



2021 ANNUAL REPORT

Providing our members with safe, reliable energy solutions and exceptional service.

Eastern Illini Electric Cooperative

www.eiec.coop

800.824.5102

330 W. Ottawa

Paxton, IL



Eastern Illini
Electric
Cooperative

A Touchstone Energy® Cooperative 

2021 Annual Meeting

Eastern Illini is hosting three Member Appreciation Days prior to the 2021 Annual Meeting.

Monday, June 7	EIEC Headquarters, Paxton	3:30 p.m. - 6:30 p.m.
Wednesday, June 9	Sidney Community Center, Sidney	3:30 p.m. - 6:30 p.m.
Thursday, June 10	Iroquois County Fairgrounds	3:30 p.m. - 6:30 p.m.

These are drive-through events where members will vote on the bylaw amendment as well as pick up to-go meals for which they have pre-registered. The 2021 EIEC Annual Meeting will be held at the Iroquois County Fairgrounds and will begin at 6:30 p.m. Members will exit their vehicles and come inside the 4-H Building and sit down for the business meeting of the co-op.

The annual meeting is an opportunity for you to become involved in the operation of Eastern Illini by electing the directors that represent you. You can also vote on official business of the cooperative including the Bylaw amendment. The annual meeting is an opportunity to inform you, our members, as to the changes and progress of the past, opportunities and challenges of the present, and the direction of the future. Our goal at Eastern Illini is to provide safe and reliable energy solutions and exceptional service. We look forward to seeing you at Member Appreciation Days and the Annual Meeting.

BUSINESS MEETING

- Call to Order
- National Anthem
- Pledge of Allegiance
- Invocation
- Quorum Determination
- Notice and Proof of Mailing
- 2020 Meeting Minutes (with approval, page 6-7)
- Treasurer's Report (with approval, pages 4-5)
- Chairman and CEO Report
- Director Election (action required)
- Bylaw Amendment (action required)
- Unfinished Business
- New Business
- Adjournment



Board Chairman & CEO Report

On behalf of Eastern Illini's Board of Directors and employees, we would like to welcome you to the 2021 Annual Meeting of Members! Due to the ongoing pandemic, the locations and format this year have been modified. We hope you enjoy this concise summary of 2020.

COVID-19

Beginning in March, COVID-19 made this a very challenging year. We closed our lobby on two separate occasions. Many employees performed their jobs remotely at times. We modified business and operations activities to accommodate increased COVID-19 safety requirements. Despite the unusual circumstances, our employees continued to deliver reliable electricity supply while providing excellent service. We will continue taking extra precautions as long as the pandemic continues. Thank you for your understanding and support.

SAFETY

Our driving and continual focus for the cooperative is the safety of our employees, our members, and the public. The main portion of our safety goal is to experience zero lost time incidents. We had an excellent safety year, but did not achieve that goal in 2020, as we experienced one lost time event related to COVID-19.

MEMBER SATISFACTION

Even with COVID-19 conditions, our members rated their view of our customer satisfaction scores as the highest levels ever on two separate surveys. We received a satisfaction score of 91% on our annual October survey, and we received a score of 88% on the biennial statewide association survey. EIEC employees and Directors take pride in providing the service level our members deserve and expect. We are proud of the level of service that we provide and are constantly looking for ways to improve.

FINANCIAL AND CAPITAL CREDIT UPDATE

Eastern Illini had a very good financial year in 2020. Operating margins totaled \$1.14 million, with total operating revenues of \$33.4 million. These margins are in addition to a \$1.2 million member margin rebate credited to members on the December bills. Non-operating margins reflect the \$2.4 million proceeds from the sale of previously acquired radio licenses. Each year, we review our revenue collected compared to our expenses in providing electric service. Positive margins are then allocated as capital credits to be returned to members at a future date. We reached the Director's target of a 25 - year return cycle this year. In 2020, we retired \$776,000 in capital credits to members who received electric service in 1994 and 1995.

At the Board's August strategic planning meeting, your Directors agreed to levelized future capital credit payments at the average of the rolling 25 year pending allocations, beginning in 2021.

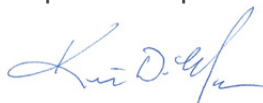
RATES

After a period of no rate adjustments since April 2013, member's base charges increased slightly for all rate classes in March 2020. Additionally, effective with the 2021 March bills, a 1% rate increase (based on gross cooperative revenues) was implemented. The overall 1% increase will impact each rate class differently, based on our recently completed cost of service study.

RELIABILITY

Our distribution system performed exceptionally well this year, resulting in our highest year of overall reliability in recent history, at 99.97%. Unfortunately 2021 will not repeat this performance level, as there have been two significant ice events in the first three months.

We are in our 84th 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 have enjoyed this brief recap of 2020 performance. Thank you for the opportunity to serve you.



Kevin Moore
Board Chairman



Bob Hunzinger
President/CEO

Financial Review

The enclosed financial information represents the Cooperative's operation for the fiscal years ended December 31, 2020, 2019, and 2018. 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. The American Institute of Certified Public Accountants sets the standards and scope of the audit.

BALANCE SHEET December 31, 2020

ASSETS	2020	2019	2018
UTILITY PLANT			
Cost of Electric Plant	\$112,246,734	\$109,358,353	\$107,127,871
Less: Accumulated depreciation	49,716,317	47,851,078	45,949,868
Net Utility Plant	\$62,530,417	\$61,507,275	\$61,178,003
CURRENT & OTHER ASSETS			
Cash-General	\$716,112	\$617,316	\$561,924
Investments	23,382,010	19,606,874	19,065,508
Accounts Receivable, net	1,930,140	3,142,926	2,085,403
Materials and supplies	676,503	631,152	628,961
Prepaid and Other Assets	853,277	851,502	856,418
Total Assets	\$90,088,459	\$86,357,045	\$84,376,217
MEMBERS' EQUITY AND LIABILITIES			
Membership Fees & Other Equities	\$4,573,011	\$4,516,643	\$4,381,765
Patronage Capital	34,642,961	32,934,207	31,623,280
Operating Margins	1,138,374	1,099,715	1,420,225
Non-Operating Margins	6,748,345	4,384,735	4,428,477
Long-Term Debt	\$34,152,220	\$34,050,280	\$33,158,946
CURRENT & OTHER LIABILITIES			
Accounts Payable & Accrued Expenses	\$2,877,701	\$3,526,407	\$2,897,963
Notes Payable - Line of Credit	-	-	961,405
Consumers' Deposits & Prepayments	482,332	470,220	460,480
Other Non-current liabilities	5,473,515	5,374,838	5,043,676
Total Members' Equity and Liabilities	\$90,088,459	\$86,357,045	\$84,376,217

HOW YOUR ELECTRIC DOLLAR WAS SPENT

	2020	2019	2018
Wholesale Power Cost	59.21%	61.45%	60.81%
Operations	23.65%	22.54%	21.93%
Depreciation & Other	9.57%	8.71%	8.87%
Interest	4.17%	4.23%	4.31%
Operating Margins	3.41%	3.07%	4.07%

Financial Review

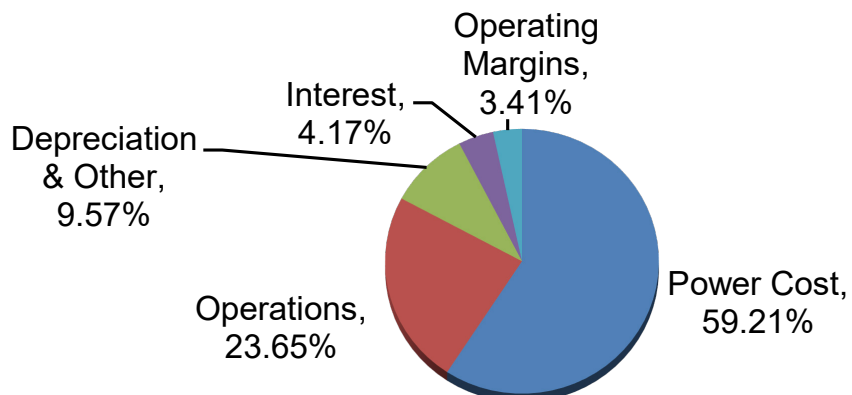
STATEMENT OF REVENUE AND EXPENSE for the year ended December 31, 2020

	2020	2019	2018
Total Operating Revenue	\$33,429,609	\$35,834,123	\$34,914,192
Operating expenses:			
Cost of power	\$19,792,844	\$22,020,805	\$21,232,653
Operations and maintenance expenses	4,190,948	4,436,434	4,063,337
Consumer accounts expense	703,857	686,202	687,668
Customer service and Information expense	524,784	616,370	579,795
Administrative and general expense	2,395,551	2,216,949	2,191,389
Depreciation	3,200,435	3,122,848	3,098,416
Interest Expense	1,392,666	1,515,381	1,505,212
Other Deductions	90,149	119,419	135,497
Total Operating expense	\$32,291,234	\$34,734,408	\$33,493,967
Operating margins (loss)	\$1,138,375	\$1,099,715	\$1,420,225
Non-operating margins (loss)	\$3,914,108	\$1,550,382	\$1,595,673
Income or (Loss) from Equity Investments	26,927	27,044	25,495
Net margins (loss) for the year	\$5,079,410	\$2,677,141	\$3,041,393

OPERATING STATISTICS

	2020	2019	2018
Total KWH purchased	260,409,842	267,551,710	268,722,045
Total KWH sold	240,147,990	247,708,315	249,757,627
Average number consumers served	13,506	13,455	13,490
Average KWH usage per month per consumer	1,482	1,534	1,543
Average Revenue per KWH Sold to consumers	\$0.139	\$0.145	\$0.140
Average Cost Per KWH Purchased	\$0.076	\$0.082	\$0.079

2020 EXPENSES



2020 Meeting Minutes

The Thirty-Third Annual Meeting of Members of Eastern Illini Electric Cooperative, Inc. was held at the Harvest Moon Twin Drive-in Theater, 1123 S. Sangamon Ave., Gibson City, Illinois on Saturday, August 8, 2020, and called to order at 8:30 a.m., then recessed until the business portion of the meeting convened at 10:00 a.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. Guidelines for the members in light of the COVID-19 emergency and the Illinois Phase 4 mitigation efforts with appropriate social distancing were in effect. The guidelines were noted as follows: members were to remain in their vehicles as much as possible; if they needed to leave, they were encouraged to wear facial masks; rest room locations were provided to members; members were informed of several votes that would be taken during the business portion of the meeting and that they would need to honk their vehicle horns in order to express their approval (in favor) or disapproval (in opposition) as prompted when voting on a matter. Members attending were directed to tune their vehicle radios to a designated station number (91.3 FM) to hear the meeting agenda matters as presented. Separately, the voting for the proposed bylaw amendment was by ballot and members were provided ballots to fill out at the meeting. Those unable to attend the meeting were provided the opportunity to request a ballot with the notice of annual meeting. However, no ballots regarding the bylaw change were requested in that manner.

NATIONAL ANTHEM

The National Anthem was played to commence the meeting.

PLEDGE OF ALLEGIANCE

The membership then recited the Pledge of Allegiance.

INVOCATION

Director Lauri Quick delivered the invocation.

QUORUM DETERMINATION

The Chairman announced that the registration was continuing and would continue throughout the remainder of the meeting. Attendance of at least 100 members as required by the bylaws to constitute a quorum was noted.

READING OF PROOF OF SERVICE OF NOTICE OF MEETING AND PROOF OF MAILING AND DELIVERY

Chairman Schlatter indicated that Secretary Bradley J. Ludwig had certified the Official Notice of the meeting and that delivery of the same through the proof of service that the Notice of Annual Meeting was promptly delivered to the U.S. Postal Service on or after July 1, 2020, otherwise mailed to members, or sent to them via electronic delivery in compliance with EIEC bylaw requirements. The Chairman directed the Secretary to annex to the minutes of this meeting a copy of the Notice together with the Affidavit of the Board Secretary.

APPROVAL OF MINUTES 2019 ANNUAL MEETING

The minutes of the Thirty-Second Annual Meeting of Members held June 6, 2019, as printed in the 2020 Annual Report and distributed to all member/owners, were presented for consideration. Member/owner and Director Chad Larimore made a motion that the rules be suspended; that the reading of the minutes of the Annual Meeting of June 6, 2019 be waived; and that the minutes be approved as presented in the official Annual Report of this meeting. His motion was seconded by member/owner and Director Kevin Moore and unanimously approved.

REPORT OF TREASURER

Chairman Schlatter informed the membership that the Treasurer's Report was contained in the official Annual Report and that it was also posted on the Cooperative's website. He indicated there would be no oral report describing the amounts and matters set forth therein. A financial summary was also incorporated in the Annual Report and available online at the Cooperative's website. The Treasurer's Report included operating statistics, the balance sheet for the years ending December 31, 2017, December 31, 2018, and December 31, 2019, respectively. Additionally, consolidated statements of revenues, expenses of the Cooperative and its subsidiaries, and other information was provided for those years.

2020 Meeting Minutes

The balance sheet reflected the following information for 2019:

Net Utility Plant	\$61,507,275.00
Total Assets	\$86,357,045.00
Long Term Debt	\$34,050,280.00
Total Members' Equity & Liabilities	\$86,357,045.00

The Chairman entertained questions from the membership. There was a question concerning the development of solar energy within the Cooperative territory and specifically with regard to the amount of electric energy generated by solar facilities annually. President/CEO Hunzinger responded to the question and indicated that the information would be placed on the Cooperative's website for all the member/owners to examine. In addition, he invited the membership to call the headquarters with regard to that question. 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/owner and Director Lauri Quick. The motion was seconded by member/owner and Director Kevin Moore and unanimously approved.

EXECUTIVE REPORT

Chairman Schlatter indicated 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 delivered to all member/owners. It was indicated that the executives would respond to further questions after the conclusion of further meeting business. President/CEO Robert Hunzinger then addressed the member/owners regarding a number of matters of interest. He also thanked those in attendance for their efforts to attend and participation in the annual meeting under the unusual circumstances of the COVID-19 pandemic.

ELECTION OF DIRECTORS/BYLAW AMENDMENTS

It was then indicated that the next item of business would be the election of Directors and announcement of the vote with regard to the proposed bylaw change. Attorney Hall was called upon to address these matters. This year, there were no contested District elections. There were three (3) directorships up for election. The Directors seeking reelection were Lauri Quick, Kevin Moore, and Thomas Schlatter. Mr. Hall also thanked the employees and staff who put in substantial effort to make sure that the election and bylaw matters were able to be addressed at this meeting. He noted that the EIEC Credentials Committee, consisting of EIEC member/owners, found that all of the Directors standing for election met director qualifications. Since there were no other candidates other than those approved by the Credentials Committee, Mr. Hall entertained a motion to waive the written ballot and elect the nominated candidates pursuant to Section 2.6 of the Cooperative bylaws. A motion was made by Director Ludwig to elect all of the director candidates so nominated and qualified pursuant to Section 2.6 of the bylaws. That motion was seconded by Director Moore and unanimously approved by the member/owners. Mr. Hall noted that there were sixty-six (66) votes returned regarding the proposed bylaw amendment to Section 2.3 of the bylaws with sixty-four (64) in favor and two (2) opposed. The amendment was approved. To confirm the presence of a quorum, Director Ludwig made a motion to extend the duration of the business meeting. That motion was seconded by Director Meenen and approved. Mr. Hall then yielded the floor to Chairman Schlatter.

QUESTIONS FROM THE FLOOR | UNFINISHED BUSINESS

Chairman Schlatter indicated that he and President/CEO Hunzinger would entertain questions or any unfinished business to be presented. There was further discussion regarding solar installations, including the five (5%) percent net metering limit and discussions regarding qualified facilities under the Cooperative's regulations. Chairman Schlatter thanked everyone for attending and thanked those in charge of Harvest Moon Twin Drive-In Theatre for making it available to the Cooperative for the meeting. Thereafter, the meeting was continued and there was confirmation of the attendance of a quorum of member/owners registered.

ADJOURNMENT

Following the recess, there being no further business to come before the meeting, upon a motion duly made by Steve Meenen, seconded by Lauri Quick, and unanimously approved, the meeting was adjourned at 11:33 a.m.

Board of Directors

Eastern Illini has nine co-op members who serve on the board of directors. Each year three of the cooperative's nine board seats are up for election. This year, directors in Directorate Districts 3, 4, and 6 will be elected at the June 10, 2021 annual meeting. Because each of the three board districts have single candidates running unopposed, the election of Steve Meenen, District 3; Bruce Ristow, District 4; and Brad Ludwig, District 6; will take place via voice vote during the business meeting.



Tyler Finegan

District 1
Ashkum
2 years of service



Tom Schlatter

District 2
Chatsworth
15 years of service



Steve Meenen

Assistant Secretary/Treasurer
District 3
Melvin
15 years of service



Bruce Ristow

Vice Chairman
District 4
Cissna Park
15 years of service



Kevin Moore

Chairman
District 5
Hoopeston
7 years of service



Brad Ludwig

Secretary/Treasurer
District 6
Fithian
36 years of service



Steve Gordon

District 7
Rantoul
5 years of service



Chad Larimore

District 8
Bement
5 years of service



Lauri Quick

District 9
Tolono
3 years of service