



Your Touchstone Energy® Cooperative

Hi-Lites



2023 Annual Meeting Report

by Luke Johnson, General Manager



I'd like to express my genuine appreciation to our members that attended the 85th Annual Tri-County Electric Cooperative Business Meeting. I enjoyed having the opportunity to speak with many of you.

President Laird began the meeting by commending our employees for fourteen years and 1.3 million working hours without a lost-time incident. The safety culture here at the cooperative is still our number one priority, making sure that everyone from the office staff to the linemen returns home the same way that they arrived. We are always evaluating the different hazards that are associated with the jobs here at the cooperative and looking for ways to improve.

I took a moment to thank our employees for their dedication to the members of the cooperative in a manner that represents our mission statement, "To safely provide our member-owners with reliable electric service, superior customer service, and practical energy solutions, all at reasonable prices." Serving our member-owners is the reason we come to work each day.

Your cooperative is a not-for-profit entity that is not in the business of making billions of dollars off of our members. As Sam reported in the Secretary's Report (Page 3), we ended 2022 with adequate margins and we remain in good fiscal condition. If you were on the cooperative lines during the year 2000, you should have received your portion of the margins generated that year in the form of a capital credit check, if your total was over \$5 dollars. If for some reason you did not, please contact the cooperative office.

Last year I mentioned, barring no unexpected surprises, there would not be a rate increase. As we moved through 2022 and into 2023, we did notice some unexpected inflationary increases, as we have all been experiencing.

Transformer costs went from \$735 to \$1,350; regulators went from \$10,000 to \$22,000 and poles went from \$287 to \$518. We purchase an average of 1,000 poles a year, so that nets out to an increase in poles alone totaling \$231,000 dollars. These are just a few of the material increases we have seen.

Our power costs increased 4% as a result of the price of coal going from \$40 dollars a ton to over \$100 dollars, as well as additional maintenance costs. All

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MISSION STATEMENT

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

3906 Broadway
Mt. Vernon, IL 62864

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

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

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

BOARD OF DIRECTORS

President

Sam Phillips - Salem

Vice-President

Doug Knolhoff - Hoyleton

Secretary/Treasurer

Kathy Withers - Mt. Vernon

Michelle Barbee - Salem

Tom Beyers - Odin

Jordan Brink - Richview

Phil Carson - Oakdale

Donnie Laird - Waltonville

Larry Manning - Belle Rive

2023 Annual Meeting Report Continued

costs associated with the power cost increase and commodity increases resulted in a rate increase from Tri-County on April's bill for March usage. Our hopes are that energy prices will remain stable, but we are living in very unstable times when it comes to the grid. For this reason, you may have noticed the increase to the *Service Availability Charge* on your bill. This amount on your bill goes towards the charges that exist whether you use two thousand kilowatt-hours or zero kilowatt-hours. The fixed *Service Availability Charge* includes poles, transformers, tree trimming, right-of-way management, employees, overtime costs, the offices, taxes, equipment to maintain lines, and inventory. This charge allows the cooperative to recover those costs through a fixed charge instead of through the kilowatt-hour charge, which keeps your bill down during extreme temperatures.

In its 85 years of existence, the cooperative has changed little in relation to those fixed costs we just talked about. Your cooperative system is able to provide you with reliable electric service since the infrastructure is in really good shape, but the baseload generation that we discussed last year continues to be a target. Our allies at SIPC, the National Rural Electric Cooperative Association in Alington, Virginia, and the Association of Illinois Electric Cooperatives in Springfield, continue to fight to be able to keep dispatchable resources, like coal and gas generators on line. We believe in a diversified load including coal, wind, gas, solar, and hydro. Currently, we do not have the number of resources to keep the lights on if we shut down baseload generation too soon. We will continue to keep you informed of issues that we need your help defending.

At the meeting, I briefly discussed the Ameren transmission project that you have been hearing about and how it may affect some of your farms or maybe your neighbors. This is a transmission line that will start at the substation by the SSM Good Samaritan Hospital in Mt. Vernon, and continue to a new substation they are wanting to build by Continental Tire. From there, it will tie with a substation owned by Hoosier Energy in the Fairfield area. This should increase reliability in our area. We are not here to advise you on what to do with your land, only to let you know how the line can benefit the area.

Regarding the operations of your Cooperative, we have planned for a 14-mile distribution and transmission line rebuild next year from

Kinmundy substation to Patoka substation, along with SIPC to provide better reliability to members fed from those two substations. We have also increased our Cybersecurity efforts to protect your assets, and have advanced technologically to better serve you with an updated SCADA system to monitor the grid. As stated earlier, the infrastructure is in really good shape, such as poles, wires, substations, tree trimming and equipment, but the infrastructure is always being evaluated to see where improvements may be needed to prepare for the future.

We thank you again for taking time to tend to the business of your cooperative by electing your board of directors, getting the latest updates on cooperative business, and fellowshipping with other cooperative members. We look forward to seeing you again next July.

TRIMMED TREES = BETTER SERVICE



When you see us trimming trees near power lines, know that we are doing so because:

- **Tree and foliage overgrowth** can interfere with power distribution.
- **Power lines** can give off a spark or arc that may land on a nearby branch and ignite.
- The lights in your house may flicker when tree branches brush power lines during **high winds**.
- **Stormy weather** can cause nearby limbs to break off and land on power lines.
- Unobstructed power lines make it easier and **safer** for lineworkers to **maintain equipment** or **restore power**.

Secretary/Treasurer's Report



Sam Phillips, Secretary/Treasurer of the Cooperative, informed the membership that the Cooperative reported revenue of \$49,138,000 during the calendar year ending December 31, 2022.

Also for 2022, the Cooperative purchased 404,227,000 kilowatt hours.

The Cooperative's cost of purchased power for the year was \$30,979,000 and other expenses were \$15,753,000.

The Cooperative reported margins of \$2,406,000. Of that amount \$1,273,000 were patronage credits from Southern Illinois Power Cooperative. The patronage credits have been assigned as capital credits to the accounts of members receiving service during 2022.

Phillips also reported that the Cooperative constructed 142 new services in 2022 for a total of 18,618 services in place. The Cooperative has 3,416 miles of line which includes 80 miles of transmission line.

Officers Selected

Officers selected during the board's reorganizational meeting for the 2023-2024 year are as follows:



President
Sam Phillips,
Marion County



Vice-President
Doug Knolhoff,
Washington County



Secretary/Treasurer
Kathy Withers,
Jefferson County

Directors Elected

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



Jefferson County
Donnie Laird



Marion County
Sam Phillips



Washington County
Jordan Brink

Abigail Meyer Receives IEC Memorial Scholarship

Tri-County Electric Cooperative is proud to announce that Abigail Meyer of Christ Our Rock High School is one of fifteen winners of this year's Thomas H. Moore Illinois Electric Cooperatives (IEC) Memorial Scholarship. She is the child of Kirk and Karis Meyer of Hoyleton, IL.

Abigail competed for the scholarship with 292 other students from across the state. The \$2,000 awards are given each year to fourteen children of electric cooperative members, employees or directors. A fifteenth scholarship is reserved for a student interested in lineworker's college and will be announced at a later date. Abigail will be recognized during the Association of Illinois Electric Cooperatives' annual meeting on August 2, 2023 in Springfield.

Candidates were judged on grade-point average, college entrance exam scores, work and volunteer experience, school and civic activities, and a short essay demonstrating their knowledge of electric cooperatives.

Come this fall, Abigail will attend University of Pikeville. Tri-County Electric Cooperative is honored to have a scholarship recipient and is excited to see how she will continue to represent the community.



TCEC General Manager Luke Johnson (left) and Abigail Meyer (right)

Annual Meeting Moments

We had a great time at Annual Meeting! More photos can be found on our Facebook page!



Lineman Zach Meritt displayed electrical hazards during the live line demo.



Lineman John Shirley invited a young audience member to help with the live line demo.



Thank you to the Mt. Vernon RoboRams team for displaying at the Annual Meeting!



Thank you to the local 4-H students for volunteering to pass out donuts and lunches!



Kids were transformed into characters by our professional face painters!



Members enjoyed checking out the all-electric Rivian truck and 1930 Model A.