

# 2023 ANNUAL REPORT

## EASTERN ILLINI ELECTRIC COOPERATIVE



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



[www.eiec.coop](http://www.eiec.coop)  
800.824.5102  
330 W. Ottawa  
Paxton, IL

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# 2023 Annual Meeting Events

Eastern Illini is hosting three Annual Meeting events in 2023. Members are invited to enjoy a chicken dinner from 4:00 p.m. to 6:00 p.m. The business meeting will follow at 6:00 p.m.

**Thursday, June 1**

Tuscola Community Building, Tuscola

**Tuesday, June 6**

Ford County Fairgrounds, Melvin

**Thursday, June 8**

Iroquois County Fairgrounds

We invite members to come for the meal and stay for the meeting. The annual meeting is an opportunity for you to become involved in the operation of Eastern Illini Electric Cooperative by electing the directors that represent you. When you arrive at the annual meeting event, you may pick up and complete a ballot for the board of directors' election. 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.

<b>Sit-down chicken dinner</b>	<b>Serving from 4:00 p.m. to 6:00 p.m.</b>
<b>Musical entertainment by JMT Trio</b>	<b>4:00 p.m. to 6:00 p.m.</b>
<b>Bucket truck rides</b>	<b>4:00 p.m. to 6:00 p.m.</b>
<b>Q &amp; A: Renewable energy &amp; rate adjustments</b>	<b>4:00 p.m. to 6:00 p.m.</b>
<b>Eastern Illini Business Meeting</b>	<b>6:00 p.m.</b>

**We look forward to seeing you at one of the upcoming Annual Meeting events!**

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## **EASTERN ILLINI ELECTRIC COOPERATIVE BUSINESS MEETING AGENDA**

- Call to Order
  - National Anthem
  - Pledge of Allegiance
  - Invocation
  - Quorum Determination (Iroquois Co. Fairgrounds)
  - Notice and Proof of Mailing (Iroquois Co. Fairgrounds)
  - 2022 Meeting Minutes (with approval, page 6-7)  
(Iroquois Co. Fairgrounds)
  - Treasurer's Report (with approval, pages 4-5)
  - Chairman and CEO Report
  - Director Election (action required)  
(Iroquois Co. Fairgrounds)
  - Unfinished Business (Iroquois Co. Fairgrounds)
  - New Business (Iroquois Co. Fairgrounds)
  - Adjournment
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# Board of Directors

Eastern Illini wants to express our sincere gratitude to Tom Schlatter as he concludes his time on the EIEC Board of Directors. He has provided leadership for 17 years and served as Board President from 2014 - 2020. Eastern Illini members have greatly benefited from his dedication, commitment, and expertise. We wish him all the best in his future endeavors. EIEC has nine co-op members who serve on the board. This year, directors in Directorate Districts 2, 5, and 9 will be elected at the June 8, 2023 annual meeting event. The election of Mark Slagel, District 2; Kevin Moore, District 5; and Lauri Quick, District 9; will take place during the business meeting.

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**Tyler Finegan**

**District 1**

Ashkum  
4 years of service



**Tom Schlatter**

**District 2**

Chatsworth  
17 years of service



**Steve Meenen**

Secretary/Treasurer

**District 3**

Melvin  
17 years of service



**Bruce Ristow**

Vice Chairman

**District 4**

Cissna Park  
17 years of service



**Kevin Moore**

Chairman

**District 5**

Hoopeston  
9 years of service



**Brad Ludwig**

**District 6**

Fithian  
38 years of service



**Steve Gordon**

**District 7**

Rantoul  
7 years of service



**Chad Larimore**

Assistant Secretary/Treasurer

**District 8**

Bement  
7 years of service



**Lauri Quick**

**District 9**

Tolono  
5 years of service

# Financial Review

The enclosed financial information represents the Cooperative's operation for the fiscal years ended December 31, 2022, 2021, and 2020. 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, 2022

ASSETS	2022	2021	2020
<b>UTILITY PLANT</b>			
Cost of Electric Plant	\$120,444,502	\$116,214,748	\$112,246,734
Less: Accumulated Depreciation	53,547,412	51,550,503	49,716,317
Net Utility Plant	\$67,897,090	\$64,664,245	\$62,530,417
<b>CURRENT &amp; OTHER ASSETS</b>			
Cash-General	\$682,265	\$708,740	\$716,112
Investments	21,440,067	23,152,441	23,382,010
Accounts Receivable, Net	2,580,658	1,951,035	1,930,140
Materials and Supplies	1,661,707	964,194	676,503
Prepaid and Other Assets	802,084	780,894	853,277
Total Assets	\$94,063,871	\$92,221,549	\$90,088,459
<b>MEMBERS' EQUITY AND LIABILITIES</b>			
Membership Fees & Other Equities	\$6,303,104	\$4,857,468	\$4,573,011
Patronage Capital	37,129,296	35,950,189	34,642,961
Operating Margins	982,546	948,125	1,138,374
Non-Operating Margins	8,093,398	6,810,579	6,748,345
Long-Term Debt	\$32,929,334	\$34,096,325	\$34,152,220
<b>CURRENT &amp; OTHER LIABILITIES</b>			
Accounts Payable & Accrued Expenses	\$3,668,519	\$3,539,022	\$2,877,701
Notes Payable - Line of Credit	-	-	-
Consumers' Deposits & Prepayments	517,870	482,145	482,332
Other Non-current Liabilities	4,439,804	5,537,696	5,473,515
Total Members' Equity and Liabilities	\$94,063,871	\$92,221,549	\$90,088,459

## HOW YOUR ELECTRIC DOLLAR WAS SPENT

	2022	2021	2020
Wholesale Power Cost	60.48%	59.25%	59.21%
Operations	23.83%	24.65%	23.65%
Depreciation & Other	9.21%	9.58%	9.57%
Interest	3.79%	3.75%	4.17%
Operating Margins	2.69%	2.76%	3.41%

# Financial Review

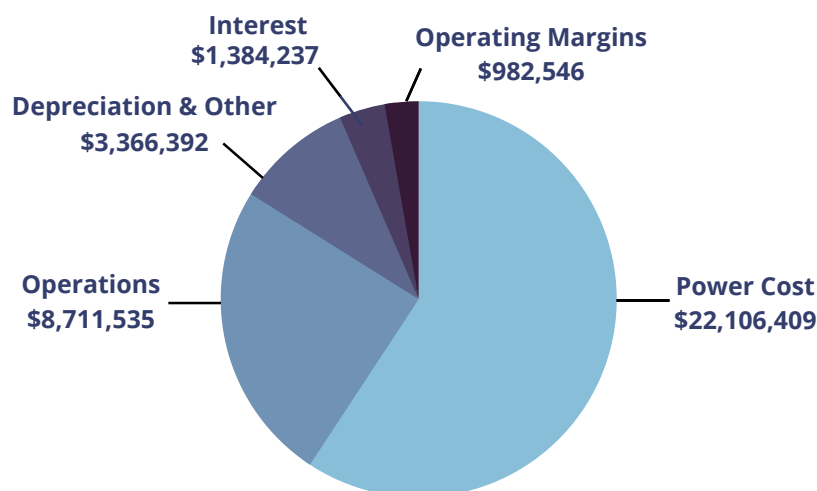
## STATEMENT OF REVENUE AND EXPENSE for the year ended December 31, 2022

	2022	2021	2020
Total Operating Revenue	\$36,551,119	\$34,296,967	\$33,429,609
Operating Expenses:			
Cost of Power	\$22,106,409	\$20,321,987	\$19,792,844
Operations and Maintenance Expenses	4,951,198	4,938,262	4,190,948
Consumer Accounts Expense	726,726	770,741	703,857
Customer Service and Information Expense	475,573	458,620	524,784
Administrative and General Expense	2,499,595	2,195,845	2,395,551
Depreciation	3,366,392	3,286,403	3,200,435
Interest Expense	1,384,237	1,286,647	1,392,666
Other Deductions	58,443	90,337	90,149
Total Operating Expense	\$35,568,573	\$33,348,842	\$32,291,234
Operating Margins (Loss)	\$982,546	\$948,125	\$1,138,375
Non-Operating Margins (Loss)	\$2,850,972	\$1,571,079	\$3,914,108
Income or (Loss) from Equity Investments	35,117	32,190	26,927
Net Margins (Loss) for the Year	\$3,868,635	\$2,551,394	\$5,079,410

## OPERATING STATISTICS

	2022	2021	2020
Total KWH Purchased	264,644,992	260,015,105	260,409,842
Total KWH Sold	246,386,862	241,649,371	240,147,990
Average Number Consumers Served	13,522	13,532	13,506
Average kWh Usage per Month per Consumer	1,518	1,488	1,482
Average Revenue per kWh Sold to Consumers	\$0.148	\$0.142	\$0.139
Average Cost per kWh Purchased	\$0.084	\$0.078	\$0.076

## 2022 EXPENSES



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# 2022 Meeting Minutes

The Thirty-Fifth Annual Meeting of Members of Eastern Illini Electric Cooperative, Inc. (Cooperative) was held at the Iroquois County Fairgrounds, 1390 E 2000 North Road, Watseka, Illinois on Thursday, June 9, 2022, with the member meeting called to order at 6:15 p.m.

## **CALL TO ORDER**

The business portion of the meeting was called to order by the Chairman of the Board, Kevin D. Moore, who presided and acted as Chairman. Secretary of the Board, Steve Meenen, acted as Secretary of the meeting and kept the minutes thereof.

## **NATIONAL ANTHEM**

The National Anthem was led by Morgan Connor, daughter of Cooperative employee Stacy Connor.

## **PLEDGE OF ALLEGIANCE**

The membership then recited the Pledge of Allegiance.

## **INVOCATION**

Director Tyler Finegan delivered the invocation.

## **QUORUM DETERMINATION**

The Chairman announced that the registration was completed and a quorum of 227 members at this site had been achieved. Attendance of at least 100 members as required by the bylaws is necessary to constitute a quorum.

## **RECOGNITION OF GUESTS**

The Cooperative employees were acknowledged for their presence and helpful assistance with the meeting. Also recognized were the current directors in attendance. Joe Smith of Prairie Power, Inc. (PPI) was also recognized along with Amber Crawford from the Association of Illinois Electric Cooperatives (AIEC). State Representative Tom Bennett attended the meeting earlier. Youth to Washington representatives Lilly Lahr and Riley Klump also attended the meeting.

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

Chairman Moore indicated that Secretary Steve Meenen 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 April 30, 2022, otherwise mailed to members, or sent to them via electronic delivery in compliance with the Cooperative 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 Secretary.

## **APPROVAL OF MINUTES -2021 ANNUAL MEETING**

The minutes of the Thirty-Fourth Annual Meeting of Members held June 10, 2021, as printed in the 2022 Annual Report, and distributed to all member/owners, were presented for consideration. Member/owner James (Jim) Roach made a motion that the rules be suspended; that the reading of the minutes of the Annual Meeting of June 10, 2021, 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 Kevin Hanson and unanimously approved.

## **REPORT OF TREASURER**

Chairman Moore 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, 2019, December 31, 2020, and December 31, 2021, respectively. Consolidated statements of revenues, and expenses of the Cooperative and its subsidiaries for those years, as well as other information were provided.

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# 2022 Meeting Minutes

The balance sheet reflected the following information for 2021:

Net Utility Plant	\$64,664,245
Total Assets	\$92,221,549
Long Term Debt	\$34,096,325
Total Members' Equity & Liabilities	\$92,221,549

The Chairman entertained questions from the membership. There were no questions. Thereafter, the financial reporting period was concluded, and Chairman Moore entertained a motion to accept the Treasurer's Report. A motion to accept the Treasurer's Report was made by member/owner Paul Ahlden. The motion was seconded by member/owner Gary Storm and unanimously approved.

## EXECUTIVE REPORT

Chairman Moore 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, including that 2021 was a good year for the Cooperative; there were nominal lost time incidents; the system had good performance from a reliability standpoint; and the membership has favorably rated the Cooperative's overall performance. The Illinois Climate and Equitable Jobs Act (CEJA) passed in late 2021 was addressed along with solar energy matters. The members were thanked for their attendance.

## ELECTION OF DIRECTORS

The next item of business was the election of directors. Attorney Hall was called upon to address this matter. There were no contested district director elections. There were three (3) directorships up for election. The directors seeking reelection were Tyler Finegan, Steve Gordon, and Chad Larimore. Mr. Hall thanked the employees and staff who put in substantial effort to make sure that the election 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 the necessary 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 director candidates pursuant to Section 2.6 of the Cooperative bylaws. A motion was made by James (Jim) Roach to elect all of the director candidates so nominated and qualified pursuant to Section 2.6 of the bylaws. That motion was seconded by Paul Ahlden and unanimously approved by the member/owners.

## QUESTIONS FROM THE FLOOR AND UNFINISHED BUSINESS

Chairman Moore indicated that he and President/CEO Hunzinger would entertain questions or any unfinished business to be presented. There was no unfinished business presented. Chairman Moore encouraged members to pay attention to legislative matters and expressed appreciation for their participation.

## NEW BUSINESS

It was indicated that there was time to address any new business or further items. No new business was presented by any of the membership.

## ADJOURNMENT

There being no further business to come before the meeting, upon a motion duly made by member/owner Gary Storm, seconded by member/owner Kevin Hanson, and unanimously approved, the meeting was adjourned at 6:30 p.m.

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# Board Chairman & CEO Report

On behalf of Eastern Illini's Board of Directors and employees, we would like to welcome you to the 2023 Annual Meeting events! We retained the multiple member engagement meeting format from prior years. We hope you enjoy this concise summary of 2022.

## **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 each year is to experience zero lost time incidents. We had a good safety year but had a single lost-time injury that does not allow us to achieve this goal in 2022. A sincere thanks to our employees and their dedication to safety.

## **RELIABILITY**

Our distribution system performed very well this year, with overall reliability at 99.97%. We had minimal weather-related outages this year other than miscellaneous storm events.

## **MEMBER SATISFACTION**

Members rated our customer satisfaction scores as very good on two separate surveys during this year. The EIEC annual October survey received a score of 88%, while the biennial statewide survey had a satisfaction score of 89%. 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 2022. Operating margins totaled \$983,000, with total operating revenues of \$36.6 million. These margins are in addition to a \$750,000 member margin rebate credited to members on the December bills. Positive margins are allocated as capital credits to be returned to members at a future date. In 2022, we retired nearly \$1.17 million in capital credits to members who received electric service in 1998-2002.

## **INCREASED COSTS**

We are all aware of recent extended supply chain delivery times and various materials that reflected price increases as the domestic and global economy recovers from the effects of COVID-19. We have experienced significant price increases in items such as poles, wire, underground cable, hardware, and transformers. Wholesale capacity and energy prices increased during portions of 2022 mainly due to increased fuel supply (mainly natural gas) costs. EIEC has done our best to manage these cost increases in the short run. Delayed billing by our wholesale provider will result in higher than budgeted Power Cost Adjustment (PCA) charges for most of 2023.

## **RATES**

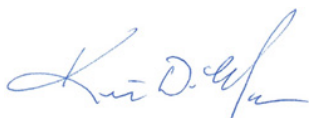
We completed the process of updating our cost-of-service study and are finalizing rates for each member service classification. The upgrade of our metering system is expected to be completed in late 2023. We plan to implement a demand billing component for all members in early 2024 in conjunction with about a 2.3% overall gross revenue increase.

## **SYSTEM IMPROVEMENTS**

We continue to maintain and upgrade the delivery system within budget constraints. 2023 will be the second year in the implementation of a long-term construction and system replacement plan. A new Westridge Substation (east of the Tuscola area) will be constructed as well. Overall, our member base is stable with a very slight increase in electric sales.

## **THANK YOU**

We are in our 86th 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 our 2022 performance. Thank you for the opportunity to serve you.



**Kevin Moore**  
Board Chairman



**Bob Hunzinger**  
President/CEO