three-year terms are as follows:



Jefferson County
Kathy Withers



Marion County
Tom Beyers



Washington County
Phil Carson

Ethan Pride Receives IEC Memorial Scholarship

Tri-County Electric Cooperative is proud to announce that Ethan Pride of Salem Community High School is one of fourteen winners of this year's Thomas H. Moore Illinois Electric Cooperatives (IEC) Memorial Scholarship. He is the child of Jeff and Renee Pride of Salem, IL. Ethan was recognized during the Association of Illinois Electric Cooperatives' annual meeting on July 28, 2022, in Springfield.

Come this fall, Ethan will attend Purdue University to major in Criminal Justice. Tri-County Electric Cooperative is honored to have a scholarship recipient and is excited to see how he will represent the community.



Director Certification



It is with great privilege that we announce that Director Tom Beyers has received his Board Leadership Certificate (BLC) from the National Rural Electric Cooperative Association (NRECA).

The NRECA Board Leadership Certificate (BLC) recognizes individuals who continue their professional development after becoming a Credentialed Cooperative Director (CCD). Directors who have attained the BLC have completed 10 credits in advanced, issues-oriented courses.

We thank Mr. Beyers for his dedication to attending training to benefit the members of Tri-County Electric Cooperative. Congratulations!



Pictured: (left) Board President Donnie Laird and (right) Director Tom Beyers

Meyer Receives Youth Leadership Council Appointment

Congratulations to Abigail Meyer of Hoyleton, IL for being selected as the 2022-2023 Tri-County Electric Cooperative Youth to Washington delegate. Abigail is the daughter of Kirk and Karis Meyer.

Students that attended the Youth to Washington trip visited various sites including Gettysburg, George Washington's Mt. Vernon, Smithsonian museums, Arlington Cemetery, and much more!



Abigail Meyer

While on her trip, Meyer was selected as the Youth Leadership Council (YLC) Representative for the State of Illinois! Abigail gave a speech in front of her peers on leadership, and what it means to her. She was selected from a total of six nominees. We can't wait to be part of this life changing journey! Meyer was recognized during the Association of Illinois Electric Cooperatives' annual meeting on July 28, 2022, in Springfield.



Meyer (left) pictured with Senator Dick Durbin