

# POWER

## for generations

### 2019 ANNUAL MEETING

Saturday, July 13th, 2019

Tri-County Electric Cooperative

3906 W. Broadway St.

Mt. Vernon, IL

P.O. Box 309

Mt. Vernon, IL 62864

[www.tricountycoop.com](http://www.tricountycoop.com)

618.244.5151

Toll Free 800.244.5151

Fax: 618.244.1496

Pay by Phone: 855.385.9902

#### Office Hours

7:30 a.m. to 4:30 p.m.

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

#### Mission Statement

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

### Official Meeting Notice

Notice is hereby given that the Annual Meeting of the members of Tri-County Electric Cooperative will be held at the office of the Cooperative, 3906 W. Broadway, Mount Vernon, Illinois, on Saturday, July 13, 2019.

Registration will begin at 7:30 a.m. and the Business Meeting at 10:00 a.m. to take action on the following:

1. Receive reports of officers, directors, employees and committees;
2. Elect three directors of the Cooperative;
3. Conduct all other business which may come before the meeting or any adjournment or adjournments thereof.

*Sam Phillips, Secretary Treasurer*



**Phil Carson**  
Washington County

Phil Carson has been nominated for reelection to the board. Carson lives near Oakdale and has served on the cooperative's board since 1998.

Carson recently completed his term as President of the National Rural Electric Cooperative Association (NRECA) and is serving as an ex-officio on their board.

Carson received a Bachelor of Science degree in agriculture from SIU-Carbondale and Masters of Arts Degree in Biblical Studies from Covenant Seminary in St. Louis.

Although retired from 25 years of dairy farming, he and his wife Joyce still enjoy living on the farm. Phil has served on boards of the Oakdale State Bank, Association of Illinois Electric Cooperatives (AIEC), and Egyptian Telephone Cooperative. Carson is also the Pastor at First Presbyterian Church in Nashville, IL.



**Kathy Withers**  
Jefferson County

Kathy Withers has been nominated for reelection to the board. She was elected to the board in 2013.

Withers owned and managed five travel agency locations in Southern Illinois from 1982 through 2012. She now concentrates on her retail cosmetic business. Kathy graduated cum laude from Southeast Missouri State University, with a Bachelor of Science degree in nutrition.

Active in the community, she has served as Board Chairman of Crossroads Community Hospital and President of the Counselors at Cedarhurst. She taught classes in Marketing and Intro to Business at Rend Lake College. Her two grandchildren, Cassidy and Kieran, keep her busy.

## Nominating Committee Report

The nominating committee composed of: (front, left-right) Ruth Harre, Alice Newcomb, Cynthia Leeck, (back, left-right) C. Wayne Tate, James Laird, and John Mills nominated the following individuals as candidates for directors for three-year terms:

<b>Jefferson County</b>	<b>Kathy Withers</b>
<b>Marion County</b>	<b>Tom Beyers</b>
<b>Washington County</b>	<b>Phil Carson</b>

One director will be elected from each county. Additional nominations may also be made by petition or from the floor at the annual meeting.

## 2019 Director Nominees



**Tom Beyers**  
Marion County

Tom Beyers has been nominated for reelection to the board. Beyers was elected in 2010.

Beyers graduated from the University of Illinois, with a Bachelor of Science degree in agriculture.

He worked for the USDA, FmHA and RD, from 1971 to 2008. Beyers currently farms 800 acres of corn, soybeans and wheat, as well as operating a part-time excavating business.

Beyers serves as a director of the Marion County Soil and Water Conservation Districts. He is also the President of the Illinois Land Improvement Contractors representing Area 8.

Beyers and his wife Judy live west of Salem and are members of St. Theresa Catholic Church.

## 2018 Annual Meeting Minutes

The annual meeting of the members of Tri-County Electric Cooperative, Inc. was held at the Cooperative Headquarters, 3906 Broadway, Mt. Vernon, Illinois at 10:00 a.m. on July 14, 2018. The meeting was called to order by Larry Manning, President, who presided, with Sam Phillips acting as Secretary.

The President reported that there were 900 members present in person, constituting a quorum of the membership, and that business could be conducted.

An invocation was conducted by and the Pledge of Allegiance was led by Director Phil Carson. President Larry Manning then introduced distinguished guests in attendance. Secretary-Treasurer, Sam Phillips, then read the notice of meeting.

The President then directed the Secretary, pursuant to notice of annual meeting which was given in accordance with the bylaws, to annex to the minutes of this meeting a notice of said meeting, together with proof of due mailing thereof to all members. Upon motion duly made, seconded, and unanimously carried, the reading of the minutes of the last annual meeting was dispensed with, and the minutes were approved as published in the notice to the membership. The annual report of the Treasurer was presented to the membership by Sam Phillips.

The annual report of the President was presented to the membership by Larry Manning.

Manager Marcia Scott, gave the Manager's report on issues of importance to the Cooperative and to the membership.

The next order of business was the election of three directors to hold office for a term of three years. The election was conducted by Attorney David R. Leggans. In accordance with the Bylaws, a Committee of Nominations had been appointed, consisting of C. Wayne Tate, Stanley Droege, Ralph Hilmes, James Laird, Cynthia Leeck, and Alice Newcomb. Attorney Leggans read the Report of the Nominating Committee. The Nominating Committee nominated the following person as directors: Larry Manning from Jefferson County, Greg Vieira from Marion County, and Doug Knolhoff from Washington County.

No nominating petitions had been filed by any other persons. Mr. Leggans then called for nominations from the floor and pursuant to the Bylaws waited one minute. No other nominations

were made. Mr. Leggans then called for election of Directors by acclamation. Upon motion made, seconded, and approved, the following were elected as Directors for three years: Larry Manning from Jefferson County, Greg Vieira from Marion County, and Doug Knolhoff from Washington County.

The President then called for old business and there was none. He then called for new business and there was none.

Thereupon the business of the Cooperative having been completed, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

*Refund checks for the remaining balance of patronage capital due to members who received service in 1996 will be distributed at the Annual Meeting. Any checks not picked up at the meeting will be mailed.*

### 2018 Year-End Financial Report

January through December

#### Statement of Revenue and Expenses

##### Our Receipts

We furnish electric service amounting to.....\$ 51,635,000

##### Our Expenses

Electric power cost us.....	\$ 33,382,000
Expenses for operating & maintaining system.....	7,941,000
We estimate our system depreciated .....	3,915,000
Our taxes were .....	127,000
Our interest to CFC was.....	<u>3,155,000</u>
Total Expenses for Year	\$ 48,520,000

Operating Margins (receipts less expenses).....\$ 3,115,000

Non Operating Margins..... 1,820,000  
(includes SIPC capital credits & interest)

**Total Margins (deficits) \$ 4,935,000**

#### Balance Sheet

##### What We Own (Assets)

Total cost of our system is .....	\$ 134,408,000
We estimate it has depreciated .....	<u>-38,581,000</u>
The net value of our system is .....	\$ 95,827,000
We have cash in the bank amounting to .....	2,834,000
We have temporary investments - cert. of deposits.	1,280,000
We have vested interests - assoc. organizations .....	16,384,000
Accounts receivable .....	4,379,000
We have material & supplies amounting to.....	707,000
We have prepaid insurance & deferred expenses of .....	<u>1,698,000</u>
Total Owned .....	\$ 123,109,000

##### What We Owe (Liabilities)

We owe CFC .....	\$ 62,938,000
We owe for materials, purchased power, taxes, etc.	6,680,000
Consumer deposits paid .....	1,795,000
Members' capital credits.....	50,398,000
Deferred credits .....	914,000
Accumulated operating provisions.....	<u>384,000</u>
Total Liabilities and Capital	\$ 123,109,000

*The above figures have been rounded to the nearest thousandth.*

# 2019 Annual Meeting Proposed Agenda

- 7:30 a.m. Registration Begins and Patronage Checks Distributed  
Free Breakfast
- 8:45 a.m. Live Line Demonstration
- 9:00 a.m. Children's Activities  
Open (9:00 a.m. - 10:00 a.m.)
- 10:00 a.m. Business Meeting Begins  
Verify Quorum and Call to Order  
Invocation  
Pledge of Allegiance  
Notice of Meeting  
Minutes of Meeting  
Treasurer's Report  
President's Report  
Manager's Report  
SIPC Report  
Nominating Committee Report  
Election of Directors  
Discussion & Vote on Bylaw Changes\*  
New & Unfinished Business  
Adjournment of Business Session
- 11:00 a.m. Prize Drawings (at end of meeting)  
Children's Activities Reopen  
(until noon)
- 11:30 a.m. Lunch Served

\*Detailed proposed bylaw revisions included on insert.

*The Board of Directors has recommended the following bylaw changes be presented to the membership of the Cooperative at the annual meeting.*

## Summary of the resolutions:

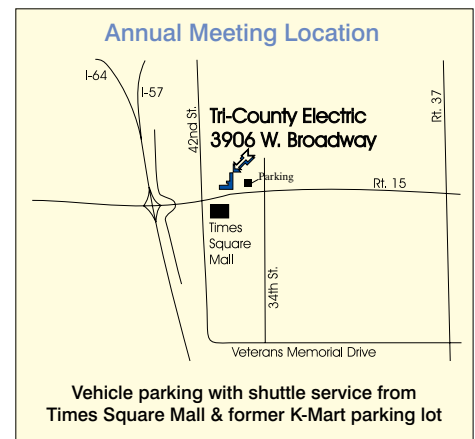
- **Resolution #1** adds the option of electronic notification to members and board members of meetings. The option of electronic notification to members would only be used if the member is already receiving other publications such as the Hi-Lites magazine and/or their bill in electronic form.
- **Resolution #2** conforms the bylaws to reflect the current Cooperative practice. The current practice has been to separate the allocation of patronage capital from our power supply cooperative. You may notice on this month's bill that we show the allocations for Tri-County Electric Cooperative and the allocations from Southern Illinois Power Cooperative.
- **Resolution #3** provides an easier process to be nominated to run for election to our Board of Directors. It sets forth a list of qualifications to become or remain a board member, allows for nomination to the board with a petition of 25 or more member signatures, removes the option for nominations from the floor at annual meeting, and establishes a Credentials and Elections Committee to review the qualifications of nominees and supervise the nomination process.

Tri-County Electric Cooperative, Inc.  
Annual Meeting of Members  
Saturday, July 13, 2019

Register before 10:00 a.m. for \$10 credit on your  
August 2019 electric bill.

## 2019 Official Registration - \$10 Value

Name: \_\_\_\_\_  
Account #: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_



***NOW THEREFORE BE IT RESOLVED*** by the Members of the Board of Tri-County Electric Cooperative that the following Resolutions be presented for a vote at the Annual Meeting of the members of the Cooperative, being July 13, 2019, that written or printed notices setting forth the proposed Amendment to the Bylaws of the Cooperative be given in the manner provided in the Bylaws; and that the Resolutions be presented as follows:

***WHEREAS***, the Members of the Board of the Cooperative have determined it to be in the best interest of the Cooperative that the following ARTICLES of the bylaws be amended.

***NOW THEREFORE, BE IT RESOLVED*** by a majority of the votes of the members entitled to vote at a member meeting of Tri-County Electric Cooperative the Bylaws of the Cooperative be amended as follows:

Note:

- 1) The proposed deletions will be marked through as, delete;
- 2) The proposed additions will be underlined as add

### **Resolution #1**

#### **ARTICLE III Meeting of Members**

##### **SECTION 3. Notice of Member's Meetings.**

Written or printed notice stating the place, date, and hour of the meeting and, in the case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days before the date of the meeting, either personally, or by electronic transmission, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

#### **ARTICLE V Meetings of Board**

##### **SECTION 3. Notice of Board Meeting.**

Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each board member either personally, ~~or~~ by mail, or by electronic transmission, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

### **Resolution #2**

#### **ARTICLE VII Non-Profit Operation**

##### **SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.**

###### **Paragraph 4**

If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired: Provided, however, that the Board of Directors shall have the power to adopt rules providing for the separate allocation and retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of members which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply of any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's members, (c) provide for appropriate notifications to members with respect to such portions of capital to their accounts.-

### **Resolution #3**

#### **ARTICLE IV Board Members**

##### **SECTION 2. Election and Tenure of Office.**

The persons named as board members in the Articles of Incorporation shall compose the Board until the first annual meeting or until their successors shall have been elected and shall have qualified. At the annual meeting of the members in 1948, nine board members shall be elected by ballot, by and from the members, three of which board members shall serve for a term of one year, three for a term of two years, and three for a term of three years; the board members shall, at their first meeting subsequent to the annual meeting of the members, by lot determine the names of the three board members who shall serve for the term of one year, those who shall serve for the term of two years, and those who shall serve for the term of three years; thereafter at each annual meeting of the members three board members shall be elected by ballot, by and from the members, to serve for a term of three years or until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of board members. ~~No member shall be eligible to become or remain a board member or to hold any position of trust in the Cooperative who is not a bona fide resident in the area served by the Cooperative or who is in business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixture or supplies to the members of the Cooperative.~~ Qualifications to become or remain a board member:

1. Be an individual with the capacity to enter legally binding contracts,
2. Be a member of the Cooperative in good standing, purchasing electric energy from the Cooperative,
3. Be a bona fide resident of the district in which he (she) represents, receiving service therefrom at their primary residential abode,

4. Not be employed by or hold a position or own an interest that could provide a reasonable opportunity for advancing a pecuniary interest, directly or indirectly, that is not common among members in a competing enterprise of business, a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in generating electric energy, or selling electric energy, electric appliances, fixtures, or supplies to the members of the Cooperative.
5. While a board member, and during the three years immediately before becoming a board member, not be an employee of the Cooperative, an employee of a subsidiary of the Cooperative, or an employee of an entity in which the Cooperative is a member.
6. Not be an immediate family member of an employee of the Cooperative or another board member. Immediate family member shall be defined as spouse, parent and grandparent, children and grandchildren, sibling, mother-in-law, father-in-law, sister-in-law, daughter-in-law, son-in-law, including adopted, half, and step members.
7. While a board member and during the five years immediately before becoming a board member, not be convicted of or plead guilty to a felony.
8. While a board member and during the five years immediately before becoming a board member, not personally be a claimant or be a majority owner of an entity which is a claimant in a mediation, arbitration, lawsuit, or other legal action against the Cooperative or be a party defendant in action brought by the Cooperative.
9. When a membership is held jointly by a husband and wife either one, but not both, may be elected as a board member, provided, however, that neither one shall be eligible to become or remain a board member or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth.

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such board member from office. Nothing in this section contained shall in any manner whatsoever affect the validity of any action taken at any meeting of the board members.

The territory of the Cooperative shall be divided by the Board of Directors into three separate districts, each of which shall contain one of the primary counties of the Cooperative of Jefferson, Washington, and Marion, and no more than three members of the Board shall be residents of any of such districts served by the Cooperative.

### **SECTION 3. Nominations.**

It shall be the duty of the Board to appoint, ~~not less than sixty days nor more than ninety more than one hundred twenty (120)~~ not less than sixty days nor more than ninety more than one hundred twenty (120) days before the date of a meeting of the members at which board members are to be elected, a committee on ~~nominations-Credentials and Elections~~ nominations-Credentials and Elections consisting of not less than five nor more than eleven members who shall be selected from different sections so as to insure equitable representation. No employee, member of the Board, known candidate, or family member of any of the aforementioned may serve on such committee. The purpose of the committee is to review the qualifications of petitioning nominees, supervise the nomination of board members, and deciding any question or dispute regarding board member qualifications and nominations. The Credentials and Elections Committee shall elect its own chairperson and secretary at its initial meeting.

To be nominated by petition, a candidate for the Board must file a petition for nomination signed by at least twenty-five (25) members. Signatures may come from the entire Cooperative membership. A joint membership constitutes of only one member. Nominations by petition must

be picked up and filed not more than one hundred fifty (150) days nor less than ninety (90) days before the date of a meeting of the members at which directors are to be elected. The Credentials and Elections Committee must meet to determine if the candidates meet the qualifications for Director. Upon establishment of the fact that a nominee for Director lacks eligibility under these Bylaws, it shall be the duty of the Credentials and Elections Committee to disqualify such nominee. If there are no nominations by petition for Director in any district in which a Director is to be elected, it is the duty of the Credentials and Elections Committee to select a nominee(s) for that district. The Credentials and Elections Committee shall certify. No member of the Board may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for board members. The Secretary shall be responsible for mailing or sending by electronic transmission with the notice of the meeting or separately, but at least seven days before the date of the meeting, a statement of the number of board members to be elected and the names and addresses of the candidates nominated-certified by the committee on nominations-Credentials and Elections Committee.

Nominees' names from the same district will appear on the ballot in the order that the petitions are received. No nominations may be made from the floor, and no write-in votes naming persons not properly nominated in accordance with the foregoing will be counted. Failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of director. Each candidate shall appoint a representative to oversee the counting of all ballots or other votes cast in any election. The Cooperative attorney may rule upon the intent of any ballots or other votes irregularly or indecisively marked or cast. Any 150 or more members acting together may make other nominations by petition, not less than 15 days prior to the meeting, and the Secretary shall be responsible for posting such nominations at the same place where the list of nominations made by the committee is posted, and nominations made by petition will be included on the official ballot. Later nominations by petition shall be treated as nominations from the floor. The chairman shall call for additional nominations from the floor and nominations shall not be closed until at least one minute has passed during which no additional nomination has been made. No member may nominate more than one candidate.

### **SECTION 4. Removal of Board Member by Members.**

Any member may bring charges against a Board member and by filing with the Secretary of the board such charges in writing, together with a petition signed by at least 10 percent of the members of the Cooperative, may request the removal of such member. Such board member shall be notified in writing of the ~~members-meeting~~ members-meeting at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges. The person or persons bringing the charges shall have the same opportunity. The question of removal of such board member shall be considered and voted upon at the meeting of members, and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.