

EASTERN ILLINI ELECTRIC COOPERATIVE



Eastern Illini
Electric
Cooperative

Thursday, June 6, 2019
Paxton-Buckley-Loda
Junior/Senior High School

MEMBER DRIVEN AND COMMUNITY FOCUSED

**ANNUAL
MEETING
PROGRAM
AND
ANNUAL
REPORT
2019**

SCHEDULE OF EVENTS

STAY FOR THE DOOR PRIZES. DRAWING FOR TEN \$100 BILLS AFTER THE BUSINESS MEETING

ANNUAL MEETING REGISTRATION

3 P.M. - 7 P.M.

\$25 Bill Credit (member registration required)

Antique Truck Display

Bucket Truck Demonstrations

Bounce House

Electric Vehicle

Inflatable Obstacle Course

Marvin Lee Band

Miniature Golf

Petting Zoo

Seminars (page 3)



DINNER BY NIEMERG'S CATERING

3 P.M. - 7 P.M.

Snacks and Ice Cream in the Courtyard

BUSINESS MEETING

7 P.M. - 8 P.M.

Call to Order

National Anthem

Pledge of Allegiance

Invocation

Quorum Determination

Recognition of Guests

Notice and Proof of Mailing

2018 Meeting Minutes (with approval, pages 10-11)

Treasurer's Report (with approval, pages 8-9)

Chairman and CEO Report

Director Election

Questions from the floor

Unfinished Business

New Business

Adjournment

Door Prizes (Ten \$100 bills)



MEMBER DRIVEN AND COMMUNITY FOCUSED

SEMINAR SCHEDULE

EACH SEMINAR SESSION IS OFFERED AT 4 P.M., 5 P.M., 6 P.M.

Planting, Growing, and Using Herbs

Room 609

Susan Biggs Warner

Naturalist and Historical Interpreter
VERMILION COUNTY CONSERVATION DISTRICT



Dos and Don'ts of Chain Saw Use

Room 605

Don Gerdes

Forestry and Right-of-Way Specialist
EASTERN ILLINI ELECTRIC COOPERATIVE



Annuals & Perennials: Right Plant, Right Place

Room 608

Mary Dickinson

Master Gardener
UNIVERSITY OF ILLINOIS EXTENSION



Shining a Light on Solar & Other Renewables

Room 610

Paul Crutcher

Electrical Engineer
EASTERN ILLINI ELECTRIC COOPERATIVE



SEMINARS WILL BE OFFERED AT 4 P.M., 5 P.M., 6 P.M.

BOARD OF DIRECTORS

DISTRICT 1



HAROLD LOY
Beaverville
27 years of service

DISTRICT 4



BRUCE RISTOW
Cissna Park
13 years of service

DISTRICT 7



STEVE GORDON
Rantoul
3 years of service

DISTRICT 2



TOM SCHLATTER
Chairman
Chatsworth
13 years of service

DISTRICT 5



KEVIN MOORE
Vice Chairman
Rossville
5 years of service

DISTRICT 8



CHAD LARIMORE
Bement
3 years of service

DISTRICT 3



STEVE MEENEN
Asst. Sec. Treas.
Melvin
13 years of service

DISTRICT 6



BRAD LUDWIG
Sec. Treas.
Fithian
33 years of service

DISTRICT 9



LAURI QUICK
Tolono
1 year of service

Eastern Illini Electric Cooperative's board of directors is made up of cooperative members. They are tasked with setting the policies and guidelines that Eastern Illini's management team then carries out. Each year, three of the nine positions on the board are up for election. Board terms are for three years.

PROPOSED BYLAW AMENDMENTS

The Board of Directors of Eastern Illini Electric Cooperative is proposing several bylaw amendments at this year's annual meeting. The changes include:

Voting Options Prior to the Annual Meeting – Members will be able to vote in board member elections by mail or other methods allowed by state law. This change will allow members who can't attend the annual meeting an opportunity to still directly vote in the director election. (Article II, Section 2.5-6)

Uncontested Elections – There has been some confusion for members during board elections when there is only one candidate in a certain directorate district (an uncontested election). Instead of placing these names on the ballot, this change will clarify allowing members to elect directors running unopposed via voice vote during the annual meeting. (Article II, Section 2.5)

Proxy Ballots – By adding the ability for members to vote by mail (or other means) prior to the annual meeting, there will be no reason for members to vote by proxy. This change will remove the ability for members to vote by proxy ballot. (Article II, Section 2.6)

Ballot Position – Currently, the position of director candidates on the election ballot is determined by the drawing for the ballot position. This change will result in the position of director candidates on the election ballot being determined by the order in which candidates turn in their petition materials. If two candidates from the same directorate district turn in their materials at the same time, their position will still be determined by drawing. (Article III, Section 3.5)

DIRECTOR ELECTION

Directorate District 1 Candidate, Robert Warmbir



Robert J. Warmbir is an accredited farm manager and real estate broker for Hertz Farm Management in Kankakee. He is involved in the purchase of agricultural property, securing inputs,

marketing grain, and procuring tenants.

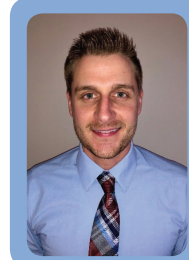
Warmbir has been a member of Eastern Illini Electric Cooperative since 2014.

He is a 2013 graduate of the University of Illinois with a Bachelor of Science in Agricultural Business and Management. He grew up on an 1,800-acre grain and livestock farm in Iroquois County.

Warmbir is involved with many local organizations including Kankakee County Farm Bureau Young Leaders program. Warmbir is also a member of the American Society of Farm Managers.

Warmbir describes himself as driven and goal oriented.

Directorate District 1 Candidate, Tyler Finegan



Tyler R. Finegan and his wife, Britni, reside in Ashkum and are the parents of Anderson and Elliott. Finegan is a corn and soybean farmer in Iroquois County. He is a fourth generation

farmer who works with his parents and brother on their family farm. He's a member of the Illinois Farm Bureau.

Finegan is a 2004 graduate of Clifton Central High School. He continued his education at Kankakee Community College earning an associate degree in 2006. He graduated from Western Illinois University in 2007 with a Bachelor of Science in Law Enforcement and Justice Administration. Finegan was a standout basketball player while a Comet at Clifton Central High School. He brought his winning tradition and notable resume to the basketball court and has been the Comet's coach for nine years.

Directorate District 7 Incumbent, Steve Gordon



Steve Gordon has been an EIEC member since 1982. He was elected to the board of directors in 2016. Gordon has farmed in Champaign County and in southern Illinois for more than

48 years. He is a member of the Illinois Corn Growers Association. Gordon is also involved in the Knights of Columbus and Elks Lodge. He is also a strong supporter of St. Malachy Catholic School, Rantoul, and The High School of St. Thomas More, Champaign. Gordon is a graduate of St. Malachy Catholic School and Rantoul High School. He continued his education at Parkland College.

In addition to farming, Gordon has business acumen as he has started and sold several businesses over the years. Gordon and his wife, Becky, reside in rural Rantoul. They are the parents of Kacie and Devon.

Directorate District 8 Incumbent, Chad Larimore



Chad Larimore has been an EIEC member since 2009.

He was elected to the board of directors in 2016. During his tenure on the board, he has served on various

committees, attended many educational courses on board operations, and met many individuals in the energy industry.

He believes his background in family farming aligns well with Eastern Illini Electric Cooperative's values.

Larimore's engineering and business background bring another perspective to the board.

While raising a young family, Larimore looks towards the future by keeping an open mind about new technologies while still maintaining a financial responsibility to the membership.

His ultimate goal is to keep the lights on for Eastern Illini members in a safe and reliable manner.

Directorate District 9 Candidate, Theodore Hartke



Theodore P. Hartke was born and raised on a livestock farm in Teutopolis, IL.

He is a graduate of Teutopolis High School and continued his education at Southern Illinois University,

Carbondale, earning a bachelor's degree in Civil Engineering.

Hartke has 21 years' experience as an engineer and surveyor - 14 years as a licensed engineer and 15 years as a licensed Illinois Land Surveyor.

As a business owner, Hartke has experience in personnel management, financial management, and responsible decision making. Hartke has been involved in many organizations, including the Illinois Professional Land Surveyor's Association, FFA and 4-H.

Hartke and his wife, Jessica, reside in rural Sidney. They are the parents of Phillip, Sophia, and Gabriel (deceased).

Directorate District 9 Incumbent, Lauri Quick



Lauri Quick has been an EIEC member since 2008. She was appointed to the board of directors in November 2018. Since becoming a director, Quick

has attended certification courses and other events to expand her knowledge of the electric industry in order to best serve all the EIEC members. Quick is currently employed in the Office of Advancement for the College of Veterinary Medicine at the University of Illinois, where she obtained a master's degree.

On campus, she mentors international students and regularly participates in the Campus and Community Day of Service. Quick is an avid supporter of Illini athletics. She is an active member of the First Christian Church in Urbana.

Quick and her husband, David, reside outside of Tolono. They are the parents of Justin and Megan and have three granddaughters.

BOARD CHAIRMAN AND CEO REPORT

On behalf of Eastern Illini's Board of Directors and employees, we would like to welcome you to the 2019 Annual Meeting of Members! Thank you for attending your annual meeting. We hope you enjoy the day with your family, take advantage of the activities and food, and learn a little more about how EIEC is much different than other utilities.

As a member-owned cooperative, we provide you – our members – with reliable electricity and excellent service. Our employees live in this area, just like you, and we are dedicated to improving the quality of life in rural east central Illinois. We would like to provide a few highlights from the past year:

SAFETY

Our driving and continual focus for the cooperative is the safety of our employees, our members, and the general public. The commitment to safety is reflected in the support of our Board of Directors, management, and our employees. The main portion of our safety goal each year is to experience zero lost time incidents. We did not achieve that goal in 2018, as we experienced one lost time event. For 2019, our safety goal is to experience zero lost time incidents and we are committed to achieving that goal.

COMMUNITY INVOLVEMENT

Eastern Illini is not just in the business of selling electricity. We are also working to improve the quality of life for our members and our communities. This year marked the second year of our Empowering Education Grant Program which provided \$20,000 to 40 deserving teachers throughout our communities to help fund engaging projects for their students.

Electric Vehicles (EVs) are gaining in popularity. We purchased a fully electric Chevrolet Bolt EV in 2018. The operating costs of EVs are less than half that of traditional vehicles. We are also exploring ways to help establish charging networks in our area. Be sure to stop by and see the Bolt during the annual meeting.

MEMBER SATISFACTION

EIEC employees and Directors take pride in providing the service level our members deserve and expect. Each October, we include a survey with our billing. This survey typically covers topics such as member service, employee professionalism, rates, programs, and reliability. We also include questions to calculate an American Customer Satisfaction Index (ACSI) score. In 2018, our overall survey results were very good, and we received an ACSI score of 88 (out of 100)! This score places us in the top 15 percent of cooperatives across the nation. We are proud of the level of service that we provide you, and we are constantly looking for ways to improve.

FINANCIAL UPDATE

2018 was a good financial year for your cooperative. Operating margins totaled more than \$1.4 million, with total operating revenues of \$34.9 million. These margins are in addition to the \$800,000 margin rebate that was returned to members as a bill credit on the December 2018 usage bills. Equity for the year ended at 49.60% which is above our benchmark target. Our debt service coverage metric exceeded our lender's requirements. These two factors allow us to optimize our borrowing costs.

MARGINS AND CAPITAL CREDITS

Each year, we review our revenue collected compared to our expenses in providing electric service to you. A positive difference is similar to profit, but for a not-for-profit cooperative it is referred to as operating margins. These margins are then allocated as capital credits to be returned to you at a future date.

Our Board of Directors have set a goal of returning margins back to our members on a 25-year cycle. We anticipate reaching this goal in 2020. In 2018, we retired nearly \$1.6 million in capital credits to members who received electric service in 1988-1991. For 2019, we are budgeting a retirement of over \$1.5 million for the years of 1992 and 1993. This return of your equity, or prior investment in EIEC, is one of the unique benefits of membership in a local, not-for-profit cooperative.

RATES

EIEC has not had a distribution rate adjustment since April 2013. We are pleased to inform you that there is no increase budgeted in our distribution rate for 2019. However, we do pass along any increases from our wholesale power provider as necessary, in the power cost adjustment portion of our billing. Our wholesale power costs reflect the capacity, energy, and transmission portions of electricity pricing delivered to the EIEC metering points.

In 2018, we completed a cost of service study to help determine our future revenue needs, along with reviewing the fairness of the cost allocation among members in the various rate classes. We plan to conduct a rate study later in 2019.

BOARD CHAIRMAN AND CEO REPORT

utilizing these cost of service results. The rate study will help to determine the level of future increases in our fixed cost components (monthly base charge and possibly a future demand charge component) while reviewing the appropriate level for energy (kwh) charges.

TECHNOLOGY

As the technology around us continues to change rapidly, we are always on the lookout for technology that will allow us to better serve you. Our online and smart phone account portal – SmartHub – continues to evolve. SmartHub lets you easily and conveniently pay your bill, view your electric use history, report an outage, and more. You can sign up for your FREE SmartHub account by visiting our website at www.eiec.coop. We continue to embrace technology in our daily operations and member services, using programs and analytics to assist with automated service orders, mapping, system analysis, staking, outage management, and many other applications.

POWER SUPPLY

About 60 percent of our power is provided by the Prairie State Generating Campus coal-fired power plant, located in Washington County, Illinois. Our wholesale power provider, Prairie Power, Inc. (PPI), owns 130 MW of this facility, along with various other natural gas fired generation units. On the renewable front, PPI has two solar panel arrays and a small portion of wind energy provided by the Pioneer Trail Wind Farm near Paxton.

PPI also contracts for power supply in the Midcontinent Independent System Operator (MISO) market. PPI is continually monitoring existing and future market trends in balancing the decision of owning or contracting for future generation resources, to provide you with supply diversity and a stable long-term portfolio.

RELIABILITY

Our distribution system performed well this year, resulting in an available reliability of 99.985 percent (excluding major storms and transmission supply outages). Even with the inclusion of major storm events and transmission supplier outages, our available reliability was 99.96 percent. We continue to monitor and upgrade our system to maintain the high level of service you've come to expect. Power from PPI is delivered through the Ameren 69 kV transmission system. Annually, nearly one-third of our member's average outage time is a result of outages on the Ameren system that impact EIEC power substations. We continue to work with Ameren and PPI to improve their service and reliability.

CHALLENGES

Rural areas in general are experiencing population decline and a lack of adequate job opportunities, along with inadequate internet access. The EIEC territory experiences similar trends, which leads to flat or minimal energy sales growth.

We continue to monitor and evaluate the generous State of Illinois' renewable incentive program, primarily for wind and solar. Distributed generation such as these renewables may present significant challenges to our current business model and rate structure. All members share in the cost of assets and annual expenses. Any loss of kWh sales and revenue resulting from member owned generation (such as solar) must be re-allocated and recovered from the total membership.

OPPORTUNITIES

Most of the recent additions in energy sales in our territory has been driven from existing member expansions of grain, livestock, and other agricultural related businesses. We continue to work with our members to optimize the value they receive from electric service.

We are in our 82nd year operating a successful electric distribution cooperative, and we appreciate the confidence that you have placed in us and our employees to represent your interests. We hope you've enjoyed this brief recap of our 2018 performance. Thank you for the opportunity to serve you.

BOARD CHAIRMAN



TOM SCHLATTER

PRESIDENT/CEO



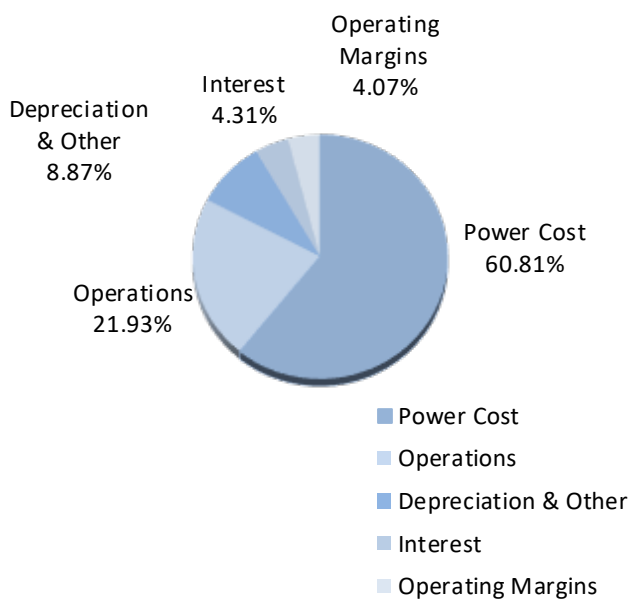
BOB HUNZINGER

TREASURER'S REPORT

BALANCE SHEET

December 31, 2018

ASSETS	2018	2017	2016
UTILITY PLANT			
Cost of Electric Plant	\$107,127,871	\$104,965,182	\$102,426,069
Less: accumulated depreciation	45,949,868	43,827,121	41,892,375
Net Utility Plant	\$61,178,003	\$61,138,061	\$60,533,694
CURRENT & OTHER ASSETS			
Cash-general	\$561,924	\$468,175	\$601,479
Investments	19,065,508	18,531,729	18,265,490
Accounts receivable, net	2,085,403	3,101,600	2,541,860
Materials and supplies	628,961	498,128	605,829
Prepaid and other assets	856,418	1,029,132	811,008
Total Assets	\$84,376,217	\$84,766,825	\$83,359,360
MEMBERS' EQUITY & LIABILITIES			
Membership fees & other equities	\$4,381,765	\$3,799,702	\$3,245,137
Patronage capital	31,623,280	30,382,552	29,128,966
Operating margins	1,420,225	1,405,822	1,406,670
Non-operating margins	4,428,477	4,410,856	4,415,272
Long-term debt	\$33,158,946	\$33,050,959	\$35,069,651
CURRENT & OTHER LIABILITIES			
Accounts payable & accrued expenses	\$2,897,963	\$3,884,387	\$3,367,918
Notes payable - Line of Credit	961,405	2,455,434	1,408,151
Consumers' deposits & prepayments	460,480	468,710	471,660
Other non-current liabilities	5,043,676	4,908,403	4,845,935
Total Members' Equity & Liability	\$84,376,217	\$84,766,825	\$83,359,360



HOW YOUR ELECTRIC DOLLAR WAS SPENT

	2018	2017	2016
Wholesale power cost	60.81%	61.32%	59.33%
Operations	21.93%	21.32%	22.68%
Depreciation & other	8.87%	8.95%	8.91%
Interest	4.31%	4.36%	4.86%
Operating margins	4.07%	4.06%	4.22%

The enclosed financial information represents the Cooperative's operation for the fiscal years ended December 31, 2018, 2017, and 2016. These reports were taken directly from the Cooperative's books and records which have been audited by the auditing firm of Kerber, Eck & Braeckel LLP in 2018 and 2017 and Olsen Thielen & Co., LTD in 2016. The American Institute of Certified Public Accountants sets the standards and scope of the audit.

TREASURER'S REPORT

CONTINUED

STATEMENT OF REVENUE AND EXPENSE

for the year ended December 31, 2018

	2018	2017	2016
Total operating revenue	\$34,914,192	\$34,656,490	\$33,346,076
Operating expenses:			
Cost of power	\$21,232,653	\$21,251,200	\$19,784,606
Operations and maintenance expenses	4,063,337	3,816,614	4,110,107
Consumer accounts expense	687,668	687,037	663,382
Customer service and information expense	579,795	645,101	659,956
Administrative and general expense	2,191,389	2,108,208	2,059,694
Depreciation	3,098,416	3,100,068	2,969,286
Interest expense	1,505,212	1,511,004	1,621,685
Other deductions	135,497	131,436	70,690
Total operating expense	\$33,493,967	\$33,250,668	\$31,939,406
Operating margins (loss)	\$1,420,225	\$1,405,822	\$1,406,670
Non-operating margins (loss)	\$1,595,673	\$1,578,022	\$1,588,603
Income or (loss) from equity investments	25,495	25,525	19,359
Net margins (loss) for the year	\$3,041,393	\$3,009,369	\$3,014,632

OPERATING STATISTICS

Operating Statistics	2018	2017	2016
Total kWh purchased	268,722,045	254,553,654	259,085,868
Total kWh sold	249,757,627	233,910,415	238,870,083
Average number of consumers served	13,490	13,581	13,501
Average kWh usage per month per consumer	1,543	1,435	1,474
Average revenue per kWh sold to consumers	\$0.1398	\$0.1482	\$0.1396
Average cost per kWh purchased	\$0.079	\$0.083	\$0.076

EISC SUMMARY

	2018	2017	2016
Operating revenues	\$ -	\$ -	\$ -
Operating expenses	3,034	4,260	9,261
Net operating income	\$(3,034)	\$(4,260)	\$(9,261)
Income (loss) from equity investments	\$28,435	\$29,767	\$28,618
Other	94	18	2
Net income (loss)	\$25,495	\$25,525	\$19,359

2018 MEETING MINUTES

MINUTES OF EASTERN ILLINI'S THIRTY-FIRST ANNUAL MEETING OF MEMBERS, JUNE 7, 2018

The Thirty-First Annual Meeting of Members of Eastern Illini Electric Cooperative, Inc. was held at Paxton-Buckley-Loda Junior/Senior High School, 700 W. Orleans Street, Paxton, Illinois on Thursday, June 7, 2018. It was called to order at 3 p.m.; then recessed, with the business portion of the meeting convened at 7:00 p.m.

CALL TO ORDER

The business portion of the meeting was called to order by the Chairman of the Board, Thomas Schlatter, who presided and acted as Chairman. Secretary of the Board, Bradley J. Ludwig, acted as Secretary of the meeting and kept the minutes thereof.

NATIONAL ANTHEM, PLEDGE OF ALLEGIANCE, AND INVOCATION

EIEC employee Brian Ronna led the membership in the National Anthem. The membership then participated in the recitation of the Pledge of Allegiance. Director Bruce Ristow delivered the invocation.

QUORUM DETERMINATION

Chairman Schlatter announced that the registration staff had informed him that there were 1,020 member/owners present in person or by proxy, and that the attendance being in excess of 100 member/owners, as required by the bylaws to constitute a quorum, Chairman Schlatter announced that a quorum was in attendance, and he declared the meeting to be duly constituted to transact business.

INTRODUCTION OF GUESTS

Director Hageman introduced the current Cooperative board of directors and employees, as well as retired directors and employees. Other acknowledged guests included Scott Peterson of the National Rural Electric Cooperative Association (NRECA) and representatives of the Association of Illinois Electric Cooperatives (AIEC). Lastly, Mike Smith and his son, Max, were introduced (it being noted that Mr. Smith is the son of former Illini Electric Cooperative manager Walter Smith and Max is Walter's grandson).

ELECTED OFFICIALS

Director Hageman recognized elected officials who attended, including Senator Jason Barickman, Senator Scott Bennett, Representative Thomas Bennett, and Representative Brad Halbrook. In addition, he recognized Patrick Doggett who attended on behalf of Congressman Adam Kinzinger, as well as Robert Baren, who attended on behalf of State Treasurer Michael Frerichs. He then thanked all of the members of the Cooperative for their attendance at the meeting.

READING OF NOTICE OF MEETING AND PROOF OF MAILING

Chairman Schlatter indicated that Secretary Bradley J. Ludwig had certified the Official Notice of the meeting and the Affidavit of Mailing of said Notice. Chairman Schlatter directed Secretary Ludwig to annex to the minutes of this meeting a copy of the Notice together with the Affidavit of Mailing by the Board Secretary.

APPROVAL OF MINUTES – 2017 ANNUAL MEETING

The minutes of the Thirtieth Annual Meeting of Members held June 8, 2017, as printed in the 2018 Annual Meeting Program and Annual Report and distributed to all members, were presented for consideration. Member Robert Apperson made a motion that the rules be suspended; that the reading of the minutes of the Annual Meeting held June 8, 2017 be waived; and that the minutes be approved as presented in the official Annual Report of this meeting. His motion was seconded by member Dwight Raab and unanimously approved.

REPORT OF TREASURER

Chairman Schlatter informed the membership that the Treasurer's Report was contained in the official Annual Report and there would be no oral report describing the amounts and matters set forth therein. A financial summary was also incorporated in the Notice of the meeting and is also available online at the Cooperative's website. However, questions about the report could be asked. The Treasurer's Report included operating statistics, the balance sheet for the years ending December 31, 2017, December 31, 2016, and December 31, 2015, respectively. Consolidated statements of revenues, and expenses of the Cooperative and its subsidiaries for those years, as well as other information was provided.

The balance sheet reflected the following information for 2017:

Net Utility Plant	\$61,138,061.00
Total Assets	\$84,766,825.00
Long Term Debt	\$33,050,959.00
Total Members' Equity & Liabilities	\$84,766,825.00

2018 MEETING MINUTES

CONTINUED

Thereafter, the financial reporting period was concluded and Chairman Schlatter entertained a motion to accept the Treasurer's Report. A motion to accept the Treasurer's Report was made by member Rowe Blissard. The motion was seconded by member Glenn Anderson and upon a unanimous vote, the motion was approved.

EXECUTIVE REPORT

Chairman Schlatter stated that the condition of the Cooperative for the prior year was noted in a written Executive Report (Board Chairman and CEO Report), included as part of the official Annual Report of the Meeting. In addition, that report was mailed to all members. It was indicated that the executives would respond to questions from the floor after the conclusion of further meeting business. President/CEO Robert Hunzinger addressed the members regarding a number of matters. He initially addressed Walter Smith's history with the cooperative movement and noted his legacy of service over a period of 37 years. In particular, he noted that Mr. Smith was also a founding member of Soyland Power Cooperative (generation and transmission cooperative), which is now known as Prairie Power, Inc.

President/CEO Hunzinger then provided an opportunity for Mr. Scott Peterson of the NRECA to speak to the members regarding the effect of matters of national interest upon local cooperatives. Specifically, he addressed a variety of changes that are happening in the electric industry, particularly in the area of renewable energy. In that regard, he noted that there are many interest groups with agendas seeking to influence leadership at all levels of government. He urged the members to make sure that future changes benefit their cooperatives. He noted that cooperatives are taking a leadership role in the area of community solar programs, as well as adding wind energy to their resource portfolios. However, he noted that natural gas and coal are still critical elements to the nation's energy supply. Mr. Peterson briefly addressed comments about regulatory matters, and efforts to develop cleaner coal.

On the broadband front, Mr. Peterson noted efforts to increase access through federal funding. Funds in the amount of \$600,000,000 have been budgeted for improving internet access in rural areas. Mr. Peterson noted the efforts of EIEC employee Mike Wilson on the Council of Rural Electric Communicators and explained Mr. Wilson's significant role with that group. Finally, he encouraged member participation in the democratic process at all levels of government.

President/CEO Hunzinger then thanked Mr. Peterson, the members, guests, board of directors, employees, and others representing Paxton-Buckley-Loda schools and the supplier of the meal. President/CEO Hunzinger addressed the safety focus of the Cooperative, as well as providing a financial overview of its operating revenue and related statistics. He also provided information regarding the retirement of capital credits, specific community enhancement programs, including Empowering Education and Sharing Success, as well as the member satisfaction survey results.

With regard to trends in the industry, President/CEO Hunzinger noted the increased production and purchase of electric vehicles. He also noted that improved battery storage, and expansion of broadband will be forthcoming. For 2018, he noted that there may continue to be weather extremes. From an operational standpoint, he informed the members that a cost of service study will be done and that it will address the facility charge among other matters. He also informed the membership that the Future Energy Jobs Act (FEJA) will have an impact on cooperative operations. President/CEO Hunzinger then turned the meeting back to Chairman Schlatter.

ELECTION OF DIRECTORS

Chairman Schlatter announced that the next item of business would be the election of Directors and called upon Attorney Guy Hall to address the matter. This year, there was one contested election in District 3 between current Director Steve Meenen and Joel Hastings. Mr. Hall announced that the results of the election in District 3 were 455 votes for Steve Meenen and 160 for Joel Hastings. Steve Meenen was declared the winner of the election by vote of the members. The directorships for District 4 and District 6 are currently held by Bruce Ristow and Bradley J. Ludwig, respectively. They were unchallenged in the election and received all of the respective votes cast. The election process was conducted by Survey and Ballot Systems. The results were certified by Richard Berg of that company. A signed confirmation summary is available in the Cooperative's records. The elected directors then stood to be acknowledged by the members. Mr. Hall then yielded the floor to Chairman Schlatter.

QUESTIONS FROM THE FLOOR / UNFINISHED BUSINESS

Chairman Schlatter called for any questions or any unfinished business to be presented. There were no questions and no further business presented for consideration.

ADJOURNMENT

There being no further business to come before the meeting, upon a motion duly made by Jon Goembel, seconded by Joshua Ehmen and unanimously approved, the meeting was adjourned at 7:45 p.m.

NEW FACES AT EASTERN ILLINI IN 2018



Troy Allen

Vehicle Service Technician



Brooke Carlson

Member Care Representative



Mark Classen

Accountant



Paul Crutcher

Electrical Engineer



Kenney Davenport

Member Relations Coordinator



Travis Glazik

Apprentice Lineman



Todd Moore

Serviceman



Chevy Bolt EV

Electric Vehicle

For the average American household, transportation is the second largest expense after housing. Swapping a gas-powered vehicle for an all-electric vehicle can save you money. EIEC now has a Chevy Bolt EV. Stop by and check it out during the annual meeting. You can also schedule a test drive at our Paxton office.

IN MEMORY

A LIFE WELL LIVED



Jay Hageman

January 30, 1952 - October 9, 2018

Eastern Illini lost one of its own this year when board member Jay Hageman lost his life in a vehicle accident on October 9, 2018. His many contributions to the co-op, his strong belief in the cooperative principles, and his approach to living life to the fullest will always be remembered.

Jay was a dedicated director who was elected to the Illini Electric Cooperative Board in 1986. He then served on the Eastern Illini Electric Cooperative Board, following the 1987 consolidation, until 1989. He was re-elected to the Eastern Illini Electric Cooperative Board of Directors in 2002.

Jay received many honors during his years of service. He was awarded the National Rural Electric Cooperative Association (NRECA) Credentialed Cooperative Director Certification, the NRECA Board Leadership Certificate, and the NRECA Director Gold Credential Certificate.

Jay was serving as Vice Chairman of the EIEC Board of Directors at the time of his passing. He also served as Eastern Illini's representative on the Association of Illinois Electric Cooperatives Board of Directors.

Jay made a difference in the lives of many, including EIEC members, employees, and his fellow directors. Jay was an integral part of the Eastern Illini Cooperative family. He had a thorough understanding of the electric utility industry, the co-op business model and a sense of service to all members of the cooperative. We pay tribute to Jay and will forever be appreciative of his many contributions and steadfast loyalty to EIEC and the cooperative principles.

NOTES

[illegible]

MEMBER DRIVEN AND COMMUNITY FOCUSED

EASTERN ILLINI ELECTRIC COOPERATIVE

Eastern Illini Electric Cooperative's mission is to provide safe, reliable, premium-quality, economically-priced electricity and other related services to our members.

COOPERATIVE PRINCIPLES

1. VOLUNTARY & OPEN MEMBERSHIP
2. DEMOCRATIC MEMBER CONTROL
3. MEMBER'S ECONOMIC PARTICIPATION
4. AUTONOMY & INDEPENDENCE
5. EDUCATION, TRAINING & INFORMATION
6. COOPERATION AMONG COOPERATIVES
7. CONCERN FOR COMMUNITY

330 West Ottawa Street
Paxton, IL 60957
800-824-5102
www.eiec.coop