

General Manager's Comments by Wm. David Champion, Jr.

Value as it relates to your cooperative

In previous articles and at our annual meeting, we have discussed the subject of competitive electric rates and the changes that will take place in the electric utility industry. This article will focus on the value that your cooperative represents to you, the owner.

As you know, the original value was created when the founding members began building electric lines in the rural areas, places where no one else would dare invest in such a service. Electricity began doing jobs that previously required manual labor. The quality of life began to improve. Over the years, we have used electricity to do more and more for us and now we take it for granted. When we flip the switch, we expect something to happen.

As a member-owned organization, we have placed service as the number one priority so that when you flip the switch, you aren't disappointed. In fact, we target our outages to be less than five hours per member per year. If we have no extremely severe storms, we do better than that each year, which means our service reliability is 99.99943 percent (100% - (5/8760)). If I remember correctly, that is better than Ivory soap's claim to fame. This doesn't happen automatically. Our employees work very hard to see that we continue to meet this standard.

Our second priority is to provide this service at a competitive rate. We haven't done so well in this category over the last 25 years. However, we have worked through the worst of that and our cooperative has moved

from the highest electric rates in the state to the middle of the pack when compared to 39 utilities in Illinois. This again has taken persistence and hard work, especially when you consider the number of meters we have per mile of electric line investment (2.8) versus other utilities that have 10 to 15 times that number. We will keep working to improve our competitive position because we owe it to you, and because you expect us to respond to the increasing level of competition in the industry.

The cooperative's mission has been one which involves improving the lifestyle for our members. For the last few years, we have diversified our operations with the establishment of our subsidiary operating companies. In 1987, we began providing satellite television programming services through our subsidiary, Unlimited Visions. In 1994, we began providing the small dish programming, DIRECTV®, and selling and renting the 18-inch dish and equipment through our subsidiary SkyQuestSM.

This year a new subsidiary business called Utili-soft™ has gone to market. Its main business will be to sell software which we have developed here at EIEC to other utilities around the country. This software and equipment will be marketed to help utilities have better control of their distribution facilities through electronic monitoring and switching techniques. A byproduct of Utili-soft's operations is that it will be buying and selling personal computers as part of its normal business operations. We

(Continued on page 12d)



The heart of a geothermal system is a grid of buried pipes holding fluid that circulates through the system. Here, EIEC employees have a look at trench. From left are Tim Frick, Wm. David Champion, Jr., manager, Merrily Griffin and Dick Haines.

EIEC's geothermal open house draws interested crowd

"For several years now, we have been encouraging members who need a heating and cooling system to 'think geothermal,'" says Wm. David Champion, Jr., EIEC manager, "so it was only natural that when it came time for us to add to our system, we decided to go geothermal, too.

"We had been outgrowing our building for some time, and needed to add more space. We decided to convert several of the old truck bays into office space,

to help solve that problem economically."

EIEC held an Open House on November 16 to showcase the installation. Some 60 members and guests turned out to have a look at the system, which was installed by Ed Hovel of Hovel Heating and Cooling.

"It was a good showing," Champion says, "not so much because of the number of people who came, but because of how many interested people there

were. Almost everyone who came by was thinking of replacing their old system, and they asked intelligent, well-thought-out questions."

The original office structure itself is heated by a gas boiler system, and that will stay in place for now. The garage area, though, had only been heated enough to make it bearable during winter time. It hadn't been cooled at all. Since the addition is intended for year-around use, it was essential to



The lunch line was a popular place. EIEC secretary Glenda Frette is at right.



Those attending were asked to register, and these people are busy doing that. Merrily Griffin, EIEC consumer services representative, is at left.

heat and cool it.

"We were fortunate that we had plenty of outside space to work with," Champion says, "since the heart of a geothermal system is a buried grid of fluid-filled pipes. And we used our trencher to dig the trenching, all 1,250 feet of it. That was a better alternative in this application

than drilled or vertical loops. It helped keep costs down, too.

"I should note that most residential systems wouldn't need that much trenching. A rule of thumb is that you need 250 feet of trenching, and 500 feet of pipe, for each ton of air conditioning capacity."

We have urged our members

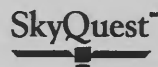
for some time to switch to a geothermal system when building a new house or replacing an old unit, and now we've followed our own advice at the headquarters. We already have a geothermal system in our Pesotum warehouse, and we are confident that this new system will please us as well.

Didn't get what you wanted for Christmas?

Turn your returns and cash into the gift that the entire family will enjoy. The 18-inch satellite dish and DIRECTV® will give you countless hours of home entertainment. Buy or rent.



Call SkyQuestSM at 800-236-9263.



Board meeting report



The board of directors of Eastern Illini Electric Cooperative held its regular meeting on November 29, 1995, at the cooperative's headquarters in Paxton.

The board approved the minutes of the October 31, 1995, regular board meeting.

The statement of revenues and expenses for the month ending October 31, 1995, including the following information was approved: Total Operating Revenues \$1,650,792, Total Operating Expenses \$1,541,466, Total cost of Electric Service \$1,799,977, Operating Margins (\$149,185), Total Margins (\$94,898) and Year-To-Date Margins \$642,572.

During October, 85 members joined the cooperative and 97 terminated their memberships.

Director Warmbir, Chairman of the Land Use and Facilities Committee, indicated the committee had met November 17 to review the 1996 capital budget. After discussion, the board approved the report and the 1996 capital budget.

A report of the November 21 Audit and Finance Committee meeting was given by Committee Chairman Loy. The committee examined the accounts of the cooperative and reviewed expense statements, disbursements and supporting data in accordance with the cooperative's bylaws.

President Byers reported on the November 21, Executive Committee meeting. The board went into Executive Session.

President Byers announced the following meetings have been scheduled: The Executive Committee will meet December 4, the Annual Meeting Planning Committee will meet December 8 and the Member and Public Relations Committee will meet December 11.

The board discussed the postretirement benefits valuation and will take action at the December board meeting in order to comply with FASB 106. Moreover, the board reviewed the National Rural Utilities Cooperative Finance Corporation's Key Ratio Trend Analysis for 1994.

Manager Champion indicated the Nominating Committee had met November 1 to select candidates for the December 1, 1995, Nominating Com-

mittee election and the March 16, 1996, director election. The board appointed tellers in Directorate Districts 3, 4, 7 and 11 to open and tally the ballots for the Nominating Committee election on December 20 at the cooperative's headquarters. Furthermore, Champion advised that the November 16 geothermal open house at EIEC headquarters was very successful.

In other action, the board approved the Power Requirements Study prepared by the Association of Illinois Electric Cooperatives.

Director Reitz indicated he had attended the November 22 safety meeting. A written November job training and safety activities report was provided by manager Champion.

A summary of the November 16, AIEC meeting was given by director Chesnut. An update on legislative and deregulation activities was given. The 1995 audit report prepared by the Illinois Agricultural Auditing Association was accepted. A staff reorganization was announced.

Director Warmbir highlighted the November 15, Soyland Power Cooperative board of directors meeting. Director Ludwig and manager Champion also attended. Scheduled maintenance at the Pearl Power Station will be completed in about five weeks and the Clinton Power Station is running well. Other reports were given by the Finance Committee, Policy Committee, Applied Energy, and Marketing Committee.

Util-soft™ manager Paul Mariman indicated the company is offering a Christmas computer special to EIEC members and a marketing plan is being established to promote its products. SkyQuest™ manager David Lithgow reported that SkyQuest has around 2,800 DIRECTV® subscribers. A request was made by Lithgow to create a Supervisor of Office Operations position. The request was approved. Manager Champion reiterated that the Rural TV (C-band) business is continuing to do well.

The text EIEC board meeting will be held at 8:30 a.m. on Monday, December 18, 1995.

There being no further business to come before the board, the meeting was adjourned.

(Continued from page 12a)

can then put together some very good pricing on quality personal computer products and offer them to EIEC's members. That is how we were able to put together our personal computer Christmas special. We will also be working on personal computers while performing upgrades, maintenance and repairs. This is another service we bring to our co-op members.

In conclusion, you as a member-owner are re-

ceiving very high value through high quality electric service and other services provided by the cooperative and its subsidiary businesses. At the same time, we are improving our competitive position with electric rates through careful and prudent business decisions which expand and diversify the operations of the cooperative. I urge you to use the cooperative's services to the fullest extent. In doing so, your personal value of services received will improve even further.

Bauer receives NRECA certification



Eastern Illini Electric Cooperative director Robert W. Bauer of Cissna Park (right) receives the National Rural Electric Cooperative Association's Professional Directors Certification Award from Laverl Byers (left), president of EIEC. Wm. David Champion, Jr. (center), executive vice president and general manager of EIEC is also pictured. The presentation was made Dec. 9 at the cooperative's Christmas party at Remembrance Hall in Paxton. To earn the certification, Bauer completed a series of required training and educational courses plus additional credit. The certification program provides member-owned electric cooperatives the opportunity to educate directors and employees in fundamental principles and new developments in management and energy related technology.

Learn about the value of your cooperative at EIEC's area meetings

EIEC will be conducting three area meetings in February. We want to hear from you, our member-owners. Please come to one of the meetings and share your ideas, thoughts and suggestions about your cooperative so we can meet your expectations. It's your cooperative and we are here to serve you.

A panel of members who participate in a variety of EIEC marketing programs will share their experiences with you. Other topics of discussion will include: how we can serve you better, deregulation and anything else you would like to discuss.

Feb. 5, 7 p.m.—Ford-Iroquois County Farm Bureau, Gilman

Feb. 7, 7 p.m.—Eastern Illini Electric Cooperative warehouse, Pesotum

Feb. 8, 7 p.m.—Eastern Illini Electric Cooperative headquarters, Paxton

A drawing will be held for an electric outdoor grill at each area meeting.

*Participants at all three meetings can register for the grand prize,
which will be an 18-inch Digital Satellite System.*

Eastern Illini Electric Cooperative annual meeting

Saturday, March 16, 1996
Paxton-Buckley-Loda High School
Paxton, Illinois



Prizes
Prizes
Prizes

**The Grand
Prize is an
18-inch
Digital Satellite
System (DSS®)**

(donated by SkyQuestSM)

**Two SEPCO 80-gallon
water heaters**

**50 door prizes including
\$25 bill credits**

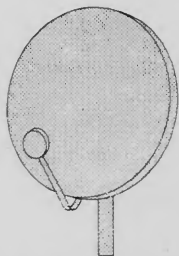
**All members will receive an
engraved stainless
steel paring knife**

**Lunch will be served from
11 a.m. until noon**
*(chicken, beef, ham, mashed
potatoes and gravy,
cole slaw, noodles, and cobbler)*



**A barbershop quartet,
The Good Times Harmony
Four, will entertain**

- ☞ **Members will elect four directors**
- ☞ **Free blood pressure checks**
 - ☞ **\$5 diabetes screening**
 - ☞ **\$5 cholesterol checks**
 - ☞ **Children's I.D. program**
 - ☞ **Child care**

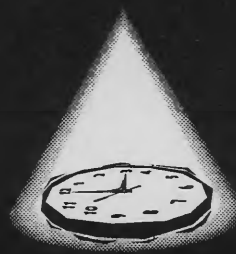


**See the DSS® system and
DIRECTV
at the SkyQuestSM display**

Check out the displays

- ☞ **Geothermal system**
- ☞ **Air source heat pump**
 - ☞ **Radio-controlled
water heaters**
- ☞ **Demand side management**
- ☞ **Commonwealth Edison's
Ford Ecostar ElectricCar**

**Watch for the annual report
in the March Illinois Country Living Magazine**



Lighting... Your Way

From dusk to dawn, for security, safety and attractiveness, outdoor lights cost just pennies a day.

Lighting for...

Security

Outdoor lighting protects your family and property from criminals.

Safety

Lighting illuminates a door for your late-night arrival home, and makes dark steps safer.

Curbside Appeal

Lighting accents distinctive features of your home or business.

Extending the Day

Lighting stretches the daylight hours for barbecues, driveway basketball and after-dusk chores.

Economy

Outdoor lighting is easy, efficient, and costs just pennies a day.

YOUR Way

Home, Farm or business: outdoor lighting can soon be lighting...YOUR Way.

- 100-watt high pressure sodium light—\$6.30 per month
- 175-watt mercury vapor light—\$7.35 per month
- 400-watt mercury vapor light—\$12.00 per month
- 250-watt high pressure directional lighting—\$11.00 per month
- 400-watt high pressure directional lighting—\$14.00 per month

Zeidlers win electric grill

Wilma and Robert Zeidler of Buckley won the drawing for the electric grill at the co-op's Nov. 16 geothermal open house. Directors on EIEC's Member and Public Relations Committee presented the grill to the Zeidlers at EIEC headquarters Dec. 11. From left: Glenn R. Anderson; Robert D. Thompson; Committee Chairman William P. Raber; President Laverl Byers; Wilma and Robert Zeidler; Executive Vice President and General Manager Wm. David Champion, Jr.; Manager of Marketing Services and Economic Development Dale Kuhn; and Larry Knox.



Board meeting report



On December 18, 1995, the board of directors of Eastern Illini Electric Cooperative held its regular meeting at the cooperative's headquarters in Paxton.

The board approved minutes of the November 29, 1995, regular board meeting and executive session.

The statement of revenues and expenses for the month ending November 30, 1995, including the following information was approved: Total Operating Revenues \$1,764,556, Total Operating Expenses \$1,509,879, Total Cost of Electric Service \$1,765,416, Operating Margins (\$860), Total Margins \$11,201 and Year-To-Date Margins \$653,772.

In November, 104 members joined the cooperative and 102 terminated their memberships.

A report of the December 8 Annual Meeting Planning Committee meeting was given by Director Ludwig, Chairman of the Committee. The annual meeting will be held March 16 at the Paxton-Buckley-Loda High School in Paxton. Entertainment will be provided by the Good Times Harmony Four, a barbershop quartet. The grand prize will be an 18-inch Digital Satellite System (DSS[®]) donated by SkyQuestSM and the attendance gift will be an engraved stainless steel paring knife. Gene Niemerg of Effingham will cater a lunch consisting of chicken, beef, ham, mashed potatoes and gravy, cole slaw, noodles and cobbler. The report was approved.

Director Raber, Chairman of the Member and Public Relations Committee, indicated the committee had met December 11 to discuss member and public relations activities and establish a 1996 information and institutional advertising budget. Area meetings will be held February 5 at the Ford-Iroquois County Farm Bureau in Gilman, February 7 at EIEC's warehouse in Pesotum and February 8 at EIEC's headquarters in Paxton to

solicit comments from members and to provide information on marketing programs. An information and institutional advertising budget was approved. The 1996 marketing plan will be presented at the January board meeting for consideration.

President Byers indicated that the Executive Committee meeting had met December 4. The board went into executive session.

President Byers announced that a Policy and Regulation Committee will be held January 22.

Manager Champion updated the board on economic development and retail wheeling activities in Illinois. He advised that the cooperative has received a \$49.00 dividend check from Illini F.S.

In other action, the board approved amortizing postretirement benefits over 20 years in accordance with FAS 106; entering into three phase interruptible contracts with Steve Eichelberger and Lehmann Farms; and submitting Director Raber's name to be a delegate for the China trip which is being sponsored by the Association of Illinois Electric Cooperatives.

The board was advised that the next safety meeting will be held December 27. Director Warmbir will represent the board. A comprehensive written December job training and safety activities report was provided by Manager Champion.

Utili-softTM Manager Paul Mariman reported on recent efforts to market their product. SkyQuest Manager David Lithgow advised that SkyQuest has around 3,100 DIRECTV[®] subscribers. The board selected Manager Champion as the delegate for the National Rural Telecommunications Cooperative annual meeting which will be held March 24 in Houston, Texas. President Byers was selected as the alternate. Manager Champion echoed that the Rural TV (C-band) business is doing well.

There being no further business to come before the board, the meeting as adjourned.

Even Frosty Thinks DIRECTV[®] is Cool

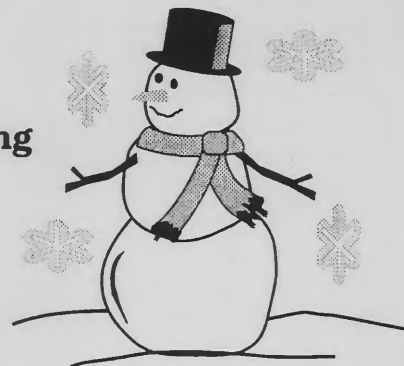
What better way to enjoy those cold winter nights, than to take advantage of DIRECTV's endless variety of movies, sports, and family entertainment?

Our payment plans make it easy for you to bring DIRECTV home.

Call SkyQuestSM at 800-236-9263

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DIRECTV.



Annual Report



Attend **Eastern Illini Electric** **Cooperative's** **Annual Meeting**

Saturday, March 16, 1996
Paxton-Buckley-Loda
High School
Paxton, Illinois

The 9th Annual Meeting of Members of Eastern Illini Electric Cooperative will be held on Saturday, March 16, 1996, at 12:30 p.m., C.S.T. at the Paxton-Buckley-Loda High School Gymnasium, 700 West Orleans, Paxton, Illinois. Registration will begin at 10 a.m. and will close at 12:30 p.m. The meeting will be called to order at 12:30 p.m.

Attendance Gift



An engraved stainless steel paring knife is this year's attendance gift.

Grand Prize **18-inch DSS® System**

An 18-inch Direct Satellite System donated by SkyQuestSM will be given to a lucky member attending the meeting. With a DSS unit and DIRECTV®, you can enjoy 150 channels of movies, sports and great family entertainment.

We do require that the DSS system be installed in SkyQuest's authorized territory.

2 SEPCO water heaters

Two 80-gallon SEPCO water heaters manufactured by Vaughn Manufacturing Company will be given away. The water heaters must be installed on the cooperative's lines.

More Prizes

Fifty prizes, including \$25 bill credits, will be given at the close of the business meeting. Gifts are being furnished by Eastern Illini Electric Cooperative and cooperative vendors.

• **Eligibility for prizes: To be eligible for all prize drawings, you must be registered for this year's annual meeting by 12:30 p.m. You must be present to win.**



President's Report



Laverl Byers

I would like to start off my report by giving you the results of our 1995 board and staff strategic planning session. We revisited and fine tuned the cooperative's mission statement which now reads "Eastern Illini Electric Cooperative is a member-owned and controlled business committed to providing energy and other quality services that enhance the productivity and welfare of its consumers."

The group then came up with three main goals that we wanted to accomplish. Goal #1 is, "Develop key long-term five-year financial goals and establish and identify our financial priorities." We feel it is important for us to establish stretch goals and not just easy goals to enhance the productivity of the organization.

Goal #2 is, "Aggressively communicate with our members about the cooperative and members' concerns and needs." Last month, we conducted member area meetings to provide information to those members; to focus on areas members would like to see improved; and to discuss strengths and weaknesses, as perceived by the members.

The statewide magazine has been changed to Illinois Country Living. We think it is a major improvement and we will continue our center section articles about EIEC in the Illinois Country Living magazine. We have continued our bill insert, the Power Lines, which provides another source of information to the members. We also conducted a statewide member survey. More specifically, we surveyed a special randomly selected group of Eastern Illini members so we could learn more about attitudes toward the cooperative and ways in which we could help provide better service to our members. We are currently processing that information. The results will be communicated to you through our printed articles over the next few months.

Goal #3 is, "Explore feasibility and application of new meter reading, electronic funds transfer and mapping technologies." We have been exploring new electronic meter reading capability since the strategic planning session. At some point, we will begin reading meters electronically. This past year, we began offering the electronic fund transfer option so you can pay your bills automatically through your bank account each month. You will still receive a bill, but the bill will show a zero balance due and your bank account will automatically be charged for that month's bill on the 15th of the month. This has worked very nicely and we have 152 members who are using this new service. Finally, we are indeed focusing on better mapping technologies so we can improve the efficiency of our operations.

We had the opportunity to host a group of international visitors again this year. Last year, the Chinese delegation was here for one day. This year we had a group of four who visited the cooperative for a week. Two of these gentlemen were from Estonia, one was from Ghana and one was from South Africa. It was a great opportunity for our staff to learn how these countries conduct their business in the electric energy field. We also provided them with vital information, not only on the electric industry in the United States, but how we do it here at Eastern Illini, particularly how we do it under the cooperative form of business. They were very interested in going back and applying these cooperative principles to their organizations in their countries.

I would be remiss if I did not report to you that our cooperative was honored this past October. French L. Fraker, our cooperative's attorney, received the Illinois Cooperative Coordinating Committee's Friends of Cooperatives Annual Award for his many years of service to electric cooperatives. Our general manager, Wm. David Champion, Jr., received the Annual Manager of the Year Award from the Illinois Cooperative Coordinating Committee for his 22 years of service and dedication. We put together information and submitted portfolios on behalf of the two candidates. The competition was very tough; however, Eastern Illini was honored to have both of these individuals win their respective categories. Congratulations to French and Dave from all of us at Eastern Illini Electric Cooperative.

I hope you will be able to attend the annual meeting on Saturday, March 16. I look forward to seeing you there.



Manager's Report



**Wm. David
Champion, Jr.**

I'll begin with a brief comment about the financial position of the cooperative. As you can tell from the financial statements, we did show an overall loss this year. The parent cooperative produced an operating margin for the year; however, two of our three subsidiaries are currently in the start-up mode and they did show losses for the year 1995. Both of those subsidiaries are moving in the right direction and should show profitability over the course of the next year or so. They will then be accomplishing exactly what we intend for them to accomplish: returning profits to the cooperative and providing additional services to our members.

Last year, I spent the bulk of the time on my portion of the annual report video discussing retail wheeling and deregulation issues so you would be aware of the potential change in the industry's environment. Discussions and debates are ongoing and will continue over the next few months and even potentially years. I think there could possibly be some legislation occurring in 1996 or 1997 that will impact this industry greatly. Your cooperative is actively involved with developing a statewide position on this subject, and we will keep you informed as this subject escalates in the attention given by our legislators.

Of course, if we get into the competitive marketplace that a deregulated scenario would provide, we must have competitive electric rates. This is something that we strive for as a cooperative anyway. However, we are still paying very high wholesale costs to Soyland. We have spent many years trying to do something about those costs and we have brought them down significantly compared to what they were anticipated to have been some years ago. However, we recognize that those wholesale costs are driving our retail rates way too high. We are accelerating our efforts to look at all options associated with lowering our wholesale rate. I expect that you will be receiving some specific information in 1996 about the approach we will ultimately be taking to rectify this problem.

In 1995, your cooperative did apply for a \$4 million dollar loan from the Rural Utilities Service (formerly REA) and CFC (our cooperative financing company). The loan was approved and we will be receiving some of the funds in 1996. It has been five years since the cooperative borrowed any money, which means we have been financing all of the heavy construction and line rebuilding from the previous loan as well as from internally generated funds. This leads right into the discussion of our system rebuild and reconstruction. Every year since consolidation, we have discussed the number of miles of line we are attempting to rebuild. Our goal is 100 miles of line per year, and each-year we come very close to that goal. It is a stretch goal. There is no question in my mind that our system is performing many times better than it would have eight years ago before we started this aggressive construction process, particularly when you think of the December ice storm and a couple of other close calls we had with ice during the year. You should be noticing much better service. If not, please let us know so we can correct specific trouble areas.

When we draw down the loans, that transaction will go into the long term debt side of our balance sheet and will cause our equity position relative to our total assets to decline slightly. We have in the past carried an equity position between 35 and 40 percent and we are slightly under that at this time. The RUS has historically maintained that a 40 percent equity position is a good place for a cooperative to be, but they have recently softened on that issue and now they are saying that a 30 percent equity position is an appropriate position. So, we are right in line with the modern thinking of our federal lending agency.

During this past year, two employees retired from the cooperative. Evan "Pete" Peterson, Engineering Technician, completed 44 years of service to the cooperative and officially retired May 15, 1995. Elinor Dungan, Accounting Clerk, is completing 21 years of service to the cooperative and will be officially retiring on March 20, 1996. We will miss both of these employees greatly as they each have made a significant contribution over their working careers with the cooperative. We appreciate all they have done to help in the success of Eastern Illini Electric Cooperative.

We are hoping for good weather on March 16th so we will have a good attendance at the annual meeting. I hope you will come and participate in your cooperative's most important meeting of the year.



The Good Times Harmony Four



"The Good Times Harmony Four" are long-time members of the Champaign-Urbana Chapter of the SPEBSQSA, Inc. (Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America).

Harold Longworth, tenor, is a 33-year member of SPEBSQSA and a sales representative for an insurance sales organization.

Jim Clark, lead, is a 32-year SPEBSQSA member and one of the leading recruiters in the entire society, having introduced a total of 21 men to the enjoyment of barbershop singing. Jim is the owner of an overhead door company in Urbana.

Jim McDonald, baritone, is a 39-year member of SPEBSQSA and sang bass in the 1957 Illinois District Quartet Champs, the "Kordallaires." He is a Realtor.

Bob Twardock, bass, started his barbershop singing experience in 1968. He is a professor of Veterinary Medicine at the University of Illinois.

All members have held chapter offices and have sung in various quartets. The quartet is honored to have been selected the 1989 and 1993 Illinois District Seniors Quartet champions. They hope you will enjoy their show as much as they will enjoy singing for you.

Candidates for Board of directors

William P. Raber, Saybrook Directorate District 1

William P. Raber was elected to the Eastern Illinois Power Cooperative board in 1977. Prior to the consolidation, he served as president of the board for two years. After the consolidation, he served two more years as president of Eastern Illini Electric Cooperative. He has also served as a director on the Association of Illinois Electric Cooperatives board.



Raber and his wife, Joyce, live in Anchor Township on a grain farm. They have two daughters: Janine Gerber, Winston Salem, N.C. and Karla Carson, Honolulu, Hawaii.

Raber is a McLean County Farm Bureau member and served on the board for nine years. He has served on the McLean County Board of Appeals and was a member and past president of the McLean County Pork Producers. A member of St. John's Lutheran Church in Anchor, he has served on the church council and as Sunday School superintendent. In 1976, Raber was named the Jaycee Outstanding Young Farmer of McLean County and Pantagraph Young Farmer Winner.

Donald Reitz, Gilman Directorate District 5

Donald Reitz, a farmer from Gilman, raises purebred Hampshire hogs and produces corn and soybeans on his 320-acre farm.



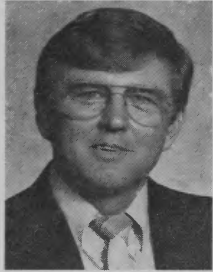
Reitz was first elected to the Eastern Illinois Power Cooperative board in 1985. He has served on the Eastern Illini Electric Cooperative board since consolidation and is the assistant secretary. In 1989, he received the Professional Directors Certification from the National Rural Electric Cooperative Association.

Reitz and his wife, Gloria, have two daughters and a son. A graduate of Gilman High School, he has served as a past president of the board of Zion United Church of Christ. Reitz is a member of the Illinois Hampshire Association, the Illinois Spring Barrow Show and the Ford-Iroquois Pork Producers. He is also an assistant swine superintendent of the Iroquois County 4-H Fair.

Marion Chesnut, Rossville Directorate District 10

Marion Chesnut was elected as a director to the board of Eastern Illinois Power Cooperative in 1985. He has served on the board of Eastern Illini Electric Cooperative since consolidation and currently is vice president.

He completed the National Rural Electric Cooperative Association's Professional Directors Training Courses and was certified in 1988. Since 1992, he has served as the cooperative's representative on the board of directors of the Association of Illinois Electric Cooperatives.



Chesnut is a native of the Rossville/Potomac area where he resides with his wife, Rita, and operates a grain farm. He is a graduate of Potomac High School and attended Illinois State University. The Chesnuts have a son, Todd, who is a paralegal and docketing supervisor for a law firm in Chicago; a daughter, Tara (Dale) Anderson of Hudson, who is a speech pathologist in the Lexington School System; and one grandson, Brandon Anderson.

He is a member of the Vermilion County Farm Bureau and serves as secretary of the Vermilion County FS Board. He is a former member of the Vermilion County VOTEC Board, past president of the Potomac School Board, and former chairman of the board at Potomac Church of Christ.

Laverl Byers, Tuscola Directorate District 12

Laverl Byers and his wife, Dolores, live on a grain farm near Tuscola. Byers began his tenure on the Illini Electric Cooperative board in October 1981 and is a past president. He has served on the Eastern Illini Electric Cooperative Board since the consolidation and is president. Byers represents Illinois on the National Rural Electric Cooperative Association (NRECA) Region V resolutions committee. In 1989, he received the Professional Directors Certification from NRECA.



Byers has served on the board of Illini FS and the Douglas County Extension Council. He has served two terms on the State Extension Advisory Board and the Douglas County Farm Bureau Board and is the vice president of the Immanuel Lutheran Church at Tuscola. He was elected to the Douglas County Board

and serves as a director of First Mid-Illinois Bank of the Tuscola Unit. In 1989, Byers was selected as a Master Farmer by Prairie Farmer Magazine.

The Byers have a daughter, Susan Harbaugh, and two grandchildren. Susan and her husband, Larry, operate a grain farm in Douglas County.



**Free blood
pressure checks**

**\$5 Diabetes
Screening**

**\$5 Cholesterol
Checks**



You can have your blood pressure checked by the Ford-Iroquois Health Department free of charge. They will also do diabetes screening and cholesterol checks for \$5 each.

If you plan to take advantage of the diabetes screening, please do it before you eat lunch.



Children's ID program



The Paxton Police Department will be available to take fingerprints and photos of your children and establish their ID records.



Nominating Committee, front row (left to right): Richard Rademacher, Penfield, District 8; Shirley Schoolman, Gilman, District 5; Richard D. LaFond, Donovan, District 4; Wayne F. Apperson, Foolsland, District 7; Lavon C. Blasey, Clifton, District 3; and Malcolm McIntyre, Newman, District 13. back row (left to right): Loren W. Schable, Atwood, District 11; Michael Kane, Cullom, District 2; John Wilkening, Cissna Park, District 9; Jerry C. Douglass, Rossville, District 10; Darrell Abrahamson, Loda, District 6; Dan Eyer, Anchor, District 1; and Eugene Kamradt, Tolono, District 12.

Nominating committee meets November 1

The Nominating Committee held a meeting November 1, 1995, at the headquarters of Eastern Illini Electric Cooperative in Paxton.

The committee nominated candidates for four EIEC directorships: William P. Raber, Saybrook, Directorate District 1; Donald Reitz, Gilman, Directorate District 5; Marion Chesnut, Rossville, Directorate District 10; and Laverl Byers, Tuscola, Directorate District 12.

In addition, the committee nominated two candidates in Directorate Districts 3, 4, 7 and 11 for the Nominating Committee election.

Eastern Illini Electric Cooperative Board of Directors

William P. Raber
Saybrook
District 1

Glenn R. Anderson
(Secretary)
Kempton
District 2

Gene P. Warmbir
Clifton
District 3

Harold M. Loy
Beaverville
District 4

Donald Reitz
(Assistant Secretary)
Gilman
District 5

Robert D. Thompson
Paxton
District 6

Larry Knox
Dewey
District 7

Bradley J. Ludwig
Fithian
District 8

Robert W. Bauer
Cissna Park
District 9

Marion Chesnut
(Vice President)
Rossville
District 10

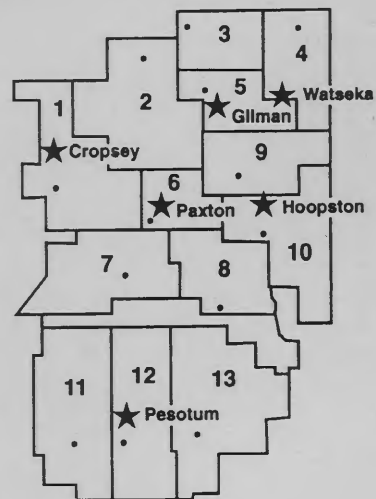
Charles D. Day, Jr.
Bement
District 11

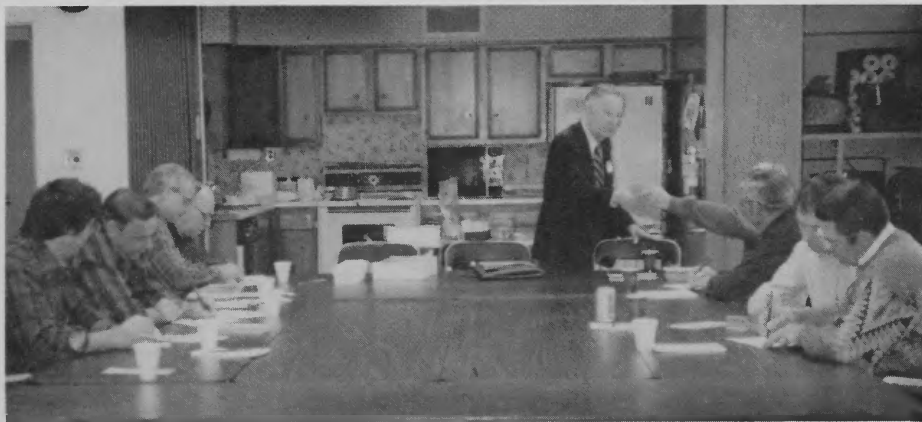
Laverl Byers
(President)
Tuscola
District 12

Herbert L. Aden
(Treasurer)
Newman
District 13

French L. Fraker
(Attorney)
Champaign

★ Locations of cooperative facilities





Nominating committee election results

Tellers from Directorate Districts 3, 4, 7 and 11 met at the cooperative's headquarters in Paxton, December 29, 1995, to count nominating committee ballots which had been mailed to members in those districts on December 1, 1995. French L. Fraker, attorney for the cooperative, supervised the ballot counting and tallying.

Tellers were Albert Mau of Herscher and Martin L. Johnson of Clifton, District 2; Tim Fletcher of Donovan and Johnnie G. Hoyer of Martinton, District 4; Rodney Grieser of Dewey and Clyde Trotter of Fisher, District 7; and William C. Schable of Atwood and Ronald A. Day of Hammond, District 11.

A total of 3,257 ballots were mailed to members and 940 were returned or 29 percent.

Elected to serve three-year terms on the nominating committee were:

	<u>Member</u>	<u>Alternate</u>
District 3	Lavon C. Blasey, <i>Clifton</i>	Rachel Lemenager, <i>Clifton</i>
District 4	Richard D. LaFond, <i>Donovan</i>	David Munson, <i>Donovan</i>
District 7	Wayne F. Apperson, <i>Foosland</i>	Justin Kneeland, <i>Dewey</i>
District 11	Loren W. Schable, <i>Atwood</i>	Alice Murray, <i>Atwood</i>

Sample Ballot - Election of Directors Eastern Illini Electric Cooperative March 16, 1996 — Paxton, Illinois

For Director from
DIRECTORATE DISTRICT 1
(3-Year Term)

(Vote for one)

- William P. Raber, Saybrook

For Director from
DIRECTORATE DISTRICT 5
(3-Year Term)

(Vote for one)

- Donald Reitz, Gilman

For Director from
DIRECTORATE DISTRICT 10
(3-Year Term)

(Vote for one)

- Marion Chesnut, Rossville

For Director from
DIRECTORATE DISTRICT 12
(3-Year Term)

(Vote for one)

- Laverl Byers, Tuscola

Child care



Child care will be furnished from 12:15 p.m. until the end of the business meeting for children ages two and older.

LaFonda Evers, Librarian for the Paxton Carnegie Library, will provide entertainment for the children.

Lunch

Chicken, beef, ham, mashed potatoes and gravy, green beans, corn, cole slaw, noodles and cobbler will be served from 11:00 a.m. until noon

Minutes of eighth annual meeting of members

March 18, 1995

The Eighth Annual Meeting of Members of Eastern Illini Electric Cooperative was held in the gymnasium of the Paxton-Buckley-Loda High School, 700 West Orleans, Paxton, Illinois on Saturday, March 18, 1995 at 12:30 p.m. The meeting was called to order by President Laverl Byers who presided and acted as Chairman. Glenn R. Anderson, Secretary of the Cooperative, acted as Secretary of the meeting and kept the minutes thereof.

The Chairman announced that the Credentials Committee, consisting of the registration staff, had informed him that there were 371 members present in person and 3 members present by proxy. Therefore, the attendance in person and by proxy being in excess of 200 members, as required by the Bylaws, the Chairman announced that a quorum was in attendance and he declared the meeting duly constituted to transact business. All proxies were ordered to be filed in the records of the Cooperative. A list of members present in person and by proxy, as reported by the Credentials Committee, is attached to the minutes of this meeting.

Presentation of Colors

The presentation of the colors was conducted by Pack 32 of the Paxton Cub Scouts of America and was followed by the recitation by the membership of the Pledge of Allegiance. This was followed by the singing of the National Anthem by Valerie Bachman of Paxton. Invocation

The invocation was delivered by the Pastor Ruth Hansen, Pastor at the Pontoppidan Lutheran Church of Elliott, Illinois.

Notice of Meeting

Secretary Glenn R. Anderson read the official notice of the meeting and the proof of mailing of said notice. The Chairman directed the Secretary to annex to the minutes of this meeting a copy of said notice together with the affidavit of mailing thereof.

Approval of Minutes

The minutes of the Seventh Annual Meeting of Members held March, 19, 1994, as printed in the official annual meeting notice and brochure, were presented for consideration. Director Warmbir made a motion that the rules be suspended, that the reading of the minutes of the 1994 annual meeting of members be waived and that said minutes be approved as printed in the official annual meeting notice and brochure. His motion was seconded and unanimously carried.

Report of Treasurer

Herbert L. Aden, Treasurer of the Cooperative, presented the annual financial reports for the calendar year 1994. He directed the members' attention to the financial reports as printed in the official notice of the meeting, including the Balance Sheet and the Statement of Receipts and Expenses. These reports included the following information:

Total Receipts	\$20,433,171
Total Cost of Electric Service	\$20,335,707
Operating Margins	\$ 97,464
Interest and Other	

Non-Operating Revenues	\$ 28,952
Total Margins	\$126,416

Mr. Aden also supplied information concerning the Balance Sheet as of December 31, 1994 as follows:

Total Assets	\$44,722,956
Total Liabilities	\$28,903,814
Total Equity	\$15,819,142
Total Liabilities and Net Worth	\$44,722,956

The Treasurer then furnished information concerning the Cooperative's wholly owned subsidiary, Unlimited Visions. He described the three divisions of this corporation and their operations and stated that the subsidiary had lost money during the year primarily because of the start-up costs for SkyQuest, its 18-inch Digital Satellite System business. He pointed out that the financial report furnished to the members was a consolidated report of Eastern Illini Electric Cooperative and Unlimited Visions and it included the losses experienced by Unlimited Vision. Eastern Illini, said Treasurer Aden, had actually made margins of over \$400,000 during 1994. He concluded his report by stating that the Cooperative's financial position was solid and promises to remain so in the foreseeable future. After the completion of the Treasurer's presentation, Member Jay Hageman made a motion that the financial reports for the year 1994 be approved as presented. His motion was seconded by Member Frank Beck and was unanimously carried.

Introduction of directors and guests

President Byers introduced the members of the Board of Directors and their wives and General Manager Champion. Special guests attending the meeting were then introduced by Vice President Marion Chesnut.

Report from winner of essay contest

Heather Roberts of Tolono was the winner of the cooperative's 1994 Essay Contest and received a trip to Washington, D.C. and a \$200 U.S. Savings Bond. She furnished the members present with a report of this trip by means of a video tape in which she described the details of the time in Washington. Among other items she reported that the group had visited the Holocaust Museum, the Smithsonian Institute, the Vietnam Memorial and, in addition, had met with Illinois Congressmen. Because of the trip, she had made many close friends and she described the journey as one "never to be forgotten." In closing, she thanked the Board of Directors and staff and the membership of Eastern Illini for awarding her the trip and affording her the opportunity to make this worthwhile tour.

Ms. Roberts, who was in the audience, was introduced by the Chairman and received an enthusiastic round of applause from the audience.

Guest speaker

Assistant Secretary Donald Reitz introduced the guest speaker of the day, Leland J. Glazebrook of Sullivan, Illinois. Mr. Glazebrook (a broadcaster, speaker and writer) has served as a member of the Lake Land College Board of Trustees and was on the Illinois Department of Agriculture Board of Advisors for 14 years.

Mr. Glazebrook's 30 minute speech was filled with philosophy and humor and was well received by the audience. He credited REA and electric energy with greatly reducing the drudgery of farm operations. He pointed out that the law of economics cannot be broken; that

you must give something to get something because there is no free lunch. We, as individuals, make our own prisons said Mr. Glazebrook. We can do anything if we really want to. He predicted great changes coming with massive population shifts and urged the membership to be prepared to adjust and accept the coming changes.

Report of president and general manager

President Byers and General Manager Champion presented a joint report of the activities of the Cooperative during the past year using a video tape to make this report. President Byers stated that the Board of Directors and the employees of the Cooperative are dedicated to the belief that the members are entitled to the best service the Cooperative can provide. Director Byers discussed the new rate schedule and explained its advantages. It is designed to permit the membership to use more electricity at lower costs. Mr. Champion advised members that the electric utility industry is undergoing great changes and moving toward deregulation. The competition resulting from this trend may force many utilities to merge or sell out in order to survive. Retail wheeling, which may bring about intense competition in the utility industry, may be coming in the next five years.

President Byers advised that the Board will, next month, conduct a strategic planning conference to devise ways and means to position the Cooperative to meet the major changes in the industry that are coming. He also told the members of a recent meeting with a delegation of Chinese engineers who were researching rural electrification and had selected our Cooperative as an excellent example to visit and study. President Byers announced the retirement of Director L. Dean Ward who has served on the Illini Electric Cooperative and Eastern Illini Electric Cooperative Boards for 14 years. Manager Champion announced the retirement of employees Clyde "Burly" Bargmann and Donald "Donny" Brinegar. These men have served the Cooperative for 31 and 35 years respectively.

Both President Byers and General Manager Champion expressed the belief that the Cooperative is in strong hands with competent leadership and they predicted successful years to come.

Report of nominating committee

Richard D. LaFond, Chairman of the Nominating Committee, presented the report of that Committee advising the members that the following candidates had been nominated for four directorships:

Gene P. Warmbir	District 3
Harold M. Loy	District 4
Larry Knox	
Justin H. Kneeland	District 7
Charles D. Day, Jr.	District 11

Nominating committee election

Mr. Fraker reported that the Tellers from Districts 2, 6, 8, 9 and 13 had met on December 16, 1994 to tally the results of the Nominating Committee election. He reported that the results of the election were as follows:

District	Member	Alternate
2	Michael Kane	Donald Johnson
6	Darrell Abrahamson	James D. Ehmen
8	Richard Rademacher	Mervin Frerichs
9	John Wilkening	William Drayer
13	Malcolm McIntyre	James W. Young

Election of directors

At the request of the Chairman, the election of Directors was conducted by French L. Fraker, attorney for the Cooperative. Mr. Fraker presented the names of the candidates as nominated by the Nominating Committee. He advised that inasmuch as there were candidates standing for election from District 7, an election by ballot would be required. He briefly explained the voting process, furnishing instructions as to the manner in which the ballots should be marked.

Mr. Fraker then announced that the Board of Directors had appointed the following members as Inspectors of Election to receive and count the ballots:

August Wolfe	Jim Finegan
Harold Ingold	Lee Huls
Steve Swearingen	Gilbert Quick
Jerry Cassida	Patricia Kenner
Larry Anderson	Ray Frick

The ballots, having been marked by the membership, were collected and delivered to the Inspectors of Election who proceeded to count and tally the same.

After the tally was completed and signed by the Inspectors of Election, Mr. Fraker presented their report to the membership. He advised that the Inspectors had received the votes of the members by ballot and had counted the votes cast and that the following candidates for Director had received the number of votes set opposite their names:

District	Candidates	Number of Votes
3	Gene P. Warmbir	222
4	Harold M. Loy	219
7	Larry Knox	148
	Justin H. Kneeland	68
11	Charles D. Day, Jr.	214

The Chairman thereupon announced that the following candidates having received the highest number of votes cast had been duly elected as Directors of Eastern Illini Electric Cooperative from the respective districts to hold office until the 1998 annual meeting of members or until their successors shall have been elected or appointed and qualified.

Questions from the floor

President Byers, Vice President Chesnut and General Manager Champion volunteered to respond to any questions which the members might wish to submit. Only one member submitted a question and Mr. Champion answered her question and discussed the subject which it involved.

Old and new business

The Chairman then called for any old business or any new business which any member might wish to raise and discuss. There being none raised and there being no further business to come before the meeting, on motion duly made, seconded and unanimously carried, the meeting was adjourned.

Drawing for prizes

A drawing for prizes was conducted immediately following the adjournment of the meeting.

Secretary

APPROVED:

Chairman

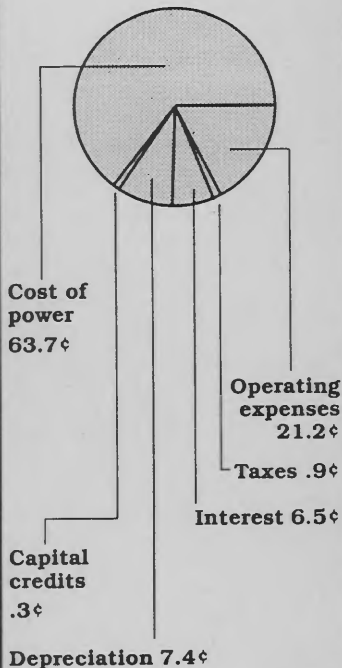


Treasurer's Report



Herbert L. Aden

Where your electric dollar went in 1995



The enclosed financial information represents the cooperative's operation for the full calendar year 1995. These reports were taken directly from the cooperative's books and records which are currently being audited by the auditing firm of Clifton, Gunderson & Co., Champaign, Illinois. The Rural Utilities Service (formerly the Rural Electrification Administration) and the American Institute of Certified Public Accountants' set the standards and scope of the audit.

Interesting information about your cooperative's progress and what it means to local business

	1995	1994
Total value of electric plant	\$52,793,330	\$52,756,912
Total miles of distribution lines	4,489	4,486
Average plant investment per mile	\$11,761	\$11,315
Average number of consumers served	12,875	12,758
Average number of consumers per mile of line	2.87	2.84
Average plant investment per consumer served	\$4,100	\$3,978
Total cost of purchased power	\$12,813,072	\$13,235,753
Maximum monthly KW demand	43,727.9	46,786.1
Total KWH purchased by cooperative	199,347,037	202,267,684
Total KWH purchased by members	180,465,012	184,552,418
Average KWH used per month per member	1,168	1,205
Total operating revenue	\$20,119,067	20,433,171
Average monthly electric bill per member	\$130	\$133
Average monthly revenue per mile of line	\$373	\$380
Average ownership equity per member	\$1,197	\$1,240
Total taxes paid	\$1,159,880	\$1,013,789
Number of Co-op owned vehicles	54	54
Miles traveled by Co-op vehicles	760,726	697,750
Total transportation costs	\$394,614	\$393,032
Average cost per mile traveled by Co-op vehicles	51.87¢	56.33¢

See the ElectricCar

The ElectricCar, Commonwealth Edison's Ford Ecostar, will be on display. The front wheel drive commercial vehicle is specifically designed for light delivery and service work. With no exhaust pipe and a high-tech electric power system, the Ecostar creates no pollution and uses energy more efficiently than conventional gasoline powered cars. It has a range of 100 miles on a single charge and has a top speed of 70 mph. It is powered by sodium-sulfur batteries that store three times as much energy as a conventional lead-acid battery.

Make sure you see this car of the future.



Members' financial report

As of December 31, 1995, What We Own (Assets):

Total cost of our system is	\$52,793,330	
We estimate it has depreciated	<u>13,610,619</u>	
The net value of our system is		\$39,182,711
We have cash on hand and in banks amounting to		20,385
We have funds invested in short-term securities		0
We have invested in CFC and associated organizations		2,544,303
We have owing us for electric service furnished to members		1,701,258
We have owing us for materials sold or other services rendered		33,936
We have owing us for interest on invested funds		19,022
The value of our stock of materials and supplies amounts to		863,840
Our prepaid expenses; deferred charges and miscellaneous assets amount to		<u>1,350,599</u>
Total Owned		<u>\$45,716,054</u>

What We Owe (Liabilities):

We borrowed from RUS and CFC	\$41,296,102	
We have paid back	<u>15,329,571</u>	
We still owe RUS and CFC		\$25,966,531
We owe for power, materials, taxes and interest		1,519,334
Customer's deposits paid		212,168
Deferred credits and miscellaneous liabilities amount to		1,277,203
Other Non-current liabilities		1,333,422
Total Liabilities		<u>\$30,308,658</u>

Our Equity (Net Worth):

Membership fees and other capital	(\$1,097,901)	
Patronage capital and operating margins	16,218,911	
Non-operating margins	<u>286,386</u>	
Total Equity		<u>\$15,407,396</u>
Total Liabilities and Net Worth		<u>\$45,716,054</u>

Statement of receipts and expenses

Our Receipts:

We sold electric service amounting to	\$19,916,499
Other receipts amounted to	<u>202,568</u>
Total receipts for the year	<u>\$20,119,067</u>

Other Expenses:

Electric power cost us	\$12,813,072
Operations and maintenance expenses	1,652,744
Consumer accounting and collecting expenses	449,772
Customer assistance expenses	265,877
General office salaries and expenses	606,851
Legal engineering and auditing services	28,899
Insurance expenses	171,947
Administrative and general expenses	1,079,115
We estimate our system depreciated (this year)	1,490,533
Our taxes were	169,987
Our interest to RUS and CFC was	<u>1,295,943</u>
Our total cost of electric service was	<u>\$20,024,740</u>
Operating margins for the year were	\$94,327
Interest and other non-operating revenues were	<u>(449,352)</u>
Total margins for the year were	<u>\$ (355,025)</u>

Operating statistics

	1995	1994	1993
Cost of purchased power	\$12,813,072	\$13,235,753	\$12,776,961
Total KWH purchased	199,347,037	202,267,684	199,987,248
Total KWH sold	180,465,012	184,552,418	184,120,468
Average number consumers served	12,875	12,758	12,682
Average KWH used per month per consumer	1,168	1,205	1,210
Average cost per KWH to consumers	11.1485¢	11.0717¢	11.2729¢

Long-term obligation to RUS and CFC

	RUS	CFC	Total
Total loans approved	<u>\$37,837,000</u>	<u>\$7,559,102</u>	<u>\$45,396,102</u>
Total funds advanced	<u>\$34,967,000</u>	<u>\$6,329,102</u>	<u>\$41,296,102</u>
Accrued-deferred interest			
Total obligation	<u>\$34,967,000</u>	<u>\$6,329,102</u>	<u>\$41,296,102</u>
Payments made on principal when due	\$14,445,337	\$ 884,236	\$15,329,573
Payments made on principal in advance			
Total payments	<u>\$14,445,337</u>	<u>\$ 884,236</u>	<u>\$15,329,573</u>
Net obligation	<u>\$20,521,663</u>	<u>\$5,444,866</u>	<u>\$25,966,529</u>
Total interest paid to date	<u>\$14,716,484</u>	<u>\$5,936,707</u>	<u>\$20,653,191</u>

Board meeting report



The board of directors of Eastern Illini Electric Cooperative held its regular meeting on January 23, 1996, at the cooperative's headquarters in Paxton.

The board approved minutes of the December 18, 1995, regular board meeting and executive session.

The statement of revenues and expenses for the month ending December 31, 1995, including the following information was approved: Total Operating Revenues \$1,649,038, Total Operating Expenses \$1,652,303, Total Cost of Electric Service \$1,900,349, Operating Margins (\$251,311), Total Margins (\$221,818) and Year-To-Date Margins \$431,955.

During December, 61 members joined the cooperative and 47 terminated their memberships.

Director Raber, chairman of the Member and Public Relations Committee, indicated the committee had met prior to the board meeting to review the proposed 1996 Marketing Plan. Manager of Marketing Services and Economic Development Dale Kuhn explained the plan which consists of an advertising and promotion budget, selling Sepco water heaters for \$150 and Freedom water heater for \$25, giving two free months rental for new security lights, and expanding the 5% loan program to include new construction. The 1996 Marketing Plan was approved.

A report of the January 22 Policy and Regulation Committee meeting was given by Director Chesnut, committee chairman. The committee began reviewing the cooperative's policies and regulations and the committee will meet again February 2.

A member addressed the board regarding a water issue in his area and requested a donation to assist with litigation costs. No action was taken.

Manager Champion provided the board with the following information: a legal activities update, the Paxton Service Club has made a donation to the cooperative for installing the Paxton Christmas tree, the Illinois Cooperative Workers Compensation Group will refund \$600,000 to the Illinois Electric Cooperatives and EIEC will receive a proportionate share, Nominating Committee election results, a thank you has been received from NRECA for hosting the international visitors, and a December 18 CFC Board meeting synopsis.

Manager Champion reported on the December ice storm. Approximately 500 members in the Cropsey,

Garber, Gibson City and Sibley areas were out of service and minor subsequent problems occurred south of Champaign. Manager Champion indicated that the storm damage could have been more severe, but our lines held up well which can be attributed to the aggressive line replacement program.

The board approved entering into a three phase interruptible contract with the Apostolic Christian Church at Forrest.

Director Warmbir indicated he had attended the December 27 safety meeting and a written January job training and safety activities report was furnished by Manager Champion.

Director Knox highlighted NRECA Course 540.2, "Directing Your System's Financial Strategy" which he attended in Springfield on December 19-20. NRECA Course 516.2 "Understanding Transmission Impacts and Issues" was reviewed by Directors Knox, Loy and Thompson who attended the course on January 16-17 in Springfield.

Director Chesnut summarized the December 21 and January 18 AIEC board meetings. Michael Hastings is AIEC's new general counsel. The ICWCG board will refund an additional \$600,000 in premiums for 1995. Earlier in 1995, \$221,000 was refunded.

Director Warmbir reviewed the January 16-17 Soyland Power Cooperative Board of Directors meeting. Director Ludwig and Manager Champion also attended. Soyland's 1996 annual meeting will be held March 20th in Springfield. Delegates were selected for the NRECA and CFC meetings in Houston, Texas. Finance, Clinton Power Station, energy supply and marketing reports were given. The Power Requirements Study was approved.

Manager Champion advised that the Util-soft™ Manager has resigned and Jeff Tankersley has been selected as the new manager. SkyQuestSM Manager David Lithgow indicated that SkyQuest has around 3,300 DIRECTV® subscribers. Manager Champion indicated that the Rural TV (C-band) business continues to prosper.

President Byers thanked the board and staff for their cooperation and assistance during his tenure as Board President and announced he will not be a candidate for the Presidency at the next election of officers.

There being no further business to come before the board, the meeting was adjourned.

Proxy

1996 Annual Meeting Eastern Illini Electric Cooperative

As a member of Eastern Illini Electric Cooperative, an Illinois Corporation, I, the undersigned, hereby appoint: _____ my proxy to vote in my stead at the 1996 Annual Meeting of Members to be held at the Paxton-Buckley-Loda High School, Paxton, Illinois, on March 16, 1996. This proxy is unlimited as to matters on which it may be voted.

Date _____

(Signature of Member Giving Proxy)

Under the Bylaws, no member may vote as a proxy for more than three members and the presence of a member at the meeting revokes a proxy heretofore given.

Heat and cool your home naturally with a geothermal system

The energy of nature shows itself in many ways—like the strength of a seedling pushing through the soil, or waves surging against the shore.

The Earth also absorbs and stores heat energy from the sun. This energy within the soil can heat and cool your home inexpensively, cleanly and efficiently through the geothermal heating, cooling and water heating system.

In the winter, warmth naturally stored within the soil is drawn into your home and the action is reversed to cool it in the summer. The system produces three times more energy than it uses.

You can also take advantage of **EIEC's 4¢** electric heat rate which should leave you good-natured when the electric bill comes. Moreover, EIEC is offering a **\$500** rebate for installing a geothermal system.

To finance a geothermal system in that new home or your present one, you can apply for an EIEC loan. If you qualify, you can borrow up to **\$8,000** for seven years at **5%** interest.

Contact the Marketing Services Department for more information at 800-824-5102 or 217-379-2131 in Paxton, Monday through Friday, except holidays.



ProjectArt

My Community—My Heritage

Attention high school students!
You can win cash prizes for your artwork.

The Association of Illinois Electric Cooperatives, in cooperation with other statewide electric cooperative associations and the National Rural Electric Cooperative Association (NRECA), is sponsoring ProjectArt, a one-time national student art contest. If your home or school receives its electricity from Eastern Illini Electric Cooperative, you are eligible to enter. You could win \$750 for first place, \$500 for second place

or \$250 for third place. There will be three winners selected in each participating state.

The theme is "My Community—My Heritage". Express your own ideas based on the theme in watercolor, oil or acrylic painting.

All artwork submitted becomes the property of ProjectArt and will not be returned. Winners' work will be professionally framed for display. First place winners will become part of a permanent collection promi-

nently displayed at the headquarters building of the National Rural Electric Cooperative Association in Arlington, Virginia. Second and third place winners will be displayed at prominent public buildings in the state capitals and/or electric cooperative offices.

Deadline for entries
is May 15, 1996

**(Contact Jeannie Kingston at 800-824-5102
 or 217-379-2131 in Paxton for more information.)**



Lighting... Your Way

From dusk to dawn, for security, safety and attractiveness, outdoor lights cost just pennies a day.

Lighting for...

Security

Outdoor lighting protects your family and property from criminals.

Extending the Day

Lighting stretches the daylight hours for barbecues, driveway basketball and after-dusk chores.

Safety

Lighting illuminates a door for your late-night arrival home, and makes dark steps safer.

Economy

Outdoor lighting is easy, efficient, and costs just pennies a day.

Curbside Appeal

Lighting accents distinctive features of your home or business.

YOUR Way

Home, farm or business: outdoor lighting can soon be lighting...YOUR Way.

- 100-watt high pressure sodium light—\$6.30 per month
- 175-watt mercury vapor light—\$7.35 per month
- 400-watt mercury vapor light—\$12.00 per month
- 250-watt high pressure directional lighting—\$11.00 per month
- 400-watt high pressure directional lighting—\$14.00 per month

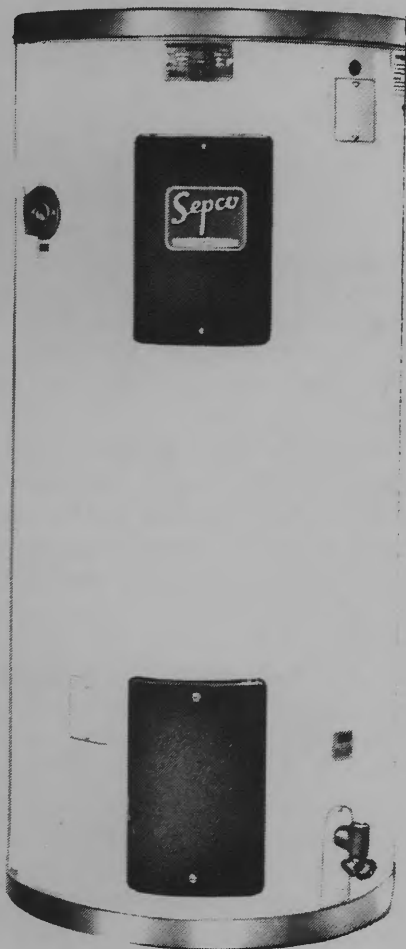
You will receive the first two months free for any new security light rental!

Purchase a water heater from EIEC

EIEC offers a large product line of high quality and energy efficient electric water heaters. All prices include delivery.

If you purchase a water heater from EIEC, you are required to participate in the water heater control program.

**For New
Construction
Any EIEC
water heater
\$1 + tax**



The newly constructed facility must meet the 500 kilowatt-hour per month minimum to qualify.

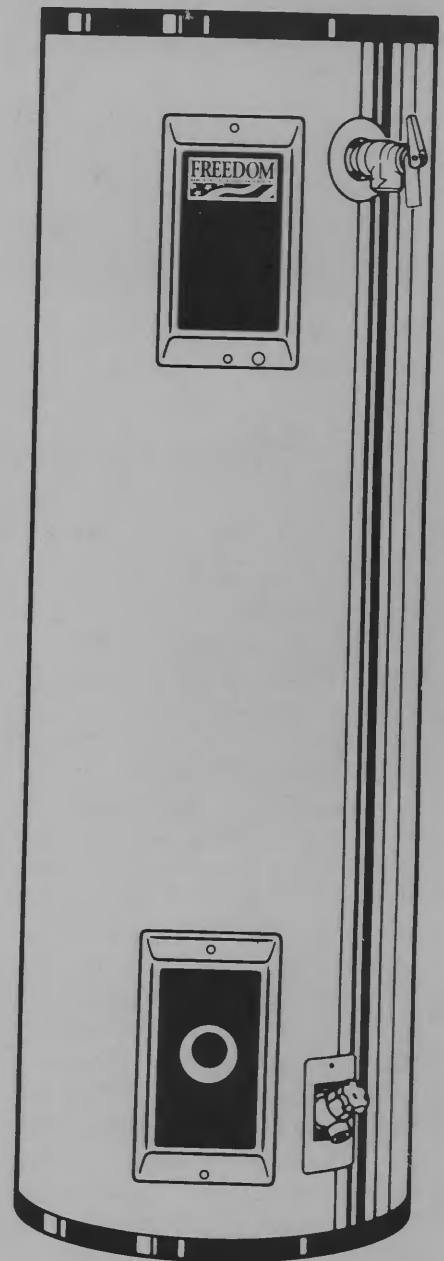
For Existing Structures

**52 gallon Freedom
(Duron Tank)
\$25 + tax**

**30 gallon Sepco
(Stone-lined Tank)
\$125 + tax**

**50 gallon Sepco
(Stone-lined Tank)
\$125 + tax**

**80 gallon Sepco
(Stone-lined Tank)
\$150 + tax**





Manager Wm. David Champion, Jr., addresses the group.



From left to right, panelists Dale Meyer, Gayle Goold, Dennis Riggs, Ross Merkle and Walter "Duke" Hasslebring.

Members learn about the value of their cooperative

EIEC members throughout the cooperative's service area attended area meetings to learn more about their cooperative. The meetings were held Feb. 5 at Gilman, Feb. 7 at Pesotum and Feb. 8 at Paxton.

Wm. David Champion, Jr., manager of EIEC, briefed members on the financial position of the cooperative. "The parent company produced an operating margin for the year," he said. "However, two of our three subsidiaries are currently in a start-up mode and showed losses for 1995. Both subsidiaries are moving in the right direction and should show profitability over the course of the next year or so."

With the changing environment in the electric utility industry, Champion indicated that the cooperative is actively involved in developing a state-wide position on deregulation and retail wheeling. "In a deregulated scenario, we must have competitive rates," Champion

said. "However, we are still paying very high wholesale costs to Soyland even though we have brought them down significantly. We are accelerating our efforts to look at all options associated with lowering our wholesale rate and will be taking steps to rectify this problem during 1996."

Since consolidation, the cooperative has undertaken an aggressive line rebuilding program. Its goal is 100 miles each year and EIEC has come close to that target. During the year, the co-op experienced several ice storms, but the damage was minimal. The system is definitely performing much better. EIEC will continue its line rebuilding program so it can provide its members with high quality service.

An overview of the Marketing Services Department was given by Dale Kuhn, Manager of Marketing Services and Economic Development. He dis-

cussed electric heating rebates and demand side management credits for central air conditioning and water heating. "A large product line of electric water heaters gives members a variety of options," Kuhn said. "Members who purchase water heaters are required to participate in the water heater control program. Area and directional security light rentals promote safety, offer convenience and deter crime, and the first two months of security light rental will be free for new installations." He also discussed Rural TV programming for C-Band satellite dishes and SkyQuest'sSM 18-inch Direct Satellite System and DIRECTV[®], which provide affordable television entertainment to the rural areas.

Pat Gallahue, Marketing Services Advisor, outlined EIEC's 5 percent loan program. "The loan program has been expanded to include new construction as well as existing structures,"



Listeners follow along in their books.

Gallahue said. "Members who qualify for the program can borrow up to \$8,000 for a geothermal system for a period of seven years. Loans are also available for an all-electric heat pump, a standby generator if the member goes on the interruptible rate, and service upgrades for electric heat or water heaters."

EIEC's incentive rates were explained by Chris Johnson, Marketing Services Specialist. He said the incentive rates are designed to promote the use of off-peak electricity and allow members to select the rate that best suits their lifestyle. Johnson explained, "The 4 cent electric heat rate, the 5 cent interruptible rate, the large power interruptible rate, and the summer/winter single and three phase rates provide attractive, competitive alternatives."

Demand-side management equipment was demonstrated by Dwain Dippel, Marketing Services Specialist. "Demand-side management programs give consumers an opportunity to shed all or part of their electrical load during times of peak demand and substantially lower their bill," he said. Since EIEC's load peaks in the summer, control periods can only occur between June 15 and September 15, Monday through Friday, between the hours of noon and 8 p.m. The

co-op anticipates only five or six control periods each summer.

Other marketing services activities were highlighted by Marketing Services Specialist Tim Frick. "Members can have rate analysis studies performed on their accounts to determine the rate that is most economical," Frick said. Heat loss calculations can also be performed to determine what kind of heating system will operate most efficiently.

A highlight of the meetings was hearing from the panel of members who are taking advantage of EIEC's marketing programs.

Walter "Duke" Hasslebring, a Watseka farmer and buffalo entrepreneur, is pleased with his vertical loop geothermal system. He also has switching devices on his air conditioning and water heating equipment.

Two geothermal heating systems are used by Ross Merkle, a rural Mahomet painting contractor, to heat and cool his 5,000 square foot home. With the 4 cent electric heat rate, Merkle's utility bills are very reasonable. He also participates in the air conditioning and water heating equipment programs.

Dennis Riggs, a Broadlands farmer, district sales specialist for Broadcast Partners, Parkland College Agricultural

Institute training manager and owner of Sidney Dairy Bar, indicated his four-ton geothermal system is very comfortable and economical. He also takes advantage of the water heating and air conditioning programs.

Gayle Goold, a Paxton farmer, has two air source heat pumps in his home on the 4 cent electric heat rate, and also takes advantage of the 5 cent interruptible rate on a second account. He also participates in the water heating and air conditioning programs.

A geothermal closed loop system provides economical and comfortable heating, cooling and domestic hot water to Dale Meyer's home near Paxton. He also receives credits for participating in the water heating and air conditioning programs. The Meyers are enjoying their 18-inch DSS® and DIRECTV®. Meyer is executive vice president of the Farmers-Merchants National Bank of Paxton.

Drawings were held at each area meeting. Winners of the three electric outdoor grills were Richard Smith of rural Onarga, Ruth Reifsteck of rural Sadorus and Althea Dorsey of Penfield. The grand prize, an 18-inch Digital Satellite System, was awarded to Robert Apperson of Bondville.



From left, John, Martha and Jim Barnett demonstrate their tractor farm sign, with a rogue's gallery of antique tractors behind them.

Shiny new tractors not for this farmer

While many farmers cruise the farm equipment showroom floors kicking the tires on the latest and the newest, Jim Barnett is likely to be cruising, too. But instead of drooling over the offerings at the local dealership, he's more likely to be looking longingly at some old tractor rusting away behind a barn somewhere.

"I love the old tractors," he says, "and I think they deserve preservation as a part of our heritage. And they have monetary value, too. I just hate to see them go to waste."

Thanks to Jim and others like him, antique tractors are not nearly as likely to go to waste as they used to be. There are restorers all over the place, in fact. "It used to be a shame to see a tractor sitting out and rusting away," he says, "but now it's getting to be a rarity. People have really started taking an interest in restoring old tractors."

Jim kind of "backed into" the hobby when his father died in

1966, leaving two older tractors as part of his estate. At about the same time, Jim and a friend were building a "hot"



A non-standard hood ornament.

garden tractor, using various automotive components. It was a short shuffle from the fun of building a lawn tractor to the fun of rebuilding the farm kind.

While Jim, who works for a Rantoul auto dealership, was working on tractors, his son, John, was developing an affinity

for them, too. Before long, they had a collection growing in their machine shed, a membership in the Indiana-Illinois Tractor Club, and a tractor or two that was ready to show off in parades and the like.

While their hobby was building, Mrs. Barnett—Martha—was helping out when she could. "I used to drive them in parades," she says, "but I quit when I was right in the middle of a parade and the tractor died. I was never so embarrassed in my life. I quit that right then and there, although I help when I can. I'll drive a tractor into town for a parade if someone wants to drive it in the actual parade, and things like that. I don't do parades any more, though."

Jim and John divide up the work according to their abilities, with Jim doing a lot of the painting and body work, while John does more of the engine repairs. "Dad's really particular about how the body work's done," John says, "so I leave



At left, EIEC Manager Champion admires a Minneapolis-Moline with Jim and John. Below left is a lineup of some of the Barnett tractors.



most of that to him. I do a lot of the engine work."

Not surprisingly, he's involved in engine work at school, too. He's taking ag mechanics classes and has been accepted for training in a John Deere mechanic's program at Lake Land College. He hopes that course, sponsored by area Deere dealers, will be a big step toward getting a job as a tractor mechanic.

Whatever happens in that regard, he has plenty of tractors to practice on. They have some 10 or 11 tractors in their shed in various stages of repair and disrepair, and the number fluctuates often.

"I'll get a tractor any way I can," Jim says with a smile, "and I'm always on the lookout. There's a nice one out in the shed now that I saw parked out in a church yard. I stopped by and put a note in the door, asking if they'd be interested in selling it.

As time went by, I kind of forgot about it. Four years later, I got a call. It wound up costing more than most, but it turned out to be one of my nicer tractors. I have another one, a B International, that's a real joy. I traded a push mower for it."

Martha notes that she's not always included in the negotiations leading up to new purchases, and occasionally gets caught by surprise. "They'll see a tractor they like," she chuckles, "and they'll talk about it for a while without seeming to decide what to do. Next thing I know, there'll be a new tractor in the flock."

Jim laughs, adding, "We'll talk about something, and when we make up our minds that we'd like to have a particular tractor, we set out to get it. We'll buy, trade, or whatever."

"They were talking about a new tractor," Martha says, "and one day I walked out and there

was one sitting in the yard. Someone had dropped it off and hadn't said a word. It's a Deere, and it's the newest of our tractors."

Jim notes that his tractors are old or antique, but not really rare. "There are some really rare tractors around," he says, "and everyone hopes to find one, but they're really expensive any more. I've decided that 'old' is good enough for me."

"It's interesting to see what's happened in the antique tractor market," he says, "because when I got started working with them, they didn't have hardly any value at all. Now, more and more people are getting interested, and they're getting more and more expensive."

"I'm glad to see that in a way, because I like to see the old machines saved, but that makes my hobby a little more expensive, too," he says.

The Barnetts are not really purists when it comes to restoration, they note. And even a cursory examination of their tractors will bear out that statement. One has the hood ornament from a classic car, while another has a wolf whistle. One has an air horn, and yet another boasts some non-standard pin striping. "We're in it for the fun," Jim says, "and the little unusual touches just make it a little more fun. That's good enough for us."

Board meeting report



On February 27, 1996, the Eastern Illini Electric Cooperative Board of Directors held its regular meeting at the cooperative's headquarters in Paxton.

The board approved minutes of the January 23, 1996, regular board meeting.

The statement of revenues and expenses for the month ending December 31, 1995, including the following information was approved: Total Operating Revenues \$1,757,790, Total Operating Expenses \$1,585,554, Total Cost of Electric Service \$1,842,162, Operating margins (\$84,372), and Total margins (\$69,358).

In January, 73 members joined the cooperative and 98 terminated their memberships.

Director Chesnut, chairman of the Policy and Regulation Committee, indicated the committee had met February 2 and February 26 to continue reviewing the cooperative's policies and regulations. The committee will schedule a subsequent meeting at the March 18 board meeting.

President Byers announced the Audit and Finance Committee will meet March 5.

Manager Champion provided the board with the following information: highlights of the recent area member meetings; a work order inspection report prepared by Ledbetter, Toth & Associates, Inc., Springfield, Missouri; a five-year service interruption report; and a patronage dividend check of \$36.99 has been received from the McLean County FS, Inc.

In other action, the board approved entering into a three phase contract with Good News Radio; a large power interruptible contract with Lebert Mercier; and a contract for communication services with Basin Electric Power Co-op, Inc., Bismarck, N.D.

Director Loy reported on the all-employees meeting and safety meeting he had attended on January 24. Manager Champion provided the board with a comprehensive February job training and safety report.

The board selected President Byers as the delegate and Director Warmbir as the alternate for the NRECA Annual Meeting which will be held in Houston, Texas, March 24-27. Director Reitz was selected as the

delegate for the CFC Annual Meeting which will be held in conjunction with the NRECA Annual Meeting and Director Day was selected as the CFC alternate.

The NRECA Annual Director's Conference held at Nashville, Tenn., February 3-7, was summarized by Directors Chesnut, Knox, Loy, Ludwig and Warmbir.

Director Chesnut reported on the February 15 Association of Illinois Electric Cooperative's board meeting. The AIEC had margins of \$96,164 for the first seven months of the fiscal year. Federated Rural Electric Insurance presented AIEC with checks totaling \$19,780 to support the statewide safety program. Departmental reports were given and the upcoming trip to China in March by Illinois electric cooperative leaders was reviewed. The AIEC board approved requesting up to \$25,000 from the CFC Integrity Fund to assist an Illinois cooperative in an annexation dispute.

A report of the February 21 Soyland Power Cooperative Board of Directors meeting was given by Director Warmbir. Director Ludwig and Manager Champion also attended. Plans for Soyland's March 20 Annual Meeting were reviewed. Finance, Clinton Power Station, energy supply and marketing reports were given.

The EIEC board selected Director Warmbir and Manager Champion to be the Soyland directors and Director Ludwig to be the alternate director for the next year.

Manager Champion updated the board on Utili-soft™ marketing efforts. The board approved a new organizational chart and purchasing a car for Utili-soft Manager Jeff Tankersley's use. SkyQuestSM Manager David Lithgow advised that SkyQuest has around 3,750 DIRECTV® subscribers as of this date. The board adopted the 1996 operating budget and approved hiring an Accountant and Accounting Clerk for SkyQuest. Manager Champion reported that the Rural TV (C-band) business continues to do well.

The next EIEC board meeting will be held Monday, March 18, 1996.

There being no further business to come before the board, the meeting was adjourned.

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General Manager Wm. David Champion, Jr., left, congratulates Laverl Byers of Tuscola following the 9th Annual Meeting of Members of Eastern Illini Electric Cooperative. Byers was one of four directors re-elected in uncontested elections held at the meeting. Also re-elected were Marion Chesnut of Rossville, second from right, Donald Reitz of Gilman, and, not pictured, William P. Raber of Saybrook.

Members told: changes coming

As we at Eastern Illini Electric Cooperative go about the business of improving service reliability, we are also studying how to handle big changes that are apparently coming in the electric industry. More than 800 members and guests attending

EIEC's 9th Annual Meeting, held March 16 at Paxton-Buckley-Loda High School, heard reports on this issue.

A videotaped report by General Manager Wm. David Champion, Jr., and Laverl Byers of Tuscola, president of EIEC's

board, reviewed the past year and looked at the co-op's strategic planning for future needs.

In the report, Champion said that \$4 million was borrowed from the Rural Utilities Service (formerly the Rural Electrification
(Continued on page 12b)

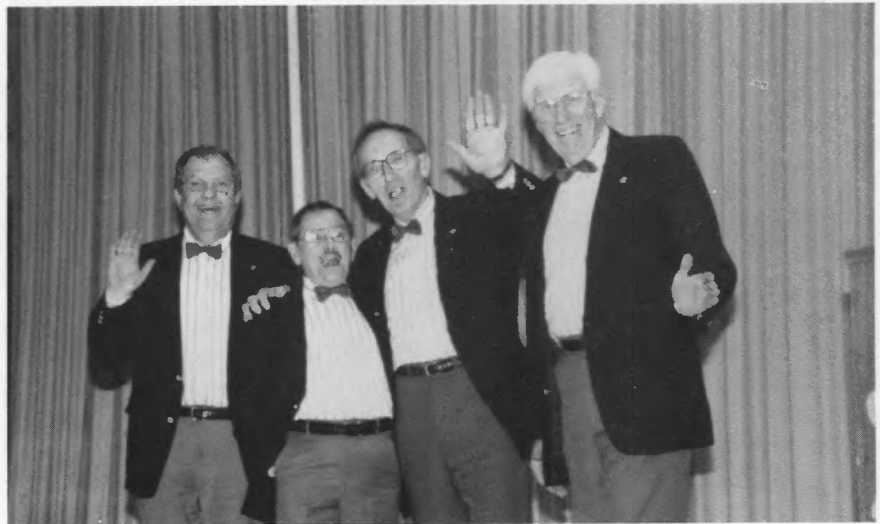
Champion elected Soyland president



Joe Firlit, right, president and chief executive officer of Soyland Power Cooperative, congratulates Wm. David Champion, Jr., of Paxton on his election as chairman of the board of the generation and transmission cooperative. Champion was elected at the Decatur-based cooperative's annual meeting of members held March 20 in Springfield. Soyland is owned by 21 electric distribution cooperatives in Illinois and provides bulk power for more than 165,000 farms, homes and businesses in downstate Illinois.



Clockwise from above: Boy Scout Troop 32 presented the colors. Teri Champion, daughter of EIEC General Manager Wm. David Champion, Jr. and Deborah, sang the National Anthem. The barbershop quartet, The Good Times Harmony Four, entertained.



tion Administration) and the National Rural Utilities Cooperative Finance Corporation last year. Those funds are to pay for line construction and replacement.

"Each year, we try to rebuild 100 miles of line and make your service better," Champion said. "This past year we completed 84 miles. When we pull crews off our line construction jobs, we're doing constructive things such as new housing starts and service upgrades. We are extremely pleased with the level of service we're able to provide now because of this rebuilding program."

The manager said that because of EIEC's replacement of old lines, a December 1995 ice storm did not result in the mas-

sive outages it could have caused years earlier.

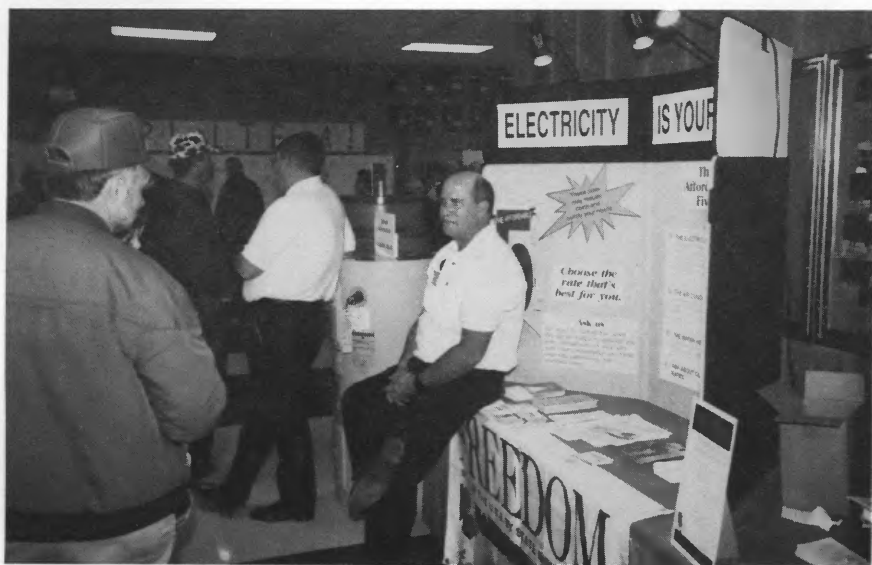
"If your electric service is not up to the standard you think it should be, please let us know, because we think we're identifying all the poor quality lines and replacing them on an annual basis," he said.

Turning to EIEC's financial status, Champion said that the electric cooperative had an overall profit in 1995. However, combined with the operations of its three subsidiaries, a loss is shown. The co-op has offered Telecommunications Services and C-band Satellite TV programming for several years; its two new subsidiaries are Utili-soft, which provides distribution automation systems to

electric utilities, and SkyQuest, which offers DIRECTV programming through the 18-inch digital satellite system.

"Two of our three subsidiaries are in the start-up mode and consequently, they did have a loss for 1995. We will continue to work on our business plans, which show we should have margins in both those subsidiaries within the next year or so. Then, they will be doing what we intend for them to do, return margins to the cooperative and provide additional services to the members."

The manager also discussed the probable deregulation of the electric industry and the retail-wheeling concept, in which a customer could choose a power



Clockwise from left: Tim Frick, EIEC marketing services specialist, staffs a display booth pointing out the benefits of electricity. The Commonwealth Edison Electric Car was on display. The registration table was a busy place.

supplier much as they now choose long-distance telephone service.

"One of the concerns we have is that the smaller consumers may suffer at the expense of larger commercial customers receiving better rates. We'll be keeping an eye on that as we look out for your best interests during this whole process," Champion said.

In his report, President Byers told about EIEC's strategic planning, which has developed three goals: focusing on financial priorities and improving productivity, aggressively communicating with members about the cooperative and members' concerns and needs, and improving efficiency through electronic meter

reading, electronic funds transfer and advanced mapping design.

Responding later to a member's question about refunding capital credits, Byers said that this benefit of co-op membership has been very high on directors' minds. "The board has a responsibility for the financial condition of the cooperative. We hope our subsidiaries will show a profit, which will allow us to refund capital credits. We have chosen not to raise electric rates and not give capital credits at this time."

Also during the meeting, members re-elected four directors in uncontested elections. Re-elected to three-year terms were William P. Raber of Saybrook,

Donald Reitz of Gilman, Marion Chesnut of Rossville and Laverl Byers.

Reorganizing after the meeting, directors selected Chesnut as president, Bradley J. Ludwig of Fithian as vice president, Glenn R. Anderson of Kempton, secretary, Herbert L. Aden of Newman as treasurer and Reitz, assistant secretary.

Attendance prizes were awarded during and after the meeting. John Lehr of Loda was the winner of the grand prize, an 18-inch DSS satellite system.

In addition, two members each received an 80-gallon Sepco water heater. They were Stanley Nelson of Paxton and Edwin Pfingston of Crescent City.

Board meeting report



The Eastern Illini Electric Cooperative Board of Directors held its regular meeting at the cooperative's headquarters in Paxton on March 18, 1996.

The board approved minutes of the February 27, 1996, regular board meeting.

The statement of revenues and expenses for the month ending February 29, 1996, including the following information was approved: Total Operating Revenues \$1,857,333, Total Operating Expenses \$1,406,184, Total Cost of Electric Service \$1,656,473, Operating Margins \$200,864, Total Margins \$216,977 and year-to-date margins \$147,618.

During February, 52 members joined the cooperative and 46 terminated their memberships.

President Chesnut announced new committee assignments.

Committee Chairman Loy indicated the Audit and Finance Committee had met March 5 to examine the accounts of the cooperative and review expense statements, disbursements and supporting data in accordance with the bylaws. All records were found to be in order. The report was approved.

Manager Champion indicated the staff is completing its preliminary review of employee policies before Policy and Regulation Committee Chairman Byers schedules another meeting.

The March 16 annual meeting was discussed. Overall, the board felt it was a good meeting and well attended. The Annual Meeting Planning Committee will meet April 1 to review the March 16 annual meeting and make tentative plans for the 1997 annual meeting.

Manager Champion provided the board with the following information: an \$874.57 check has been received from the National Rural Utilities Cooperative Finance Corporation; the East Central Illinois Cooperative Association held a young couples' din-

ner on February 29 at the Fanmarker in Rantoul; benefits provided by the National Rural Electric Cooperative Association's Long Term Care Insurance Plan; and a report on Marketing Services Department activities.

In other action, the board approved renewing liability and property insurance with Federated Insurance Company and entering into a three phase contract with Randall K. Elliott. The board selected Manager of Financial Services J. Brandon Jackson as the delegate for the April 22 Illinois Cooperative Workers Compensation Group Annual Meeting. Manager Champion was selected as the alternate.

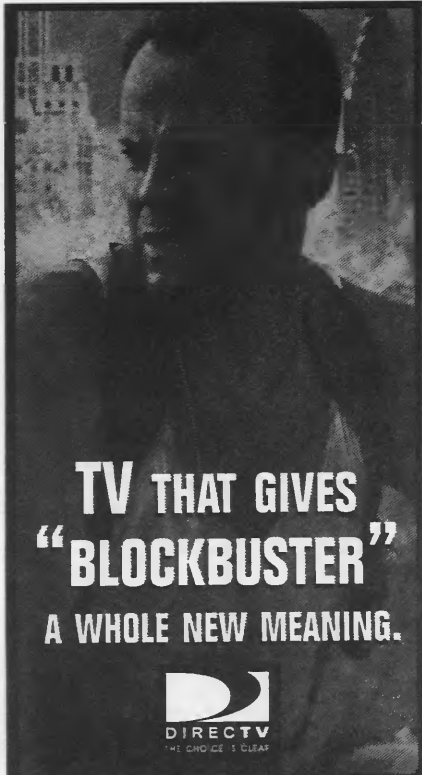
President Chesnut indicated a safety meeting will be held March 27 and Director Thompson will represent the board. A thorough March job training and safety report was provided by Manager Champion.

Directors Aden, Chesnut and Loy summarized NRECA Course 532-2, Communicating Cooperative Issues, which they attended March 7-8 at the Association of Illinois Electric Cooperatives in Springfield.


The manager discussed a member's request that the cooperative sell surge protectors since the electronic equipment in members' homes is increasing. This request will be taken under advisement.

Utili-soft Manager Jeff Tankersley reported on training and marketing activities. Utili-soft will be participating in the NRECA Expo in Houston, Texas, March 23-26. SkyQuest Manager David Lithgow highlighted the Satellite Broadcast and Communication Association Winter Show and Sales Conference he attended March 3-6 in Las Vegas. As of this date, SkyQuest has 4,039 DIRECTV subscribers. Manager Champion indicated the Rural TV (C-band) business continues to return profits.

There being no further business to come before the board, the meeting was adjourned.




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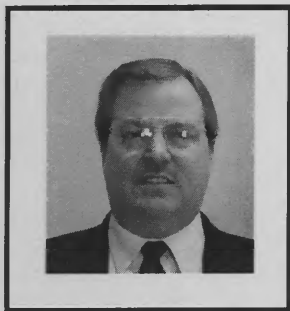
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General Manager's Comments

By Wm. David Champion, Jr.

Service Excellence

As the investor-owned electric utilities in our area are closing their offices to their customers, Eastern Illini Electric Cooperative is continuing to provide its member-owners with service excellence. We want you to know that we are here to serve you now and into the future. Whatever your concerns or needs may be, stop by our office or give us a call and we will come see you.

The greatest value of being a member of a locally-owned and controlled cooperative is personalized customer service. There is great value in providing *Face-To-Face Service*, and it is very important to us that we surpass your expectations and needs.

Because of our commitment to service excellence, we have continued our system rebuild so you will have extraordinary service. Since consolidation, we have come close to rebuilding 100 miles of line each year.

Our "Affordable Five" programs offer you a number of choices. The 4 cent electric heat and 5 cent interruptible rates are very competitive. A summer/winter rate and interruptible water heating and air conditioning credits are also available to help you control your energy costs. You can select a program that best meets your lifestyle. To help you make an informed decision, our Marketing Services Specialists will perform an energy analysis on your home or business and give you an honest evaluation of your energy requirements and projected costs.

To finance a geothermal system, an electric heat pump or standby generator, you can apply for an EIEC

5 percent loan. Qualifying members can borrow up to \$8,000 for a geothermal system, \$5,000 for an all-electric heat pump, \$3,000 for an add-on heat pump, \$5,000 for a standby generator, and \$600 to \$1,200 for a service entrance upgrade. Furthermore, you will receive a \$500 rebate for a geothermal installation and \$250 for all other all-electric heat installations. Convert your gas water heater to an electric one and

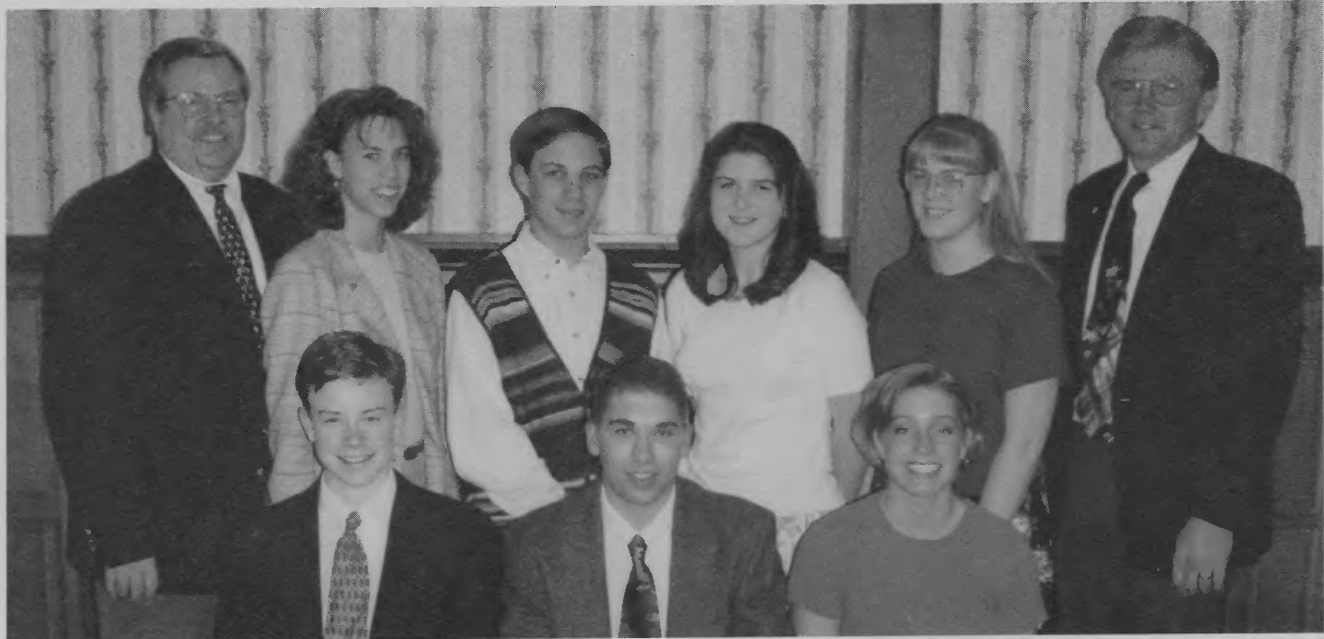
you will receive a \$100 rebate. EIEC has an extensive product line of water heaters including a 52 gallon Freedom at \$25 or a 30, 50 or 80 gallon Sepco at a cost of \$125 to \$150. If you are building a new home, you can purchase an electric water heater from EIEC for just \$1.00.

We are aggressively investigating ways to reduce our high cost of wholesale power so we can provide competitive rates to all our members. We are hopeful that we can rectify this situation in the near future.

Moreover, we offer the 18-inch dish Direct Satellite System and DIRECTV® through our subsidiary SkyQuestSM. You can enjoy up to 175 channels of crystal-clear digital television entertainment plus a whole lot more. By the first quarter of next year, DIRECTV will offer data service, commodities, weather radar and on-line information service on DTN®. We also provide satellite programming for the large C-band dishes through our RURALTV subsidiary. Our subsidiary, Utili-softTM provides distribution automation systems to electric utilities.

Our office is staffed with real people and we are here to provide you, our member-owners, with service excellence and improve your quality of life.





Three area students were chosen as grand prize winners of EIEC's 1996 "Youth to Washington" essay contest and have won all-expense-paid trips to Washington, D.C. Joel Light of Bismarck, Chris McKinley of Milford and Abby Morris of Hoopeston were chosen from eight finalists at EIEC's essay dinner April 8 in Paxton. The other five finalists are Elizabeth Brasel and Jennifer Davis of Milford, Sean Danner and Abby Unger of Hoopeston and Becky Swearingen of Melvin. In addition to winning the Washington trip, Light won a \$200 savings bond for having the highest score. The other two winners of the tour, McKinley and Morris received \$100 and \$75 savings bonds, respectively. The other five finalists each won \$50 savings bonds. Area students submitted essays in the competition. In the back row from left are: Wm. David Champion, Jr., EIEC general manager, Brasel, Danner, Swearingen, Unger and Marion Chesnut, EIEC board president. Front row from left are: Light, McKinley and Morris. Light's essay is reproduced on these pages. Davis is not pictured.

Joel Light is first-place essay winner

Electric Deregulation - How Will It Affect Service and Rates?

Historical Perspective

On October 19, 1879, after many failures, Edison found the proper filament for the light bulb, thus starting the electrification of the nation. By the 1930's nearly every city provided electricity to its residents. However, the rural community was left in the dark. In the early 1930's almost ninety percent of rural America was without electricity. By 1936 it was evident that private electric companies were not going to take on the project of electrifying rural America. The big private electric suppliers to the cities did not believe they could make any money on the small, sparse farms of rural America.

To encourage the electrification of rural America, President Franklin Delano Roosevelt estab-

lished the Rural Electric Administration on May 11, 1935. This Administration developed parameters for the formation of electric cooperatives. Once this occurred, many applications for loans from prospective electric companies poured into the Administration. Soon the lights started to come on all over the rural American landscape. This marked the beginning of increased productivity and a higher standard of living in rural America as local companies such as Eastern Illini Electric Cooperative (EIEC) began to provide electrical power and service to residents.

Current Trends

The proponents of rural electrification find themselves at an-

other crossroads with the emergence of deregulation. Electric deregulation gives electric companies the ability to compete among themselves (Maremont, 1996). With deregulation, companies are not prohibited from crossing geographic lines that delineate one area from the next. Deregulation is inevitable, according to C. L. Watson, but is an issue which should be considered very carefully (Palmeri, 1995). If deregulation should occur, the entire national economy could greatly benefit or be hurt by the greed of big businesses.

For deregulation to be successful, it is essential for electric companies to sell either their power plants or their lines. This is referred to as vertical

deintegration. This would prevent companies from fixing prices and forming dangerous monopolies and trusts. No longer would utilities be able to sell a bulk commodity to a captive customer at a regulated monopoly price. This, therefore, would be essential to lower rates (Navarro, 1996).

California is the leader in the deregulation of electric companies in the United States (The Economist, 1996). Directors of leading utilities in California, which already have some of the lowest rates in the country, believe that deregulation will bring down electric rates by five to fifteen percent (Sparks, 1995).

The CEO's of the electric system in California believe that for deregulation to truly work it needs to be opened so that all states' electric companies can compete. This concept of electric deregulation being interstate is an idea that is getting an increasingly larger amount of thought. This would be comparable to the systems of interstate highways we now have; in contrast each state could have its own highways, but not be joined on a national level. Obviously, the latter would not be very efficient. If interstate deregulation occurs, imports to the United States would decrease and exports would increase with a resultant decrease in the trade deficit of nearly four billion dollars (Navarro, 1996).

Illinois should wait until pilot programs are conducted in other rural settings before attempting deregulation. Small rural electric companies all over the country could be hurt severely by deregulation, because the larger companies (the Wal-Mart's and the McDonald's of the electric industry) will purchase large quantities of power from wholesalers at very low prices (Nulty, 1995). For this reason special provisions need to be made for electric companies with very few customers per mile of line. If Illinois waits and learns from the mistakes or the positive aspects of California's deregulation, then it can be better prepared for the deregulation within the

state. This is not a matter to be taken lightly, because it will affect the entire economy of the state, depending on its success or failure.

One issue for the State of Illinois to consider is the possible tax loss if lower electric rates result across the board. In 1995 from January to September alone, the entire state of Illinois used 11.7 billion dollars worth of electricity (Energy Information Administration, 1995). This accounts for many tax dollars in the state, and the loss of tax revenue from this source will have a significant effect on the State, causing a probable increase of taxes in other areas such as income. If the state does not raise taxes, the quality of education and the condition of the roads will decrease. These are serious issues that will need to be addressed.

Another issue is the dependability of out-of-area electric suppliers. Will these suppliers be able to provide the needed repairs to power lines after a storm so that people do not freeze or become extremely uncomfortable? It would be difficult to provide reliable service if the offices and service trucks are in another state. However, this problem could be overcome if a substantial amount of money were spent establishing service areas across the nation where current sites of power and service are supplied.

It is in this area of service where small companies such as EIEC could play an important role. These smaller companies could continue to provide line service regionally to the constituents of a given area even if they are temporarily unable to supply the electricity to the area.

Future Predictions

The electric deregulation will, in the long run, have little or no effect on our power bills or services. But a leaner industry will enhance U.S. competitiveness and improve the standard of living for everyone (Navarro, 1996). When deregulation first comes

into law, residents will have higher rates, because large businesses who need to purchase a high volume of electricity will receive the low rates. However, citizens can band together in large groups and, because of the resultant high volume of electrical usage, receive the same rates that large power using businesses receive. Smaller electric suppliers, such as EIEC, can also join together and buy electricity from the large companies and provide it to large groups of individuals. Thus, there will be a balance of rates between large businesses and residents.

Service is another issue which will continue to be important to customers. Companies such as EIEC can continue to provide dependable and courteous service. Service has always been and will continue to be important if deregulation occurs. People will be reluctant to change electric companies if the service of their present company is satisfactory.

Thus, EIEC and other small cooperatives may need to join together to remain viable in this fiercely competitive market. If these small providers are able to obtain new customers in this way and continue to provide excellent service, they will remain successful in a global economy. According to Scotto, the biggest winners in the electric industry as it deregulates will be low cost providers with spare power they can sell in other markets (Mack, 1996).

Summary

Deregulation is an issue which is inevitable and must be executed after much consideration. The citizens of the strongest and most democratic nation in the world will suffer or gain, based on the decisions which are made. Service and rates, which are the most important issues in electrical deregulation, may be compromised initially. However, as companies such as EIEC seek ways to continue to effectively serve the residents of the rural communities, these barriers will be overcome.



The founders of Central Bank wanted a distinctive building when they started construction at the interchange, and this is the result.

Bank grows as interchange traffic increases

Central Bank is one of several businesses clustered around the I-57 interchange at Ashkum, and is served by EIEC. Chartered in 1975, the bank quickly got into business in a mobile banking unit.

It moved into the present structure, a triangular building, in 1976. Sam Sweeney, president, notes that the founders had looked downtown for a facility without success.

"We wanted a place with plenty of parking," he says, "and we wanted a location that would allow us to install a drive-up window, too. We just couldn't find a place like that downtown."

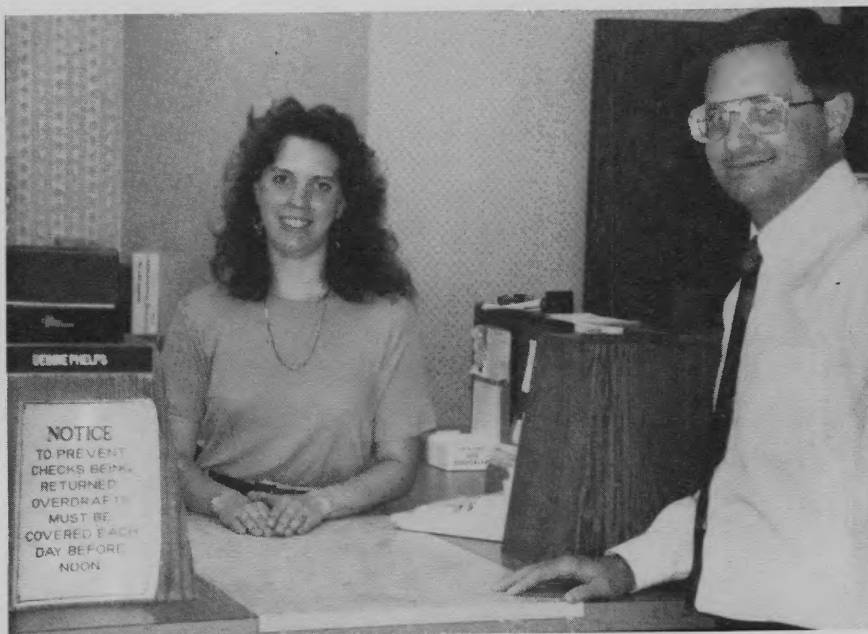
They looked at the interchange and decided to build there, with the idea that traffic would increase quickly. The bank's assets grew at a very steady pace in a community with little or no growth in population.

"From 1981 to 1990 there was only one new house built in the village of Ashkum," he adds. "Now we're starting to feel the influx of people from the north, as they move

this way looking for a more relaxed lifestyle, lower land costs, good schools and less crime. I think we're going to see a lot of growth in this area very soon. In fact, I'm concerned that we may run into infrastructure problems if we don't start

addressing our water and sewage treatment situation."

At any rate, the area is growing, and so is Central Bank's business. Part of the reason, Sam emphasizes, has been the commitment to service. "All banks say that,"



Sam Sweeney, manager, and teller Debbie Phelps.



Wm. David Champion, Jr., manager of EIEC, left, visits with Sam Sweeney, manager of Central Bank.

he says, "and it's true that most banks have about the same things to offer. But one of the services we pioneered years ago involved extended hours. We were the first bank in the county to stay open until 5 p.m., and that worked well for us.

"We knew that there were people in factories that got off work at 4 p.m., and they could still get here and do their banking business before we closed. That became especially important when we opened a branch in Gilman. There were approximately 400 employees

within a one-half mile of our branch facility and we wanted to be able to serve them."

The extended hours, he adds, also helped the bank attract a younger clientele. "A friend once remarked to me that we have a gold mine here, because of the young customers," Sam remarks, "and we're working on keeping them. We hope they'll grow with us for years to come."

He notes that Central Bank is a small, rural bank serving a predominantly agricultural clientele, al-

though that is gradually changing.

The decision to move out to the interchange appears to have been a wise one. When then-governor Jim Thompson established a series of "Corridors of Opportunity" throughout Illinois, I-57 was a part of that program. While the "Corridors" plan has quietly slipped into oblivion, the fact remains that interstates near large metro areas tend to grow well, and the Ashkum interchange is no exception. "Both our extended hours and the fact that we have a drive-up window have helped," Sam says. "When we started looking at the possibility of building our branch in Gilman, we questioned whether we would need a drive-up window. We did a survey and learned that nearly 40 percent of our transactions are handled at the drive-up windows.

"Naturally, many of the transactions tend to be smaller than some of those handled in the lobby, but they still make up a very important part of our business. I don't think there's any doubt now about the importance of drive-up banking."

He adds that the building may be a factor, too. "We set out to build an attractive, unusual building, in the hope that it would attract attention. I believe we've done that. A triangular building isn't particularly efficient—there's only one square room in the whole place—but we think it looks nice. We wanted our building and our business to be beneficial to the Ashkum area and I think we've accomplished that."

To report outages after hours

If you are reporting an outage after our regular business hours of 8 a.m. to 5 p.m., Monday through Friday except holidays, please call 800-824-5102. The 800-824-5102 number is the only number that transfers calls to our answering service. During regular business hours, you can contact us at 1-800-824-5102 or 217-379-2131 in Paxton.



Orval and Lucy Eakins



Richard and Robin Munson

Satisfied EIEC members say: We chose geothermal. You should, too!

Orval and Lucy Eakins are enjoying their ranch-style brick home near Cissna Park. With Kellart Lake in their backyard, they have a beautiful view from their dining area. Formerly from the urban community of Bolingbrook, the couple values the quality of life that a rural setting provides. Orval, a retired truck dealership mechanic, and Lucy, a homemaker, have nine children between them.

The Eakins purchased their 1,100 square-foot brick home with a full basement in 1992 and began a remodeling project which included adding a swimming pool off their deck and installing an open loop geothermal system. Before deciding on a heating and cooling system, the couple investigated many alternatives and asked the Marketing Services Department at EIEC to perform an energy analysis on their home. In addition to the efficiencies they would receive from this extraordinary system, the biggest reason for selecting a geothermal system was EIEC's 5 percent loan program. With the loan from EIEC, the couple had the system installed and payments added to their monthly bills. They also received a \$500 rebate from the cooperative and \$300 from the WaterFurnace rebate program.

Another benefit of the geothermal system that the Eakins are pleased about is EIEC's 4 cent electric heat rate. Moreover, they will save an additional \$124 a year by taking advantage of the interruptible water heating and air conditioning credits.

Richard and Robin Munson selected a horizontal closed loop geothermal system for their attractive two-story frame home located near Ludlow. Richard is employed by the University of Illinois as a farmer and Robin is a biology and math teacher at Fisher High School. The Munsons have three sons: Kip, Kelly and Kurtis.

When the Munsons purchased their remodeled farm home, it did not have air conditioning. Richard had been studying the advantages of a geothermal system and was impressed that one system provides heating, air conditioning and water heating. When the couple invited EIEC's Marketing Services Department to perform an energy analysis, they found how economical it would be to heat and cool their 1,750 square-foot home and basement on the 4 cent rate. The premier system costs a little more to install, but EIEC's 5 percent loan made the decision easy. Qualifying members can borrow up to \$8,000 for seven years and payments are added to their monthly bills. The \$500 rebate from EIEC and the \$300 rebate from WaterFurnace also helped offset the cost of the system.

Since installing the new system, the Munsons' heating costs have been dramatically reduced by almost 50 percent. Furthermore, they will save an additional \$124 a year by taking advantage of the interruptible water heating and air conditioning credits. Since they did not have air conditioning last year, they are looking forward to being comfortable during the approaching hot and humid days.

Rabers take rural electric China trip

William and Joyce Raber of Saybrook take a break on The Great Wall, one of several historic stops that a 21-member Illinois Electric Cooperatives' delegation made as they toured the People's Republic of China in early March. William Raber is a member of the Eastern Illini Electric Cooperative board of directors. The group toured China from March 3-19 as guests of the country's Ministry of Electric Power and Department of Rural Electrification. The visit culminated an informational exchange that began last year when Chinese electrical engineers visited Illinois through an international training program developed by the University of Illinois-Chicago to learn how electric cooperatives supply power to rural residents. Eastern Illini served as one of the hosts to the Chinese delegation. The Chinese government sponsored the tour as a way of thanking their American friends and showing them how far their country has progressed.



Bill and Joyce Raber



Pictured (left to right): Manager of Marketing Services and Economic Development Dale Kuhn watches Manager Wm. David Champion, Jr. prepare dinner. Also pictured are Marketing Services Specialists Dwain Dippel and Tim Frick.

Trade Ally Meeting

In conjunction with the "Building for Energy Efficiency Seminar," EIEC held a trade ally meeting on April 3. Doug Rye, a nationally recognized energy consultant and architect, conducted the seminar in Bloomington. More than 30 heating and air conditioning contractors, electricians, mortgage lenders, real estate

brokers and appraisers attended the event. The Marketing Services Department hosted the meeting to foster better communications with trade allies and offer our assistance in helping them deliver better service to consumers. Dale Kuhn, Manager of Marketing Services and Economic Development, ex-

plained EIEC's marketing programs so trade allies can help EIEC members obtain increased value for their energy dollars. Following the seminar in Bloomington, the group returned to the cooperative's headquarters in Paxton for a cook-out.

Board meeting report



The regular meeting of the Eastern Illini Electric Cooperative Board of Directors was held April 23, 1996, at the cooperative's headquarters in Paxton.

The board went into Executive Session.

The board approved the March 16, 1996, organization board meeting minutes and the March 18, 1996, regular board meeting minutes.

The statement of revenues and expenses for the month ending March 31, 1996, including the following information was approved: Total Operating Revenues \$1,640,472, Total Operating Expenses \$1,430,430, Total Cost of Electric Service \$1,691,474, Operating Margins (\$51,002), Total Margins (\$34,060) and Year-To-Date Margins \$113,559.

In March, 64 members joined the cooperative and 65 terminated their memberships.

A report of the April 1 Annual Meeting Planning Committee meeting was given by Director Bauer, Chairman of the Committee. EIEC will hold its next annual meeting March 8, 1997, at the Paxton-Buckley-Loda High School in Paxton. The annual meeting report will be a 16-page center section in the March Illinois Country Living magazine. Entertainment will be provided by "A Natural High," a 20-member chorus from Iroquois County. Two Digital Satellite Systems, two Sepco water heaters, 50 prizes including \$25 bill credits will be awarded. The attendance gift will be an EIEC letter opener. The committee report was approved.

Manager Champion provided the following information to the board: the cooperative began using Cooperative Services Network as its answering and dispatch service the first week of April; the East Central Illinois Cooperative Association, EIEC and SkyQuest participated in the Paxton expo on April 14; the April 8 Youth To Washington Essay Contest was well attended and the finalists gave excellent presentations; a check has been received from the National Rural Electric Cooperative Association's International Programs Division to reimburse EIEC for all expenses associated with hosting the international guests; preliminary research has begun on developing a program to market surge protectors to members; five EIEC two-man crews were sent to help restore service at Henderson Union Electric Cooperative in Kentucky following a March storm; a Marketing Services Department activities report; and a summary of National Rural Utilities Cooperative Finance Corporation activities.

In other action, the board approved the recommended

preliminary position of the Managers Association Committee on Deregulation and Retail Wheeling; and entering into a three phase contract with Randy L. Crow, a three phase interruptible contract with Charles Stark Farms, a three phase interruptible contract with John M. Fehr, and contracts for three phase and interruptible service with Iroquois Paving Corp.

Director Thompson summarized the March 27 safety meeting. Manager Champion provided a comprehensive April job training and safety activities report

The March 24-27 NRECA/CFC/NRTC Annual Meetings held in Houston, Texas, were highlighted by Directors Anderson, Byers, Chesnut, Day, Ludwig, Reitz, Warmbir, Manager Champion and Attorney Fraker.

Directors Anderson, Byers, Thompson, Manager Champion and Attorney Fraker will participate in the NRECA Legislative Conference in Washington, D.C., May 5-8.

Director Raber reported on the memorable trip that he and his wife, Joyce, had taken to China with 21 members of the Illinois electric cooperative delegation. The trip was sponsored by the People's Republic of China.

A synopsis of the March 21 and April 18 Association of Illinois Electric Cooperative board meetings was given by President Chesnut. The IEC Managers' Association Deregulation/Competition Committee recommendation was approved. The AIEC board studied budget proposals for the 1996-97 fiscal year and heard regulatory, legal and engineering reports.

Director Warmbir reported on Soyland Power Cooperative activities. During the March 20 Soyland Annual Meeting, EIEC Manager Champion was elected as the Soyland Chairman of the Board. At the April 17 SPC board meeting, the board approved Chairman Champion's committee assignments. Clinton Power Station, Power Supply, Finance Committee and Marketing reports were given.

In a written report, Utili-soft Manager Jeff Tankersley outlined marketing activities and participation in the March 23-26 NRECA Expo in Houston, Texas. SkyQuest Manager David Lithgow provided a written SkyQuest activities report. On April 10, SkyQuest had 4,100 DIRECTV subscribers. Manager Champion indicated the Rural TV (C-band) business continues to remain stable.

There being no further business to come before the board, the meeting was adjourned.

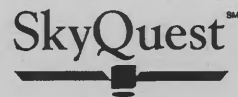
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DIRECTV[®], a recognized leader in family home entertainment, will offer data service, commodities, weather radar and on-line information service on DTN[®] by the first quarter of 1997. The crystal clear picture and sound guarantee that your television will look and sound its absolute best.

The 18-inch Digital Satellite System and DIRECTV will give you countless hours of home entertainment and much, much more.



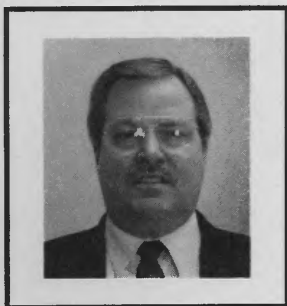
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General Manager's Comments

By Wm. David Champion, Jr.

Peak Alert time has arrived

When temperatures soar this summer, peak alerts may be called between June 15 and Sept. 15, from noon to 8 p.m. However, peak alerts will not occur on weekends, Independence Day or Labor Day.

Even though we experienced intense hot weather last summer, only three peak alerts occurred. By shedding load between 2 p.m. and 7 p.m. on July 12, 13 and 14, we were able to save more than \$500,000 in fixed costs which benefited all cooperative members.

When Soyland Power Cooperative, our power supplier, advises there is a peak alert, we begin demand side management activities. The cooperative's fixed costs are determined by the peak load. When a higher peak is established, Soyland bills us at the higher rate for the next year.

To prevent a higher peak demand, our large power interruptible accounts are contacted and asked to implement load control procedures. Furthermore, water heaters, air conditioners and single-phase interruptible accounts with radio-controlled switching devices are activated. Through media announcements, we ask all members to minimize their use of electricity during peak alerts.

By participating in demand side management programs, you can also reduce your energy costs. The \$25 interruptible air conditioning credit is available to members who have a 240-volt central air conditioner that is capable of being turned off and on during peak alerts

by an EIEC-provided control device. If your total monthly household use exceeds 500 kilowatt-hours, you can save \$100 per year. If you participate in the water heater control program, you will also be eligible for a \$6 per month control credit or \$72 a year if your monthly kilowatt-hour use exceeds 500 kilowatt-hours. Electric heat accounts are only eligible for the credit during the four summer months.

The 5¢ single-phase interruptible rate is available to members who have less than a 400 amp service and are willing to let the cooperative interrupt all electric service during summer peak alerts. Members pay for the interrupt device, but EIEC will install it at no charge. To finance a standby generator, you can apply for an EIEC loan. If you qualify, you can borrow up to \$5,000 for five years at 5% interest. If you take advantage of this program, you will be required to go on the interruptible rate. The first 500 kwh per month are 12¢ and all kwh over 500 are at 5¢. A large power interruptible rate is also available.

Please listen to your local radio stations when temperatures begin to climb this summer so you can curtail your electrical use if we call for a peak alert, and consider participating in the cooperative's demand side management programs. With your cooperation, the cooperative can avoid purchasing expensive peaking power which will have a positive effect on power costs for all members.

Jason Dotterer

1996 IEC Memorial Scholarship Winner

Jason Dotterer, son of Marvin and Nancy Dotterer of rural Fairbury, is the recipient of the \$1,000 IEC Memorial Scholarship presented to a son or daughter of an electric cooperative member. Jeannie Kingston, Manager of Information Services for Eastern Illini Electric Cooperative, made the presentation at the Prairie Central High School Senior Awards Night on May 16 in Fairbury.

Dotterer, Salutatorian of the 1996 Prairie Central Senior Class of 111, also received the following recognitions during the Senior Awards Night ceremonies: Donald Karnes Memorial Scholarship; Fairbury VFW Post 9789 Scholarship; National Merit Finalist Award; Illinois State Scholar; President's Award for Academic Excellence; American Legion Award, Runner-up; Air Force Math and Science Award; Scholastic Bowl Award; and Illinois Council of Teachers of Mathematics Computer Science Award. Other recent recognitions include: Chancellor's Scholar (Honors College) at the University of Illinois, 1996-97; Biography appears in 1995-96 Who's Who Among American High School Students; and a varsity letter in track. Dotterer plans to attend the University of Illinois and major in engineering.

The Dotterers, who farm seven miles south of Fairbury, are members of Eastern Illini Electric Cooperative. They have three other children: Lori is a senior at the University of Illinois majoring in accounting; Clint is a junior at Prairie Central High School; and Heidi is an 8th grader at Prairie Central Junior High School.

The IEC Memorial Scholarship Fund was established by the Association of Illinois Electric Cooperatives in 1994 and is funded by the electric coopera-



Jason Dotterer, seated, with his parents, Marvin and Nancy Dotterer.

tives to financially assist deserving students in the electric cooperative "family" and to honor deceased rural electric leaders through memorial gifts. Beginning this year, two \$1,000 scholarships will be awarded annually to the son or daughter of an electric cooperative member and the son or daughter of an electric cooperative employee or director. Northern Illinois University administers the fund and selects the scholarship winners based on grade point average, college entrance test scores, work and volunteer experience, school and civic activities, and knowledge of

electric cooperatives as demonstrated in a short essay.

Garrick Wayne Liefer, son of Richard and Lou Ann Liefer of Red Bud, won in the category for a son or daughter of electric cooperative employee or director.

Information on the IEC Memorial Scholarships was provided to all high schools throughout Eastern Illini's service territory and an announcement was included in the Illinois Country Living Magazine and the Power Lines bill insert. Eighty students applied for the 1996 IEC Memorial Scholarships.

Youth Day in Springfield



High school students from across Illinois were introduced to their state legislators in Springfield during "Illinois Electric and Telephone Cooperative Youth Day" on Wednesday, May 1. Eight area students representing Eastern Illini Electric Cooperative met with Senator Stanley B. Weaver and Representative Timothy "Tim" Johnson at the State Capitol. The 260 students and chaperones also toured the Illinois Supreme Court, the Old State Capitol and Lincoln's Tomb. EIEC participants, from left in front, Abby Morris, Hoopeston; Becky Swearingen, Melvin; Elizabeth Brasel, Milford; Jennifer Davis, Milford; Sen. Weaver; Rep. Johnson. Behind from left, Sean Danner, Hoopeston; Chris McKinley, Milford; Abby Unger, Hoopeston; Joel Light, Bismarck; Jeannie Kingston, EIEC Manager of Information Services; and Glenda Frette, EIEC Secretary. The eight students were finalists in EIEC's "Youth to Washington" essay contest.



Students and chaperones are also pictured with State Senator Harry "Babe" Woodyard (left) at his seat on the Senate floor. Sen. Woodyard demonstrated how senators cast their votes and discussed his role as a Senator.



Steve Wenger, left, demonstrates a construction technique to Wm. David Champion, Jr., manager of Eastern Illini Electric Cooperative. Wenger Woodcraft makes cabinet doors in about a dozen different kinds of hardwoods, as well as MDF, a kind of particle board used for painted doors.

Wood shop specializes in cabinet doors

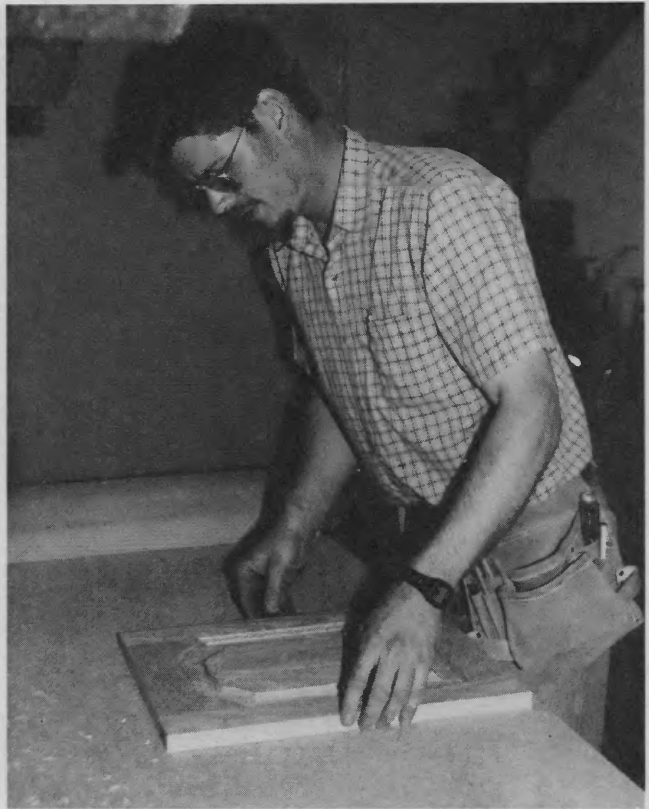
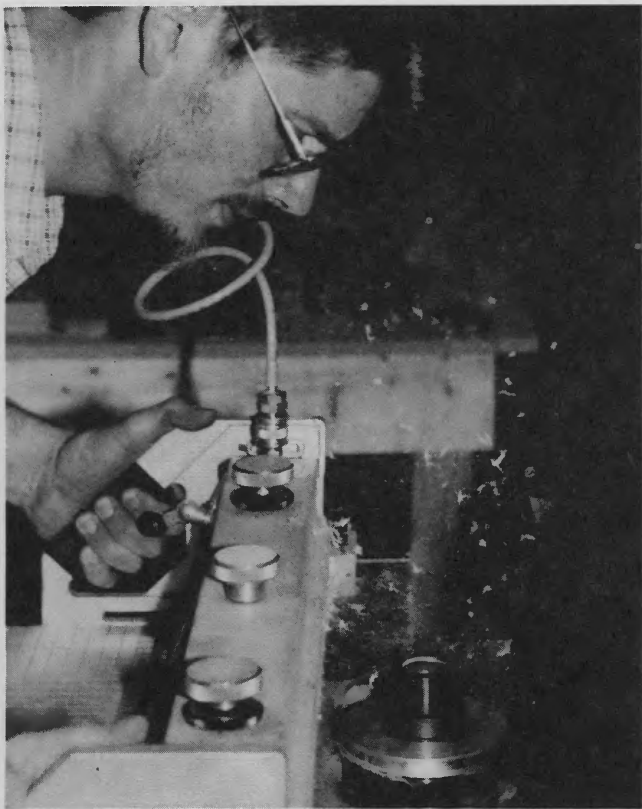
Wenger Woodcraft of rural Garrett is a specialized business. They make doors—by the thousands—for the cabinet-making trade.

Steve Wenger started the firm about three years ago, two years after he'd come here from the Hesston, Kansas, area. "I'd worked for an uncle in a furniture and cabinet shop there," Steve relates, "and after that, I'd had a shop of my own for a couple of years." They are members of the Church of God in Christ—often called Holdeman Mennonites—and they decided to move to this area to help get a small congregation going.

Steve and his wife, Amy, moved their daughter, Andrea,



There are several kinds of patterns and templates in the shop. A few are pictured here.



In the left photo, chips fly as Steve runs a piece of hardwood through a machine. At right, he checks the fit of a door's components before gluing and clamping.

and son, James, into their new place and set up shop. Their second son, Jeffrey, was born about a year ago.

"We remodeled a 30' X 50' building," Steve says, "and I didn't ever think we'd outgrow it. But it's getting a little crowded now."

Since Steve set up the business, he's been joined by a partner, Keith Schmidt, who got involved in the operation a couple of years ago.

"He worked in the same shop in Kansas that I worked in," Steve remarks, "and his experience and expertise are very much like mine. We work very well together."

And it's a good thing. They've been making cabinet doors in quantity for quite a while now, and some of them are quite intricate.

"One of the doors that's popular now," Steve notes, "has an extended panel, and of course, you can't just assemble and sand it. So we glue the frame together lightly, do all the work

we can on it, and disassemble it so we can insert the extended panel. There's a very fine line between not having enough glue, so things shift, and having too much glue, so you can't get the thing apart again. It's one of those little tricks of the trade that you learn by trial and error."

Steve notes that the shop has dealt in about 10 different kinds of hardwoods, and has recently become involved in the use of MDF, a kind of particle board used for painted doors. There's a good demand for that kind of product, he adds.

"As far as demand for different kinds of woods," Steve says, "oak has always been our old standby, and cherry and hickory were close behind. As I said, though, we use other hardwoods, too. Oak is the best to work with, and hickory is one of those that gives us fits. It's harder, so it wears the tools faster, and it chips a little, too, but it makes a beautiful finish when it's done."

Whatever the market calls

for, Wenger Woodcraft is working to supply it. The business sells through cabinet and furniture shops in the Midwest.

"We supply a cabinet shop in northern Wisconsin," Steve says, "and there are three in Michigan. We sell some doors in Kansas, some in southern Indiana, and we supply a shop in Peoria, too. All in all, we're making about 500 doors a month, and our market's expanding all the time."

It's interesting to note that while Steve is deeply in the woodworking business, he has another interest, too. "I grew up on a farm," he says, "and the love of farming will always be with me. I hope my children will get interested in woodworking, and if they do, I'll sure work with them to make sure they learn it right. But I also hope to teach them good farming practices. I guess I'll always want to give them that."

Those interested in contacting Wenger Woodcraft can call them at (217) 578-3057.

Wm. David Champion, Jr. elected Vice President of NRTC Board of Directors

Wm. David Champion, Jr., Executive Vice President of Eastern Illini Electric Cooperative, has been elected Vice President of the National Rural Telecommunications Cooperative Board of Directors. Champion previously served as Secretary-Treasurer. He has been an NRTC director since 1989 and represents Illinois, Iowa and Wisconsin.

NRTC is a national service cooperative founded in 1986 by the nation's rural electric and telephone systems to provide affordable, comprehensive telecommunications services to 25 million rural consumers in 48 states so that they can receive the benefits of the information age.



Wm. David Champion, Jr.

Larry Niccum recognized for outstanding service



Larry Niccum

At a May 22 all-employees meeting, Serviceman Larry Niccum was recognized for exemplifying team spirit in promoting Eastern Illini Electric Cooperative's incentive programs.

"I want our members to take advantage of the cooperative's incentive programs and save money if they can," said Niccum. "While performing service work, I came across a number of dairy operations and hog confine-

ments. I gave the Marketing Services Department a list of these individuals and a cost analysis was performed to see if they would benefit by going on the five cent single-phase interruptible rate and they all did. In fact," adds Niccum, "any member who has a dairy operation or a hog confinement should consider going on the single-phase interruptible rate and reducing their energy costs."

Remember this slogan!

COOPERATIVES
Your Partners
For
\$uccess



Cooperatives are member-owned and all benefits flow to their users. Committed to providing high quality goods and services at fair and equitable prices, cooperatives ensure that the members gain real value for

the dollars they spend with the cooperative. The individual members of the co-op can also achieve economies of scale and the financial benefits by "partnering" with their neighbors in a cooperative. Together they can achieve greater financial success than they could achieve working alone.

There are 47,000 cooperatives in the United States serving 120 million members. These cooperatives provide electricity, grain marketing, financing,

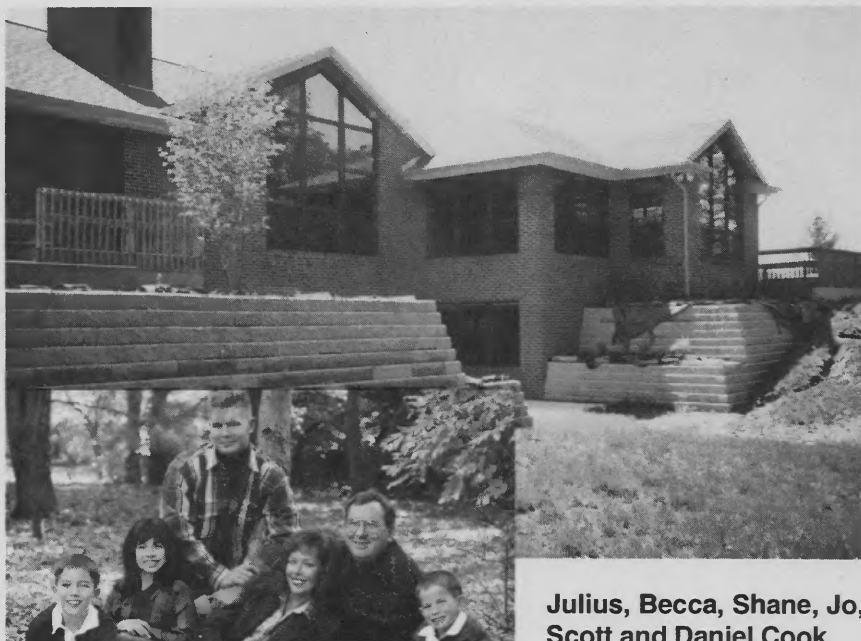
agronomic services, telecommunications, housing, child care and so much more. Each cooperative benefits its members by being their *Partners for \$uccess*.

As part of our continuing co-op promotion, we will be making random calls this month to see if you know this slogan. If you give the correct response, you will receive a \$20.00 credit on your next bill.

Geothermal—The Solution to your heating, cooling and water heating needs

Scott and Jo Cook's 8,000 plus square-foot home is nestled in a lovely setting near Sidney. Formerly from Champaign, the Cooks value the rural area's quality of life. Scott is a cardiothoracic surgeon at Carle in Urbana and Jo is a registered nurse and now a full-time homemaker. The Cooks have four children: Shane, Becca, Julius and Daniel.

After reading about geothermal systems in the co-op magazine, Jo contacted EIEC's Marketing Services Specialists to perform an energy analysis. The results of the study, EIEC's 4 cent electric heat rate and unpredictable propane markets prompted their decision to install geothermal systems in their new home. Designed and decorated by Jo, the elegant and spacious home contains three geothermal units and three Sepco water heaters. Even with the large



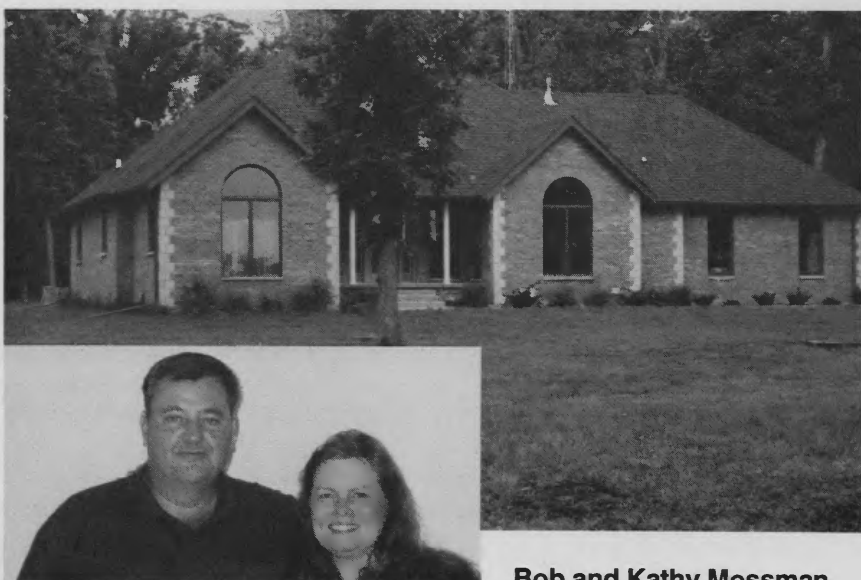
Julius, Becca, Shane, Jo, Scott and Daniel Cook

amount of glass in the home, the energy costs are very reasonable. The Cooks received a \$500 rebate from EIEC for each of the geothermal systems, a \$300 rebate from WaterFurnace and

they also receive \$124 annually in demand side management credits. During peak alerts, they have not even noticed when their air conditioners and water heaters are being controlled.

Bob and Kathy Mossman enjoy entertaining family and friends in their handsome new 2,300 square foot home near Watseka. Bob is a real estate developer and Kathy is a registered nurse. The Mossmans will be moving to Colorado, where Bob will pursue a land development project; consequently, the home is for sale.

Bob first learned about the benefits of a geothermal system at a home builders conference in Indianapolis. After talking to local heating and cooling contractors about the superior system, he contacted EIEC's Marketing Services Department and they calculated energy costs. A geothermal system and a Sepco water heater were installed in the Mossmans' new home. They are pleased with the comforts and efficiencies of the exceptional system. Though the



Bob and Kathy Mossman

geothermal system costs a little more to install, the 4 cent rate makes it very affordable. Kathy is most impressed with the geothermal system's cleanliness, since living in the country usually requires a lot of dusting,

and their home stays very clean. The Mossmans received a \$500 rebate from EIEC, a \$300 rebate from WaterFurnace, and they also will receive \$124 a year for water heating and air conditioning credits.

Board meeting report



On May 21, 1996, the Eastern Illini Electric Cooperative Board of Directors held their regular meeting at the cooperative's headquarters in Paxton.

The board approved the April 23, 1996, regular board meeting and executive session minutes.

The statement of revenues and expenses for the month ending April 30, 1996, including the following information was approved: Total Operating Revenues \$1,608,699, Total Operating Expenses \$1,239,740, Total Cost of Electric Service \$1,501,184, Operating Margins \$107,515, Total Margins \$127,802 and Year-To-Date Margins \$241,360.

During April, 79 members joined the cooperative and 58 terminated their memberships.

Auditor Michael J. Smith, CPA with Clifton, Gunderson & Co. highlighted the audit which had been conducted on the cooperative's records as of December 31, 1995. The auditor indicated the records were in good order and the cooperative's financial condition was sound. The board accepted the auditor's report.

Manager's Champion provided the following information to the board: Jason Dotterer, son of Marvin and Nancy Dotterer of rural Fairbury, has been selected as the consumer-member recipient of the \$1,000 IEC Memorial Scholarship; three summer interns will be utilized by the marketing Services Department to promote demand side management programs; a Marketing Services Department activities report; and investigation is continuing into a surge protection program for members.

In other action, the board approved utilizing Ledbetter, Toth & Associates to prepare a four year work plan; and entering into a three phase contract with Steve Kahle and large power interruptible contracts with Iroquois Stone Co., the Village of Rossville and Paul Vetter.

Manager Champion indicated that an all employees meeting and safety meeting will be held on May 22 and Director Anderson will represent

the board. In addition, Manager Champion provided a thorough job training and safety activities report for May.

Directors Anderson, Byers, Thompson, Manager Champion and Attorney Fraker reported on the NRECA Legislative Conference they attended in Washington, D.C., on May 5-8. Meetings were held with area legislators to discuss issues affecting the rural electric cooperatives.

The May 16 Association of Illinois Electric Cooperative board meeting was summarized by President Chesnut. For the first 10 months of the fiscal year, AIEC had margins of \$134,190. The AIEC board approved making a contribution to the Lincoln Land Community College to assist the school in building a solar-powered electric car to enter in a national college competition and renewing property and casualty insurance with Federated Rural Electric Insurance Corp. Reports were also given on the May 1 "Illinois Electric and Telephone Cooperative Youth Day" and Illinois General Assembly activities.

An update on Soyland Power Cooperative activities was given by Director Warmbir. During the May 15 Soyland board meeting, Clinton Power Station, Power Supply, Finance Committee and Marketing reports were given. Manager Champion, Soyland's Chairman of the Board, advised that a Soyland Members Committee is being formulated. The EIEC board approved joining the new committee.

Utili-soft Manager Jeff Tankersley indicated Utili-soft will be hiring two technicians and briefed the board on marketing activities. SkyQuest Manager David Lithgow advised that DIRECTV has exclusive rights to DTN and it will be available the first quarter of 1997. Currently, SkyQuest has 4,300 DIRECTV subscribers. Manager Champion reported the Rural TV (C-band) business continues to do well.

There being no further business to come before the board, the meeting was adjourned.

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Geothermal -- The solution to your heating, cooling and water heating needs

Dwain and Chris Dippel live near Buckley with their children JoHanna, Laura, Brian and Eric. Dwain, an EIEC Marketing Services Specialist, also farms and raises ostriches, and Chris is a registered nurse at Carle in Urbana. In 1987, the Dippels built a 2,130 sq. ft. home and installed a propane gas heating system. After living in their home for two years, they determined a more economical heating and central air conditioning system was needed. Extensive research indicated a high efficient geothermal system providing heating, cooling and domestic hot water was the ideal solution. The Dippels took out a 5 percent EIEC loan to finance their open



(Left) JoHanna, Laura, Chris, Eric, Dwain and Brian Dippel.



loop geothermal unit and payments were added to their monthly electric bill. They also purchased a Sepco water heater. When Dwain came to work at EIEC two years ago, he was already a staunch supporter of the geothermal concept because of his personal experience. Now, he enthusiastically promotes geothermal systems so other EIEC members can enjoy the safe, comfortable and economical sys-

tem and take advantage of the 4 cent electric heat rate and demand side energy credits. An interesting side benefit of the open loop system is that the Dippels use the excess water for lawn irrigation and farm spraying.

Dennis and Shawn McCormick are in the process of remodeling the two story 2,700 sq. ft. home they purchased in 1991 near Broadlands. Dennis, a machinist at Venture Precision Machining Co. in Champaign, and Shawn, a secretary at the University of Illinois, have three children: Ryan, Jacob and Dallas. The home was heated by a forced air propane system and did not contain duct work in the upstairs. Heating costs were high and the McCormicks wanted to install central air conditioning. Articles in the co-op magazine prompted Dennis' interest in a geothermal system. Dennis contacted EIEC and a Marketing Services Specialist came to their home to discuss the advantages of the

system and perform an energy analysis. When factoring in the economical energy costs, financing the geothermal unit through EIEC's 5 percent loan program and having the payments added to their monthly electric bill, the decision to install a geothermal system was easy. The McCormicks also received a \$500 geothermal rebate from the co-op. Moreover, they installed a Sepco water heater. With the attractive 4 cent electric heat rate and demand side energy credits, the McCormicks are looking forward to long-term reasonable energy costs.



(Back Row) Dennis, Shawn, Dallas (Front Row) Jacob and Ryan McCormick.

The Spreader Inc.

Eldon Hesterberg and two of his brothers solved one of their farming problems and got a business off the ground in the process. As the business evolved, The Spreader, Inc., was formed which now includes Eldon and Armin.

"We weren't happy with the rows of chaff left behind after

the combine had passed," Eldon says, "because those 'bands' down a field caused inconsistencies in soil temperature and moisture content in the spring. That causes uneven germination in a no-till or low-till farming operation."

The Gifford-area farmers set out to see if they could improve

the distribution of the chaff as it comes out of the combine to improve their operation. After looking at the few available products, they decided that what was on the market was either too expensive or too flimsy to do them any good, so they engineered and built one of their own and started using it.

After the Hesterbergs got their combines retrofitted, and in operation, neighbors began noticing the cleaner-looking fields, took a look at the brothers' machines, and asked for spreaders for their machines.

"We set out to make a spreader that would be a real improvement over what the factory provides, and over what other aftermarket builders were offering, too," Armin says, "and we decided to add a device to spread the chaff. To make it as safe as possible, we added rubber paddles."

Most combines leave a visible trail of plant residue behind as they go, and that was no problem when soil preparation included plowing in the crop residue. With increasing use of low-till and no-till farming, those bands provided an unwanted mulch. The idea behind the spreader was to distribute the chaff thinly and evenly.

"We built about 16-18 units that first year, in 1986," Eldon says. "We didn't set out to get into business. We just kind of fell into it. But everyone was so happy with their units that we decided to go into production fairly seriously. We began in a brother's farm shop. As it grew, a facility was rented off the farm. It seemed like a good way to fill in the time. We like to work in the winter when everything's put away, and in the summer, too."

At the time, they were doing more assembly than fabrica-



Eldon Hesterberg, left, and Armin, right, are pictured with Wm. David Champion, Jr., manager of Eastern Illini Electric Cooperative, in their spacious shop.

tion, and sold many of their units directly to the farmers who were to use them.

"We started going to a lot of farm shows," Armin says, "and we were selling quite a few units. Some implement dealers started picking up on them and we started selling through them. Shows are a good way to sell, and we still go to a lot of them. There's one at Fargo, North Dakota, that works well for us, and we go to a lot of others. We make 16-18 shows a year, and we'll try a new one once in a while, and maybe we'll drop one that didn't do well for us in the past. We're always fine tuning our schedule."

When things were going well, disaster struck. "We'd had our biggest year so far," Eldon says, "and we were really working. We had a lot of new motors in, and a lot of metal. A welder yelled, 'Fire!' and we knew within two minutes that we were


ing area. "I can't tell you how thrilled we were with how the neighbors pitched in to help us clean up the mess," Eldon says. "They were really a big help, and I don't think we can ever thank them enough."

With sales booming, they needed to get back into production as quickly as possible, and they decided to build a 60 X 96-foot building with an additional 16 X 30' devoted to office space.

"We had been farming out a lot of our fabrication work," Armin says, "and one of the companies that had done some of the work for us offered to sell us their equipment, so we bought it. We've gradually increased the amount of manufacturing work we do here.

"We've done some automation in all our departments except for the painting, and we're getting more efficient all the time. Now we get raw metal, which we shear, punch, bend

THE SPREADER INC.



going to lose the building. We called the fire department, just seconds before the line went dead from the heat."

But even as they accepted the fact that much of what they'd built up was going, nobody was willing to give up without a fight.

"Someone yelled, 'Grab a typewriter on your way out!' and someone else made it a point to grab the file with the dealer list and accounts receivable," Armin says, "We were able to save about everything in the office, but very little else."

As nearly as they could tell, the fire started from sparks generated in the welding or grind-

and weld right here. We also do all of our own poly work, as well. A company in Odgen does some metal work for us, and so does one in Minnesota, but we do about 95 percent of it, now."

Eldon notes that marketing has shaped up well, with some 650 dealers selling Spreader, Inc. Products. "We have promotions, just like other businesses do," Eldon says, to help build volume. We'll offer free shipping to a dealer if he'll order so many units, and we might call a dealer and tell him there's a truck heading his way and ask if he wants to order a few, to share in the shipping costs."

Interestingly, early on, there were some problems with durability. "We made some of the chaff pans out of sheet metal," he says, "and they started developing fatigue cracks. We tried



In the photo above, Sandy Hesterberg, left, and Mary Hesterberg go over sales records. Mary is the wife of Eldon, while Sandy is married to Karl, who is no longer part of the business.

to fix the problem by going to a heavier gauge of sheet metal, but that didn't help at all. Then we went to plastic and it made all the difference in the world. We've tried to get the word out to our customers that if they've had trouble with their metal pans, we'll replace them free. Our kits are guaranteed to work. We've engineered them to work well on just about any combine we've ever seen, and we're not satisfied until the customer is."

As mentioned earlier, the Hesterbergs fell into a business by seeing a need and filling it, and they've expanded their product line the same way. "Farmers would ask us if we could come up with a trailer hitch for their combines so they could tow the combine heads with them," Armin says, "and we came out with that, too."

"It was an ingenious idea that others asked for. We just decided to engineer a way to fill the need. That's how we got started."

Board meeting report



The Eastern Illini Electric Cooperative Board of Directors held its regular board meeting at the cooperative's headquarters in Paxton on June 25, 1996.

The board approved the May 21, 1996, regular board meeting minutes.

The statement of revenues and expenses for the month ending May 31, 1996, including the following information was approved: Total Operating Revenues \$1,457,626, Total Operating Expenses \$1,199,710, Total Cost of Electric Service \$1,455,832, Operating Margins \$1,794, Total Margins \$35,519 and Year-To-Date Margins \$276,879.

In May, 63 members joined the cooperative and 55 terminated their memberships.

President Chesnut announced the Policy Committee will meet on July 22.

Manager Champion indicated he had presented opening remarks at the Illinois Electric Cooperative Power Use/Member Services summer meeting and discussed competition and retail wheeling. Other information provided to the board included a Marketing Services Department report; a recap of 1995 Community and Economic Development Foundation for Ford County activities (formerly the Rural Partners/Kellogg program); "1996 Work Force Entrants" prepared by the Paxton Area Chamber of Commerce and the Paxton-Buckley-Loda School District; and a summary of the 1996 annual meeting expenses.

President Chesnut and Manager Champion reported on a call they had received from a disgruntled member.

In other action, the board approved transferring 1995 margins of \$431,954.98 to the patronage capital account, amending the Interruptible Large Power Service Rate 24, contributing to the CFC System Integrity Fund, changing the position of Radio Operator/Records Clerk to Electric System Service Representative on the organization chart, and authorizing management to negotiate an agreement to sell a parcel of property to the Illinois Department of Transportation for a road widening project. Furthermore, the board approved entering into interruptible, three phase and single phase interruptible contracts with Hopkins

Ridge Farms L.L.C.; a large power interruptible contract with Dale Tammen; a three phase contract with John Pflum; and a three phase contract with Superior Fabrication.

Manager Champion indicated Director Anderson had attended the May 22 all employees and safety meetings. A comprehensive June job training and safety activities report was furnished by Manager Champion.

Voting representatives and alternates were selected for the Association of Illinois Electric Cooperatives' annual meeting which will be held in Springfield on August 1-2. President Chesnut was selected as the NRECA Voting Representative and Director Byers as the Alternate. President Chesnut was selected as the AIEC Voting Representative and Director Byers as the Alternate. President Chesnut was chosen to serve a two-year term as the AIEC Director, and Director Byers was chosen as the Alternate AIEC Director. Director Byers was selected as the Illinois Statewide Power Cooperative Director and President Chesnut as the Chairman of Voting Delegates.

A synopsis of the June 20 AIEC board meeting was given by President Chesnut. AIEC has margins of \$125,095. NRECA, CFC, Soyland Power Cooperative, regulatory and engineering reports were presented.

The June 19 Soyland Power Cooperative board meeting was summarized by Alternate Director Ludwig. Clinton Power Station, Power Supply and Finance Committee reports were given.

Utili-soft Manager Jeff Tankersley furnished the board with a written report on Utili-soft's marketing activities. SkyQuest Manager David Lithgow introduced Kevin Osterbur of Rantoul who has been hired as SkyQuest's Manager of Financial Services. Lithgow gave an activities report and indicated SkyQuest has 4,600 DIRECTV subscribers. Manager Champion indicated the Rural TV (C-band) business continues to return profits.

There being no further business to come before the board, the meeting was adjourned.

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Remember, whatever your needs, EIEC is here to serve you, our member-owners with face-to-face service!

Geothermal—The solution to your heating, cooling and water heating needs

James and Kathie Both began building their charming 2,050 square-foot home near Watseka in a wooded area in October and moved in April. Prior to building their home, they resided in Sheldon. James is co-owner of Landscapes Unlimited in Watseka and Kathie is a third grade teacher at Donovan Unit #3 School. The Boths have a son, Christopher, who is 4. The appearance of a propane tank in their yard did not appeal to the Boths and a safe system without a flame was their main objective. They talked with local contractors, who recommended a geothermal system, and also to neighbors who had installed the superior systems in their homes. For installing the system, the Boths received a \$500 rebate from EIEC. They also purchased a Sepco water heater from the co-op. The Boths are looking forward to reasonable energy costs with EIEC's 4 cent rate and demand side energy credits.



James, Christopher and Kathie Both

Jerry and Mary Young are enjoying their attractive new home in a lovely rural setting near Sidney. Jerry is an assistant director of purchases at the University of Illinois and Mary is business manager at Omegatype Typography, Inc. in Champaign. Before building in the rural area, the couple lived in Champaign. After attending a home show in Champaign and reading about geothermal systems in the co-op magazine, the Youngs selected a geothermal unit for their 2,450 square-foot home. They also purchased two Sepco water heaters at the co-op's 1995 annual meeting. For installing the system, they received a \$500 rebate from EIEC and a \$300 rebate from WaterFurnace. The Youngs are pleased with the efficiencies and cleanliness of the system. With EIEC's 4 cent rate and demand side management credits, the system is very economical to operate. The Youngs purchased a DSS unit from SkyQuest, an EIEC subsidiary, and especially like the quality and variety of the home entertainment on DIRECTV.



Jerry and Mary Young

EIEC's 5% loan program can provide financing for electric heat, a stand-by generator or a service entrance upgrade

You can save on the 4¢ electric heat rate or the 5¢ interruptible rate

Apply for an EIEC loan and borrow up to the following amounts:

- \$8,000 for a geothermal system
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- \$5,000 for a stand-by generator*
- \$600/\$1,200 for a service entrance upgrade**



If you qualify, you can borrow the money at an interest rate of 5% and have the payments added to your monthly electric bills.

* Must be on Rate 18 or 24

* Must accompany electric heat or water heater installation

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By paying your electric bill electronically, your bank can issue payments directly to EIEC. You can specify your checking or savings account at any bank, savings and loan, or credit union which offers electronic payment. Most financial institutions offer this service, but you might call yours to check.

Your bill will show your monthly electric consumption, the date and amount of your payment so you can track your electrical use and have ample time to update your bank account. The payment will also appear on your checking or savings account statement. If you do not have sufficient funds on

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Call today and sign up for this service at 800-824-5102 or 217-379-2131 in Paxton, 8 a.m. to 5 p.m., Monday through Friday (except holidays).



The Loft, located at the Ashkum interchange off I-57, is being operated by Pat Ponton and her son, Todd. Before locating there she had a restaurant in town.

Loft is successful venture

When Pat Ponton set out to go into business, she didn't have to think too hard to figure out what she wanted to do. Her mother had been in the food service business, and so had a brother. She'd grown up cooking and doing other restaurant work.

Pat, a native of Ashkum, was in the business in town, operating the Silver Dollar Restaurant. While that was going on, the I-57 interchange had started attracting businesses. There was a bank, a soft-serve ice cream place, a gas station and a couple of other businesses. One of the businesses there was a Farmers Table restaurant.

Many of the businesses there thrived, but a few packed up and left, and the Farmers Table was one of them. Pat decided, some

eight years ago, to move her restaurant operation there.

"It was smaller," she says, "and I set it up to be a different kind of operation. While the atmosphere at the old place was more like a bar and a pool hall, I wanted the new place to be more family-oriented, with more emphasis on food. My son, Todd, grew up in the business too, and we hoped to get him into a good business that would provide him with a livelihood. Then I'd back out of the operation and it would be his."

As they began moving the operation, they realized they'd need a new name, so they started thinking about it. The search for a nice title turned out to be more difficult than they had imagined it would be.

"Anyway," Pat says, "we'd thought about it quite a bit, and with the shape of the building and the fact that there is a little storage space up in the attic suggested 'loft' and we went with that."

The place is a little more cozy than the old one, and the clientele differs, to a certain extent. "We put in seating for about 70 people," she notes, "and put in a much smaller bar than we'd had in the old place. And we added a little gift shop."

She remarks that her clientele is a mixture of interstate traffic and local customers. "During the week we have mostly farmers and business people," she says, "and on weekends it's mostly interstate traffic. It's interesting that some of our inter-



state customers make it a point to come back. The waitresses will recognize people who are taking their kids to college, or bringing them back home. I'm pleased about that. I was a little surprised about the repeat traffic, but I wasn't surprised that interstate traffic brings more customers in the summer than during the winter months."

She notes that the restaurant's 'Loft Steak Sandwich' is a well-received specialty, and that several dinner specials sell well. "We have a really big fish fry on Fridays," she says, "and we also do very well with a prime rib weekend special."

The gift shop is another touch that makes the Loft different from Pat's previous business, and it has turned out to be an interesting addition, she says.

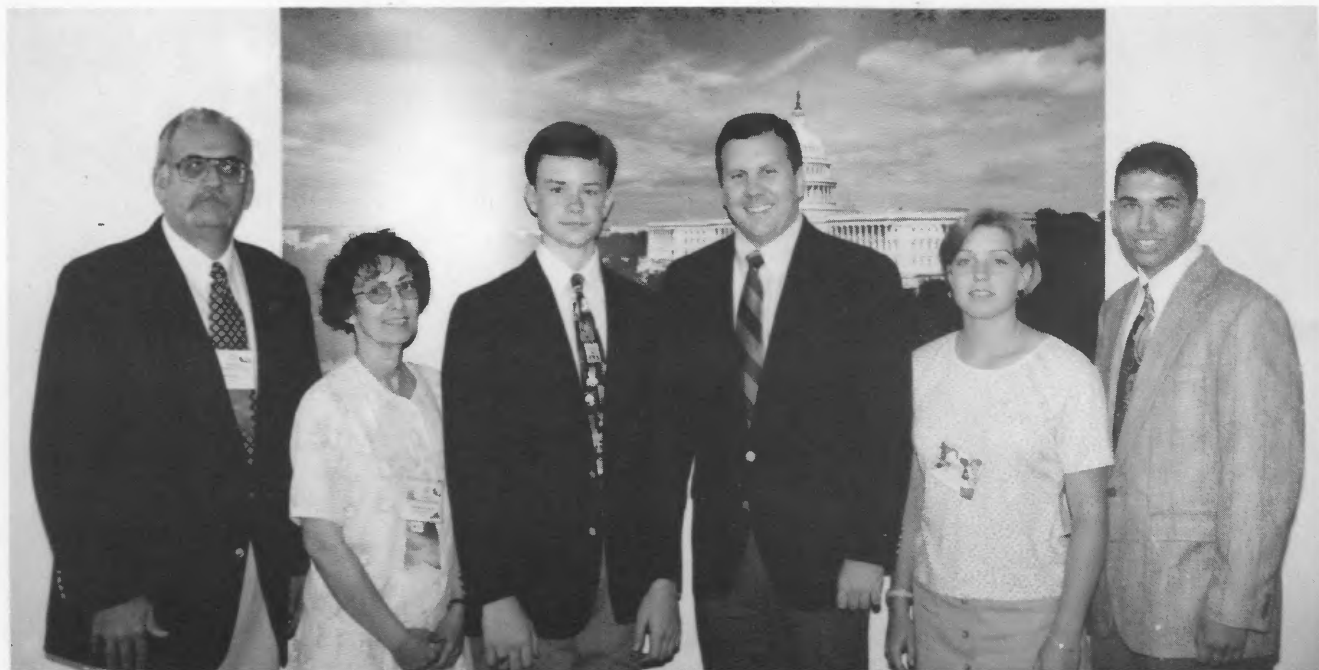
"I work in the kitchen," she adds, "and Todd really manages the gift shop. It's interesting that there's a fairly steady flow of

In the top photo, Pat Ponton visits with Wm. David Champion, Jr., EIEC manager. Above, patrons enjoy a leisurely lunch in the Loft.

sales, and a certain amount of impulse buying. There seems to be a sudden buying surge before 'special' days. We notice an especially strong buying surge on Mother's Day."

The Pontons are an interesting family in that their jobs are almost all clustered at the I-57 interchange at Ashkum. Pat's

husband, Ronald, drives a truck for Meier Brothers Tire Supply, and their daughter, Tammy, works in the office there. Pat, who has been turning more and more of the Loft business over to Todd, is the least likely to be at one of the interchange businesses. She operates a beauty shop in her home in Ashkum!



The students who represented Eastern Illini Electric Cooperative on the 1996 "Youth to Washington" Tour met Jim Eichhorst, legislative assistant to Congressman Thomas Ewing, on Capitol Hill. They were among 70 rural youth leaders and their chaperones from downstate Illinois who toured Washington, D.C., June 14-21. From left are Fred and JoAnne Guyot of Paxton, EIEC chaperones, Joel Light of Bismarck, Eichhorst, Abby Morris of Hoopeston, and Chris McKinley of Milford.

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Members who received a \$20.00 credit on their bill for knowing the slogan, Cooperatives—Your Partners for Success are James and Mary Jane Keigher of Gilman and Lester and Elizabeth Lundeen of Loda.

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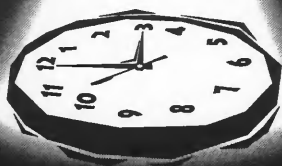
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- * 400-watt high pressure directional lighting—\$14.00 per month

You will receive the first two months free for any new security light rental!

Board meeting report



On July 23, 1996, the Eastern Illini Electric Co-operative Board of Directors held its regular board meeting at the cooperative's headquarters in Paxton.

The board approved the June 25, 1996, regular board meeting minutes.

The statement of revenues and expenses for the month ending June 30, 1996, including the following information was approved: Total Operating Revenues \$1,506,584, Total Operating Expenses \$1,252,579, Total Cost of Electric Service \$1,521,224, Operating Margins (\$14,640), Total Margins \$7,058 and Year-To-Date Margins \$283,938.

During June, 109 members joined the cooperative and 106 terminated their memberships.

President Chesnut announced that the Audit and Finance Committee will meet July 26.

Director Byers indicated the Policy and Regulation Committee had met July 22 to continue their review of cooperative policies. The committee will meet again on August 5 and August 27.

Manager of Operations and Engineering Services Steven Hancock updated the board on the department's activities. During the past year, employees have installed 358 transformers, 745 meters and 107 security lights; replaced and repaired 438 oil circuit reclosers; tested 10,150 poles; built 77 miles of overhead line; installed 147 underground services; and cut, topped and trimmed 1,287 trees. More than 19,500 man hours have been spent on staking, maintenance, inspections, repairs, reading meters and other numerous activities.

Manager Champion indicated the results of the 1995 EIEC survey conducted by AIEC have been received and an executive summary is being prepared. He also updated the board on legal activities and furnished them with a Marketing Services Department report.

In other action, the board approved work orders

totaling \$2,214,210; entering into three phase and interruptible contracts with Trunkline Gas and a three phase contract with Kirby Mills; and writing off \$34,025.71 of uncollectible accounts.

Director Day reported on the June 26 all employees meeting and safety meeting he had attended. Manager Champion furnished the board with a complete job training and safety activities report for July.

President Chesnut was selected as the NRECA and CFC delegate for the Region V meeting to be held in Cedar Rapids, Iowa, September 10-12. Director Thompson was selected as the alternate.

Highlights of the July 18 Association of Illinois Electric Cooperative's board meeting was given by President Chesnut. AIEC had margins of \$117,303 at the end of the 1995-96 fiscal year. The AIEC board approved the 1996-97 Continuing Education Program. Reports were presented on NRECA, the 1996 "Youth to Washington" Tour, engineering, legal and regulatory matters.

A synopsis of the July 17 Soyland Power Cooperative board meeting was given by Director Warmbir. SPC Chairman Champion presided over the meeting. Clinton Power Station, Power Supply, Finance Committee and marketing reports were given.

Utili-soft Manager Jeff Tankersley summarized marketing activities and personnel changes. SkyQuest Manager David Lithgow reported that specials have been conducted at eight area county fairs and 240 DIRECTV subscribers have been added during the past month. Manager Champion indicated the Rural TV (C-band) business remains stable. Unlimited Visions will hold a strategic planning session on September 4 to establish goals for its three divisions.

The next EIEC board meeting will be held Monday, August 26, 1996.


There being no further business to come before the board, the meeting was adjourned.

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8. Picture quality has never been better
7. Sports, sports, sports
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3. Affordable family programming
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8. No more snow on your TV
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DIRECTV.

Nominating committee to meet Nov. 1

To observe the board in action, the 1997 Nominating Committee was invited to attend the August 26 Eastern Illini Electric Cooperative board of directors meeting. The 13-member board is elected from each of the 13 directorate districts and is charged with the tremendous responsibility of establishing policies, implementing rates and guiding the operation of a \$47 million corporation.

Members of the Nominating Committee will meet Nov. 1, 1996, to select candidates for the nominating committee election in Districts 1, 5, 10 and 12 which will be conducted by mail balloting during December. The committee will also nominate candidates for director elections in Districts 2, 6, 8, 9 and 13 which will be held at the March 8, 1997, annual meeting in Paxton. Directors presently serving in those districts are Glenn R. Anderson of Kempton, District 2; Robert D. Thompson of Paxton, District 6; Bradley J. Ludwig of Fithian, District 8; Robert W. Bauer of Cissna Park, District 9 and Herbert L. Aden of Newman, District 13. If nominated, the incumbent direc-

tors will seek reelection.

The Nominating Committee process is conducted in accordance with the following provision of the Cooperative's bylaws, Article III, Section 3.7: Nominations:

"The Nominating Committee shall each year nominate candidates for the Board of Directors to be voted upon by the members at the next succeeding Annual Meeting of Members. Other candidates for the Board of Directors may be nominated by petition signed by not less than 25 members and filed with the Secretary of the Cooperative not less than 30 days prior to the Annual Meeting. Nominations from the floor shall not be permitted.

"The nominating committee shall prepare and post at the principal office of the Cooperative at least 30 days before the annual meeting, a list of its nominations for directors; further, the Secretary shall post, at the same place, any nominating petitions filed with him or her.

"A specimen ballot marked "Ballot for Directors" containing the names and addresses of all nominees listed in the order determined by lot conducted by the

President and Secretary of the Cooperative shall be printed in or mailed with the notice of the meeting. The Secretary shall also have printed in or mailed with said notice of the meeting or separately, not less than 10 days prior to said annual meeting, a statement of the number of directors to be elected and the districts from which they are to be elected and showing separately the nominations made by the nominating committee and the nominations made by petition. The members may, at any meeting at which a director shall be removed, as herein provided, elect his or her successor without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything contained in this Section, failure to comply with any of the provisions of this Section shall not affect, in any manner whatsoever, the validity of any election of directors or any action taken by the Board of Directors after the election of directors."

If you are interested in serving on the Nominating Committee or being a director, please contact one of the following Nominating Committee members:

Nominating Committee

- Dist. 1 - Dan Eyer, R.R. 1, Box 30, Anchor, IL 61720
- Dist. 2 - Michael Kane, 3257 N 1300E Rd., Cullom, IL 60929
- Dist. 3 - Lavon C. Blasey, R.R. 2, Box 109, Clifton, IL 60927
- Dist. 4 - Richard D. LaFond, R.R. 1, Box 146, Donovan, IL 60931
- Dist. 5 - Shirley Schoolman, R.R. 1, Box 195, Gilman, IL 60938
- Dist. 6 - Darrell Abrahamson, R.R. 1, Loda, IL 60948
- Dist. 7 - Wayne F. Apperson, 699 County Road 3600N, Foosland, IL 61845
- Dist. 8 - Richard Rademacher, 2850 County Road 2700E, Penfield, IL 61862
- Dist. 9 - John Wilkening, R.R. 1, Box 78, Cissna Park, IL 60924
- Dist. 10 - Jerry C. Douglass, 34045N 1950E Rd., Rossville, IL 60963
- Dist. 11 - Loren W. Schable, R.R. 1, Box 121, Atwood, IL 61913
- Dist. 12 - Eugene Kamradt, 610 County Road 800N, Tolono, IL 61880
- Dist. 13 - Malcom McIntyre, R.R. 2, Box 81, Newman, IL 61942

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ness. As locally owned and controlled businesses, co-ops are unique because of their commitment not only to the people they serve, but also to their communities.

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ance, housing, day care, health care, food, farm marketing and supply, news services, florists and much more.

For years, co-ops have been expanding horizons for people they serve, and it works for the benefit of our neighbors, communities and country.



Pat Orr wins lawn mower

Pat Orr of rural Watseka is shown with the Black & Decker cordless electric lawn mower she won in the EIEC county fair giveaway. Pat was selected from hundreds of entries submitted at the Eastern Illini booth at the Ford County Fair in Melvin and the Iroquois County & 4-H Fair in Crescent City.

Chesnut elected vice chairman of AIEC board



Marion Chesnut, EIEC board president, has been elected vice chairman of the board of the Association of Illinois Electric Cooperatives. Chesnut is seated in the middle. The election took place on Friday, Aug. 2, during the AIEC's 55th annual meeting

in Springfield. Other officers include Delbert Mundt of Dieterich, chairman, seated left; Ronald Schaufelberger of Greenville, secretary, seated right; back row from left; Archie Hamilton of Ava, treasurer; Earl Struck, of Springfield, president and chief execu-

tive officer; and Larry Elledge of Springfield, assistant secretary-treasurer. The AIEC is the service organization representing the 26 electric distribution cooperatives and two generation-and-transmission cooperatives throughout Illinois.

Attention C-band satellite dish owners!

If you're an EIEC member and aren't receiving your C-band satellite programming from Unlimited Visions, you might not be getting the best programming value pos-

sible. Become a new Unlimited Visions subscriber and receive your **first month free!** In addition, you'll receive other benefits just because you're an EIEC member. Call and talk to Pat

Gallahue or Chris Johnson to find out how you can take advantage of our low prices and special incentives for EIEC members.

Breathing new life into history

Dabbling in the gift business and finding a unique historical depot with boarded-up windows convinced Krista McCallister and her husband, Merle, to open the Sibley Depot.

"I hate to see old buildings torn down and the depot intrigued me. And I'd often thought about how silly it was that I had to drive 10 miles to buy a greeting card," Krista said. "I thought it would be nice to be able to get one closer to home. Mainly, though, I thought about the shop because I just loved the building."

"She saw something about it that I didn't," Merle admits.

Whatever the case, the McCallisters took the plunge about six years ago. They stocked the building with an assortment of country and Victorian items.

"I decided to put in things I'd like to find in a place like this if I were shopping there," Krista said, "so I put in doilies, linens, cards, pictures, brass, bath items, afghans, pillows, table runners, jewelry, a few kids' toys and a lot of decorating items, too. Then I added some gourmet coffees, jelly beans, sauces and salsas, and so on. It made a nice mix."

She had a simple way of deciding whether to stock an item, based on whether or not she'd buy it herself. "It sounds easy," she says, "but it isn't. I buy things and agonize over whether the purchase was a good one. As much as I struggle with some of these decisions, they usually work out pretty well."

Her decisions have worked out well enough, in fact, that she had to branch out. Krista eyed a long-vacant store building on a



The McCallisters at home. From left are Aaron, Merle, Krista and Lucas. The scale house from the old Sibley corn crib is behind them.



A few of the many items Krista stocks.



The old depot, once a boarded-up eyesore, is now a nice shop.

nearby corner, with the idea that it might be better to move the coffees, fudges and other food items to a separate location. So they bought the building, with the idea that Merle and some friends would get it ready for occupancy during his spare time.

"It was a terrible mess," he says. "The ceiling was on the floor, and the walls were filthy. We hauled out all the rubble, and cleaned the place up. We put up

a ceiling made of seed corn bags, in keeping with the country theme. Then we moved in."

Both stores are doing well, Krista notes. "We have quite a few people who come from Bloomington and Champaign who stop in," she says, "and some stop in from nearby towns like Chenoa and Fairbury. Some stop in from Chicago on the way to the University of Illinois, when they're taking kids down or



The Depot was so successful that Krista moved her food items to the Country Store.

bringing them home, or visiting them.

While Krista hopes area residents will visit her stores, she notes that there are others in the area, too. "If someone wants to make a day trip out of their desire to shop," she says, "we recommend an antique mall in Forrest, which is north of us, up Highway 47. Gibson City is south of us, down the same highway, and it also has a couple of good places. And there's a new place west of us, over in Anchor.

"If a customer expresses an interest in another place," she adds, "we'll ask them which direction they're going, and try to steer them to some nice places."

While Krista's minding the stores, Merle farms. "We came up here from Chrisman, in Edgar County, 11 years ago," he says, "and we've been well received here. I farm about 800 acres of foodcorn and soybean seed, and food beans for the Japanese market. Much of our corn goes into making snack chips. The boys help when they can. Aaron's 13, and Lucas is 8."

While Krista's shops are in historic buildings, the McCallisters have another piece of Sibley history right in their back yard.

"There was an enormous corn-producing operation in and around Sibley," Merle says, "and the world's biggest corn crib was there. It was 325-feet long and held 125,000 bushels. The little building we have was the scale house for the corn crib, and it's a really nice little building. I hope to turn it into my farm office one of these days. When I can find the time."

With two stores going strong and a farming operation taking a lot of his time, that might not be anytime soon!

If you want to contact the McCallister stores, call (217) 745-2462 to get the Sibley Depot, or (217) 745-2570 to get the Corner Store. The mailing address for both places is P.O. Box 124, Sibley, IL 61773.

Geothermal—The solution to your heating, cooling and water heating needs

Laverl and Dolores Byers moved into their handsome 2,000 square-foot brick home in January 1992 on their grain farm near Tuscola. Laverl has been a director of the cooperative since 1981 and is past president. Dolores is a homemaker. The Byers have one daughter, Susan Harbaugh, and two grandchildren. The high efficiency of the system and the attractive 4 cent rate made the selection of a geothermal system a simple one. An added benefit of the electric heat rate is that grain can be dried at the farm very competitively. Laverl uses air only so the quality of the grain is better. Dolores especially appreciates that their home is easy to keep clean. The Byers also purchased an 80 gallon Sepco water heater and receive demand side energy credits.



Laverl and Dolores Byers

Aaron and Melissa Baillee live near Saybrook in their delightful 4,800 square-foot home. They have a daughter, Morgan, who is 7-months old. Aaron is a farmer and Melissa is an occupational therapist assistant. The Baillees first learned about the benefits of a geothermal system from Aaron's father, who had installed a system in his home. Aaron and Melissa were sold on the comfort, convenience and the fact that it had no flame or fumes. For installing a geothermal system, they received a \$500 EIEC rebate and a \$300 WaterFurnace rebate. The Baillees also purchased a Sepco water heater and receive demand side management credits.



Melissa, Morgan and Aaron Baillee

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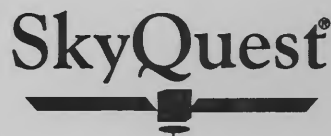
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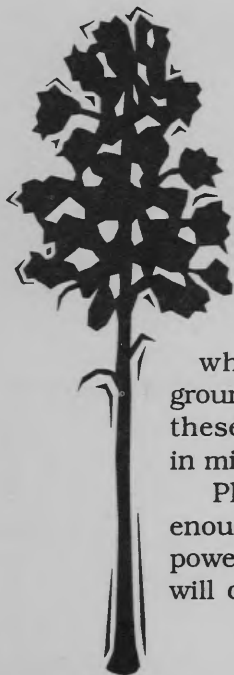
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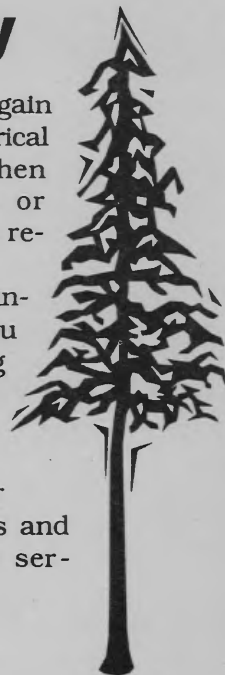
if toppled by a storm. You will need to know how big they will be at maturity and you may want to plant slow growing and smaller ornamental trees such as crabapples and hawthorns.

Contact EIEC before you begin to dig at 800-824-5102 or 217-379-2131 in Paxton if you have underground cable. Cutting through the cable's insulation can result in serious injury or death.

Do not plant shrubs or plants near a padmount transformer or an electric meter. Your coopera-

tive needs to gain access to electrical equipment when maintenance or repair work is required.

Careful planning before you begin planting or digging will result in reduced maintenance, fewer power outages and more reliable service.



Board meeting report



The Eastern Illini Electric Cooperative Board of Directors held its regular board meeting on August 26, 1996, at the cooperative's headquarters in Paxton.

President Chesnut welcomed Nominating Committee members Wayne Apperson of Foosland, Lavon Blasey of Clifton and John Wilkening of Cissna Park. In order to observe the board in action, the 1997 Nominating Committee was invited to attend the board meeting.

The board approved the July 23, 1996, regular board meeting minutes.

The statement of revenues and expenses for the month ending June 30, 1996, including the following information was approved: Total Operating Revenues \$1,625,060, Total Operating Expenses \$1,393,959, Total Cost of Electric Service \$1,667,794, Operating Margins (\$42,734), Total Margins (\$14,420) and Year-To-Date Margins \$269,517.

In July, 96 members joined the cooperative and 87 terminated their memberships.

A report of the July 26 Audit and Finance Committee was given by Director Anderson, chairman of the committee. In accordance with the cooperative's bylaws, the committee examined the accounts of the cooperative and reviewed expense statements, disbursements and supporting data. All records were found to be in order. The board approved the report.

President Chesnut announced that the Executive Committee will meet August 27 and the Policy and Regulation Committee will meet September 23.

Gordon Olsen, Director/Special Projects & Technology at the Association of Illinois Electric Cooperatives, presented a summary of the 1995 EIEC member survey.

Manager Champion reported on year-to-date load control activities. Soyland Power Cooperative called for peak alerts on August 6 and 7. Subsequently, load control activities were activated. Manager Champion praised employees for the successful operation which will save cooperative members around \$300,000 in 1997 fixed costs as compared to 1996 if a new system peak is not established before September 15.

Other information furnished by Manager Champion included 1995 property taxes paid in 1996; Federated Rural Electric Insurance Company is offering common and preferred stock; thank-you letters have been received from Sullivan County and Knox County REMCs in Indiana for Manager Champion's presentation to their joint boards on consolidation; a CFC activities report; and an NRTC update.

In other action, the board approved entering into three phase contracts with Wayne B. Davis, Marvin Dotterer, Steven J. Kaeb; an interruptible contract with Ronald J. Mueller; a contract to install electric service facilities for three lots in the Sandwell Subdivision near Philo; paying the 1996 NRECA dues assessment; leasing the land at the northwest Paxton tower site; and authorizing management to proceed with a potential buyout of the Rural Utilities Service debt.

A synopsis of the July 24 all employees meeting and safety meeting was given by Director Bauer. A comprehensive August job training and safety activities report was provided by Manager Champion.

The August 2 Organization Meeting of the Board of Directors of the Association of Illinois Electric Cooperative's board meeting was held following the AIEC annual meeting. Officers were elected. President Chesnut, who serves as the EIEC director on the board, was elected vice president. The AIEC annual meeting was evaluated. Delegates were selected for the NRECA and CFC Region V meeting in Cedar Rapids, Iowa.

An outline of the Soyland Power Cooperative board meeting held on August 21 was given by Director Warmbir. Alternate Director Ludwig also attended. SPC Chairman Champion presided over the meeting. Clinton Power Station, Power Supply, Finance Committee and marketing reports were given.

Since a special meeting of Unlimited Visions will be held September 4 to establish goals for its three divisions, subsidiary reports other than financial reports were not given.

There being no further business to come before the board, the meeting was adjourned.

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(left to right): Pictured at the RUS buyout closing are Sheldon C. Petersen, Governor and Chief Executive Officer of the National Rural Utilities Cooperative Finance Corporation; Wm. David Champion, Jr., Chairman of the Soyland Board of Directors and Executive Vice President and General Manager of Eastern Illini Electric Cooperative; Larry Belluzzo, Financial Services Program Advisor of the Rural Utilities Service; and Joe Firlit, President and Chief Executive Officer of Soyland Power Cooperative.

Soyland completes debt buyout and preliminary power supply agreement

Soyland Power Cooperative has achieved a major breakthrough in its long struggle to restructure its debt and lower the cost of wholesale power for its 21 distribution cooperative members in Illinois, including Eastern Illini Electric Cooperative. "We're pleased with this proposal—the ultimate beneficiaries are the thousands of electric cooperative members," said Wm. David Champion, Jr., Chairman of the Soyland Board of Directors and Executive Vice President and General Manager of EIEC. "There will be some sort of rate reduction for Eastern Illini members in 1997;

and four years later, they will see significant rate relief," Champion added.

Champion said Soyland has bought out its nearly \$1.2 billion debt with the Rural Utilities Service for a one-time payment of \$235 million. The debt buyout was financed by the National Rural Utilities Cooperative Finance Corporation and completed September 13.

As part of the arrangement, Soyland and Illinova, the parent company of Illinois Power, announced a preliminary agreement for Illinova to acquire Soyland's part ownership of the nuclear

Clinton Power Station in exchange for a minimum 10-year contract to supply Soyland's bulk power needs. Details of the Soyland-Illinova agreements will be worked out over the next few weeks, Champion said.

Joe Firlit, Soyland's President and Chief Executive Officer, credits the support of Congressman Dick Durbin and other members of the Illinois congressional delegation for breaking a deadlock in Soyland-RUS negotiations. "We were basically at a standstill in our RUS negotiations when our congressional leaders went to

(Continued on page 12b)

Soyland buyout

(Continued from page 12a)

Springfield to convene a meeting of RUS officials with the Soyland negotiating team," Firlit explained. Attending the meeting besides Rep. Durbin were representatives of U.S. Senators Paul Simon and Carol Moseley-Braun, along with representatives of U.S. Representatives Glenn Poshard, Thomas Ewing and Ray LaHood.

"We laid out our concerns that extraordinarily high debt service costs were hurting our member-cooperatives' rural service areas and stifling economic development," Champion explained. "With some form of electric utility deregulation expected within a few years, we made it clear Soyland had to obtain some form of significant debt cost reduction."

The Rural Utilities Service responded to Soyland's concerns a short time later with the buyout proposal that met cooperative leaders' goals. "The RUS leadership is to be commended for this realistic solution," Champion said. "Soyland has received a reduction in its debt load, the federal government received a substantial payment under the plan, and our members can finally look forward to lower and ultimately competitive electric rates."

Soyland's debt load climbed

rapidly in the late 1970s and early 1980s after cooperative leaders decided to purchase a share of the nuclear Clinton Power Station. "That decision was made by good people with good intentions acting with the best information attainable at that time," Champion said. The RUS, then known as the Rural Electrification Administration (REA), encouraged Illinois cooperatives to join the Clinton project as the lowest cost source of bulk power at a time when electricity use was climbing rapidly. "No one could have anticipated that the Clinton plant would cost 10 times the original estimates. External problems created by the Three Mile Island Nuclear Power Station incident and other disruptive forces that worked against the electric utility industry were major contributing factors that made our involvement in Clinton turn from a major advantage to an extreme disadvantage," Champion said.

Soyland saw its debt load climb to approximately \$1 billion before the buyout. The Clinton debt represented 96 percent of Soyland's investment costs while the plant provided only 17 percent of its generation needs. That imbalance of investment cost to generation caused Soyland to have the highest wholesale electric rates of

any generation and transmission cooperative in the nation.

The Soyland-Illinova agreements are an important second step in Soyland's long-term plan to reduce local cooperative's wholesale power costs. Those agreements call for Illinova or an unregulated subsidiary to acquire Soyland's Clinton plant ownership. Illinova Power Marketing, Inc., (IPM) will provide Soyland with firm power requirements and energy needs. The power supply agreement is proposed to run for 10 years with an option to extend for another 10-year period. The Illinova-Soyland power supply agreement is subject to the approval of the Federal Energy Regulatory Commission and the Nuclear Regulatory Commission.

"It's a credit to our negotiating team, federal officials and Illinova that we finally were able to bring the RUS debt buyout and preliminary power supply agreement with Illinova to fruition," Champion said. Moreover, Champion praised Gene P. Warmbir of Clifton and Bradley J. Ludwig of Fithian for their valuable contributions and service on the Soyland Board of Directors. Champion and Warmbir are the Eastern Illini directors on the Soyland board and Ludwig is the alternate director.



EIEC Board President Marlon Chesnut, left, accepts an award from Glen English, CEO of the National Rural Electric Cooperative Association (NRECA). The plaque, presented at NRECA's Region V meeting in Cedar Rapids, Iowa, was given to EIEC in recognition of its international programs. The co-op has hosted delegations from China, Ghana, South Africa and Estonia in the last year.

Geothermal — The solution to your heating, cooling and water needs

Ron Haddix, owner of the Fiesta Cafe in Champaign, built his two story home near a small lake near Foosland. Haddix first learned about the geothermal concept in a Reader's Digest magazine. He contacted EIEC to further investigate the system and found out about the attractive 4 cent electric heat rate. Ed Hovel of Thomasboro installed the system in the handsome 2,700 square-foot home. Haddix received a \$500 rebate from EIEC and a \$300 rebate from WaterFurnace. He purchased an 80 gallon Sepco water heater from EIEC and receives demand side energy credits. Haddix is pleased with the geothermal system and especially likes the constant temperature and the reasonable operating costs. In addition, he appreciates that the system that is environmentally friendly with no flame or fumes.



Ron Haddix

Tim and Joda Morton reside in an attractive ranch style home on their farm near Bement. Tim is a farmer and Joda is Director of the Foundation at Covenant Medical Center in Urbana. The Mortons have two children, Makenzie 4 and Ethan 11 months. After reading about a geothermal system in the co-op magazine, the Mortons contacted EIEC and had the Marketing Services Department perform a cost analysis. They took advantage of EIEC's 5% loan program and payments are added to their monthly electric bill. The system was installed in the 1,800 square-foot home by Ed Hovel of Thomasboro. For installing the system, they received a \$500 rebate from EIEC and a \$300 rebate from WaterFurnace. The Mortons purchased an 80 gallon Sepco water heater from the co-op and receive demand side credits, too. An additional benefit is that Tim can dry grain at the 4 cent rate; and Joda enjoys the quietness of the system and the efficiencies it provides.



**Joda and Tim Morton
Ethan and Makenzie**

A hunter's haven

Wayne looks out over his sporting clays range from the three-story tower targets are thrown from. While most sporting clays courses involve several different trap pits, all targets at Pinewood are thrown from this tower, with one operator. The stations are arrayed around the tower in a horseshoe-shaped course. Sporting clays and trap shooting, available to both members and non-members of the club, goes on all year long.



Pinewood Hunting Club, located seven miles northeast of Beaverville in Iroquois County, is a well-respected, long-time operation.

Wayne DeYoung, owner-manager, has been in the business for 21 years now. "My father started buying property here in the 1940s," he says, "and much of it was swampy. He put in five miles of ditches, and started planting trees. As me and my brother, Keith, got older, we started helping. All in all, we've planted some 130,000 pines over the years.

"Back in 1960, some hunters from Chicago asked Dad if he'd rent the place as a hunting preserve, but he didn't want to. He wanted to hunt it himself. The hunters said that would be okay, so they rented the land and ran it as Beaver Creek, a private club, for 15 years. Later, Keith and I decided to turn it into a

commercial club, and we did a lot of work toward that goal. Keith was killed in an automobile accident a few years ago, but he had done a lot of the work. Our sons helped get the club established."

"We have 875 acres here," he says, "and about 420 of that is in cropland, which is rented to a local farmer."

He notes that the sunflowers and sorghum are "for the birds," which he buys. Some are from nearby St. Anne farms, but he buys some from Wisconsin.

Food and lodging are available at the lodge, he says, and it's a common practice for a group to come in fairly early in the morning and enjoy a leisurely breakfast before the hunt, which begins at 9 a.m., and ends about noon, in time for other groups to go out on an afternoon hunt. "Some groups will come in the night before," Wayne says,

"and they'll have supper here, spend the night, have breakfast and go on a hunt. Then they'll spend another night, and shoot a round of sporting clays before leaving on the third day.

"We have hunters go in groups," Wayne says, "and we have a minimum of two in a group and a maximum of four. We have room for four different groups to hunt at any given time," he adds, "and they may occasionally see each other, but they won't run into each other. All our hunts are guided, and everyone has to have a dog."

Hunters have a choice or a combination of chukar, quail, Hungarian partridge or pheasant. "We're beginning to see some wild turkey on the place, and we hope that population will continue to grow. Bird cleaning is available, and I'd estimate that 95 percent of the hunters choose to have their birds cleaned. We



Clockwise from left: Wayne DeYoung, right, Diane Loveall and Chuck Wyatt are among those who help keep Pinewood going. Wm. David Champion, Jr., manager of EIEC, an avid trap shooter, tries his hand with a 12-gauge double. A pair of dogs on point.

see to it that they get their own birds back," Wayne says.

While many hunters go to Pinewood to test their skills against birds, many don't. "We have a sporting clays course here now, and it's a new facility," Wayne says. "Sporting clays is probably the fastest-growing of the shooting sports, and I expect the course to see a lot of action this fall. I also have a 'wobble trap,' which adds an element of surprise to trap shooting, and it's set up so four shooters can stand on a low tower and shoot. The clays might go off in just about any direction. And for rifle hunters who might want to go on a hunt out west, I have a 300-yard range they can use to sight in

their rifles."

For those who don't keep up with such things, sporting clays involves the use of clay targets to simulate birds fleeing an approaching hunter. Unlike skeet or trap, where shooters know where the bird is going to come from, where it's going to go and when it's going to fly, sporting clays more accurately portrays the sudden flight of a flushed bird.

"There haven't been very many women interested in hunting in the past," Wayne says, "although there have always been a few. We're beginning to see more women getting involved, now that sporting clays is becoming more popular. I expect to see even more women getting active as time goes by."

Wayne notes that groups come long distances to shoot at Pinewood, and that most of the club's members are from northwestern Indiana, northern Illinois and southern Wisconsin.

"I like to extend the season as much as I can," he says, "and the sporting clays and trap ranges are open just about all year, and they're open to non-members. I have hay rides here, in addition to the other activities. We'll take a wagon out at night, build a great big bonfire, and sit around and have a chili supper, a hot dog roast, or whatever. They're a lot of fun, and I think they'll become more popular in the future. I think they add some nostalgic charm to the place."



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- 175-watt mercury vapor light - \$7.35 per month
- 400-watt mercury vapor light - \$12.00 per month
- 250-watt high pressure directional lighting - \$11.00 per month
- 400-watt high pressure directional lighting - \$14.00 per month

You will receive the first two months free for any new security light rental!

Bill Davis recognized for exceptional service

Engineering Technician Bill Davis received the second quarterly Marketing Services award for exhibiting team spirit in his efforts to secure new load and market EIEC's programs in the new construction arena.

While promoting the cooperative's marketing programs, he has encouraged members to participate in the water heating, space heating, as well as the "Switch & Save" program which will reduce their present and future energy costs. Davis also advocates taking advantage of EIEC's 5 percent loan program whenever possible. Davis is pictured at right.





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\$299 price does not include tax or installation. Programming and equipment sold separately. DIRECTV, DSS, & "DIRECTV. Satellite TV At Its Best." are official trademarks of DIRECTV, Inc., a unit of Hughes Electronics Corporation. SkyQuest is a registered trademark of Unlimited Visions, a subsidiary of Eastern Illini Electric Cooperative.

\$1,000 IEC Memorial Scholarship to be awarded to two high school seniors

The IEC Memorial Scholarship program will award two scholarships in the amount of \$1,000 each. The scholarship must be used for educational costs, and the student must enter college within a year from the time the scholarship is issued.

Each year, one scholarship will be awarded to a high school senior in each of the following categories:

1. Son or daughter of an Illinois electric cooperative member.
2. Son or daughter of an Illinois electric cooperative employee or director.

The applicant must be planning to enroll in a full-time (at least 12 hours) undergraduate course of study at an accredited, two-year or four-year college, university, or vocational/technical school in Illinois.

Scholarships are awarded based on grade point average, college entrance test scores, work and volunteer experience, participation in school and community activities, biographical statement and knowledge of electric cooperatives as demonstrated by a short essay.

Contact Jeannie Kingston at 800-824-5102 or 217-379-2131
for more information



Board meeting report



On September 24, 1996, the Eastern Illini Electric Cooperative Board of Directors held its regular board meeting at the cooperative's headquarters in Paxton.

The board approved the minutes of the August 26, 1996, regular board meeting and executive session.

The statement of revenues and expenses for the month ending August 31, 1996, including the following information was approved: Total Operating Revenues \$1,715,501, Total Operating Expenses \$1,326,794, Total Cost of Electric Service \$1,593,511, Operating Margins \$121,990, Total Margins \$190,951 and Year-To-Date Margins \$460,469.

During August, 95 members joined the cooperative and 86 terminated their memberships.

Director Anderson, chairman of the Audit and Finance Committee, reported the committee had met September 5. The committee examined the accounts of the cooperative and reviewed expense statements, disbursements and supporting data in accordance with the cooperative's bylaws. All records were found to be in order. The report was approved.

The Board went into executive session.

A report of the September 23 Policy and Regulation Committee meeting was given by Director Byers, chairman of the committee. The committee reviewed a Medical Alert Program regulation and rec-

ommended its adoption. The regulation was adopted.

Manager Champion enlightened the board on issues involving specific members. He also provided the following information: a 1995 patronage dividend of \$2,124.61 has been received from Central Area Data Processing; a 1995 premium dividend of \$23,371 has been received from Illinois Cooperative Workers Compensation Group; a patronage dividend of \$1,737 has been received from United Utility Supply Cooperative Corporation; and the Rural Utilities Service has acknowledged receipt of EIEC's request for approval to buyout its RUS debt.

In other action, the board approved entering into an interruptible three phase contract with Stockland Grain Co., Inc.; an interruptible contract with Steven J. Kaeb; a single phase large power interruptible contract with PBZ Nurseries, Inc.; testing the National Rural Telecommunications Cooperative's new Util-LINK automated meter reading product; and making a contribution to the Paxton Park District.

A synopsis of the August 28 all employees meeting and safety meeting was given by Director Raber. Manager Champion furnished an in-depth September job training and safety activities report.

Directors Anderson, Bauer, Byers, Chesnut, Thompson and Manager Champion reported on the Region V meeting they attended in Cedar Rapids, Iowa, on September 10-12. Manager Champion partici-

pated in a panel discussion on retail wheeling and competition. On behalf of EIEC, President Chesnut accepted the National Rural Electric Cooperative Association's International Service Award for hosting a delegation from Estonia, Ghana and South Africa.

A report of the September 19 Association of Illinois Electric Cooperative's board meeting was given by Director Chesnut. Standing committee appointments were announced and Wm. David Champion, Jr., Chairman of the Soyland Cooperative Board, updated the IEC board on the recent RUS buyout of the Soyland debt. Legal and regulatory reports were presented.

Director Warmbir highlighted the September 18 Soyland Power Cooperative Board meeting. SPC Chairman Champion presided over the meeting and provided details of the RUS buyout and preliminary power supply agreement with Illinova. Power Supply, Finance Committee and marketing reports were given.

Utili-soft Manager Jeff Tankersley and SkyQuest Manager Dave Lithgow provided written reports. Utili-soft business travel policies were presented for consideration and approved.

The next meeting of the Eastern Illini Electric Cooperative board of directors will be held October 29, 1996.

There being no further business to come before the board, the meeting was adjourned.

How EIEC Works For You

You're in the electric utility business and probably didn't even know it

Electric power is so dependable that you probably don't think about it, or where it comes from, or who owns it. Eastern Illini Electric Cooperative is owned by you, the people we serve. You elect a board of directors from your friends and neighbors. As a member, you have a say in your cooperative's management and direction. Obviously, we can't call and check with you, our owners, on every little decision, but we want your input. Why? Because we work for you.

We Get Our Power From You!

Results of EIEC's 1995 Marketing Survey

In the spring of 1995, a statewide marketing study was conducted by the Survey Research Office of the University of Illinois at Springfield and the Communications Department of the Association of Illinois Electric Cooperatives to assess the attitudes and behaviors among member-owners of electric cooperatives. Individual cooperatives were given an opportunity to obtain their own data as well. Since a formal survey had not been conducted since 1989, EIEC took advantage of this cost-effective way to gather important information from its members. A 20-page survey was sent to 1,242 randomly selected EIEC members and 511 (41.1 percent) were returned. The results were tabulated and furnished to the individual cooperatives in September.

A typical Eastern Illini member lives in a rural area, is married with one child, owns a 2,000 square-foot home, and has an annual income of \$37,000, a 35 percent increase in annual income since 1989. Farming is the principal source of income (42 percent), a decrease of 5 percent. Other sources of income are professional (15 percent), factory/industrial (15 percent), office/sales (7 percent), service (6 percent) and retirement (24 percent). Around 39 percent of members have a high school education, 36 percent have some post high school education, 11 percent have a four-year college degree and 8 percent have graduate education.

The survey indicated that the major uses of electricity are for the home (49 percent), home and farm (46 percent) and farm use (4 percent). We found that 50 percent of our members are heating their homes with propane/LP gas. Others are using electricity (17 percent), fuel oil (14 percent), natural gas (13 percent) and wood (2 percent). Around 51 percent of members use electric water heaters and 89 percent have air conditioning with 52 percent being central air. Nearly 27 percent

are participating in load control programs and taking advantage of incentive rates, while 48 percent were not aware of the special programs or rates.

EIEC members also reported using the following electrically operated equipment: ovens (57 percent), ranges (43 percent), microwave ovens (80 percent), frost-free refrigerators (93 percent), freezers (76 percent), clothes washers (92 percent), dishwashers (55 percent), water bed heating (19 percent), well water pumps (84 percent), security lighting (69 percent), humidifiers (35 percent), dehumidifiers (32 percent), color television (95 percent), personal computers (35 percent), heated swimming pools (8 percent) and life-support equipment (1 percent).

Roughly 73 percent of co-op members responded that cable television service is not available, 18 percent indicated it is available and 9 percent did not know. Almost 21 percent of members own a satellite dish, 20 percent subscribe to unscrambled television services, and 16 percent are interested in sub-

scribing. The survey disclosed that 42 percent of EIEC members have standby generators and 40 percent are interested in a security system. In addition, 90 percent of members indicated that their source of drinking water is a private well and 53 percent are very satisfied with their water quality. Furthermore, 45 percent of EIEC members are willing or somewhat willing to contribute a small amount to help needy members pay their electric bill.

During the past year, 14 percent of our members visited the Paxton headquarters and 66 percent contacted the co-op by telephone. The main reason for calling was a power failure (68 percent), a new or additional service (18 percent), size of bill (12 percent), other billing problem (7 percent), wire repairs/tree trimming (10 percent) and other reasons (14 percent). Of those members who con-

(continued on page 12c)





The 36,400 square-foot wood-frame and brick church was completed in March.

Forrest Apostolic Christian Church

In the late 1940's, the congregations of the North and South Side Apostolic Churches decided to move to Forrest because they had outgrown their facilities.

As the church on James Street in Forrest prospered, it became crowded and parking was a real problem. It became apparent that another expansion was imminent, so a building committee was established.

The committee debated whether to remodel the existing structure or to build a new facility. After discussing the pros and cons of the project, the building committee put it to a vote. The congregation discarded remodeling the existing structure in favor of building a new church. A site was selected at the edge of Forrest on a 10-acre plot of land so they could accommodate new growth and have plenty of available parking.

FBI Builders of Remington, Ind., was selected as the general contractor and construction began on the 36,400 square-foot facility in the spring of 1995. The building committee had done a good job of planning and there were very few glitches.

Shingling, insulating, painting, staining and cleanup were done throughout the project by members of the congregation. One of the church

members had started a cabinet making business and volunteered to build oak cabinets and do the other woodworking as well. Many of the members pitched in to help with the cabinets, too. Others offered to build the dining room tables and pour the concrete parking lot. It was a real team effort.

Pouring the concrete parking lot was a bit of a challenge. With a snow storm in the middle of construction and rain too, it took six weeks to complete the parking lot,

which accommodates 300 vehicles.

Before beginning the project, the building committee contacted Eastern Illini to discuss the proposed facility. EIEC representatives met with church leaders and suggested that energy costs could be substantially reduced by taking advantage of the co-op's interruptible rate. Since interruptions can only occur Monday through Friday, from June 15 to Sept. 15, between noon to 8 p.m.

(continued on page 12b)





The assembly room (left) will seat 650, and the dining room (right) has seating for 224.

and never on weekends or holidays, church leaders opted to go on the interruptible rate which would save on their operating costs. During this past year, there were only two interrupts. One occurred Aug. 6 between 2 p.m. and 7 p.m. and the other interruption occurred Aug. 7 between 3 p.m. and 6 p.m.

The new wood frame and brick church was completed in March 1996 and an open house was held March 30 and 31. The dedication was held April 14. It has an assembly room that will seat 650, a dining room with seating for 224, a Sunday School assembly and 16 individual class rooms, a well-equipped kitchen and nursery with

cribs, high chairs and rockers. With a membership of 305 to 310, there are around 680 who attend the Sunday worship service which includes around 200 who attend Sunday School. Most of the members live only 10 minutes away and a few travel 20 to 25 minutes to attend church.

From the horse and buggy lanes leading to the North Side and South Side churches, to the quiet streets of Forrest, to the new building on the edge of town, the Forrest congregation's roots have anchored deeply, and remain comfortably entwined. Their fellowship spans many generations since its beginning in 1864.

(continued from page 12b)

tacted the co-op, 86 percent talked to someone who could help them. For the 14 percent who had difficulty, most occurred after regular business hours.

Around 95 percent of members indicated they receive information about the co-op through EIEC publications. Other important sources of information were office contacts (25 percent), neighbors and friends (21 percent), newspapers (14 percent), television (7 percent) and radio (5 percent). Around 80 percent of members were very satisfied or satisfied with the information they receive about their co-op.

Approximately 76 percent of the respondents indicated it was important to have the opportunity to attend an annual meeting and vote on their board of directors. Around 91 percent indicated they preferred that a member-elected board establish rates and policies and 9 percent would rather have rates and policies established by a public board appointed by the governor.

When questioned about feelings toward their cooperative, 70 percent responded positively, 22 percent have neutral feelings and 8 percent were negative. Moreover, 93 percent of members have a great deal or some confidence in co-op management.

When comparing EIEC's service to other utili-

ties, 22 percent thought it was better or much better, 54 percent about the same, and 23 percent worse. Around 85 percent are very satisfied or satisfied with their service, 8 percent are neutral and 7 percent are dissatisfied. Members also reported that employees are extremely courteous or courteous (89 percent) and service is extremely prompt or prompt (78 percent).

A little more than half (56 percent) of EIEC members indicated electricity is high priced and 43 percent believe it is about in line with other products and services. Around 60 percent of members expect rates to rise, 34 percent expect rates to remain stable and 5 percent think rates will decline.

According to 73 percent of EIEC members, the cooperative has improved their quality of life, 22 percent believe it has had no impact, and 5 percent believe it has lowered their quality of life. About 98 percent of EIEC members are very or fairly satisfied with their quality of life.

The results of the survey have given us valuable insight and will assist us in determining the changing needs of our membership. The cooperative belongs to you, our member-owners. We are here to meet and exceed your expectations and provide you with extraordinary electric and other value added services at competitive rates.

Board meeting report



The Eastern Illini Electric Cooperative board of directors held its regular board meeting at the cooperative's headquarters in Paxton on Oct. 29, 1996.

Minutes of the Sept. 24 regular board meeting and executive session were reviewed.

The statement of revenues and expenses for the month ending Sept. 30, including the following information, was reviewed: total operating revenues \$1,725,098, total operating expenses \$1,233,375, total cost of electric service \$1,500,660, operating margins \$224,438, total margins \$266,649 and year-to-date margins \$727,118.

In September, 117 members joined the cooperative and 99 terminated their memberships.

Manager Champion furnished the board with the following information: the CFC Key Ratio and Trend Analysis; the RUS audit has been completed and there were no adjustments required and all the documents were found to be in order; two RUS notes totaling \$456,000 have been paid in full, a notice has been received from FERC on a Soyland rate filing; a delegation from Ghana plans to visit EIEC in November; EIEC received an ACRE award for 100% of the board and key employees enrolling in ACRE during the year; an update on PCB Treatment, Inc. cleanup; a CFC activities report; a \$40,680.77 refund of Patronage capital has been received from CFC, and RUS has approved EIEC's request to prepay its debt.

Manager Champion reported that Theresa Boian, agri-business director at WDWS Radio in Champaign, had interviewed him and conducted

her noon program live from his office on Oct. 18 to focus on Cooperative Month activities.

The board heard a request from a member and took the matter under advisement. The board also discussed a sample franchise agreement, changes to Regulation 20-Underground Electric Service Facilities, enhancements to the marketing programs, sending a key employee to the NRECA Management Internship program, a proposal for dental insurance, establishing a relationship with Healthcor, and conducting a strategic planning session.

The board was provided with summaries of the Sept. 25 all-employees meeting and safety meeting. Director Reitz represented the board. A comprehensive October job training and safety activities report was furnished by Manager Champion.

President Chesnut indicated that the Association of Illinois Electric Cooperative did not hold a board meeting during October.

Manager Champion, the Soyland Power Cooperative Chairman of the Board, updated the EIEC board on Soyland activities. Action taken at the Oct. 16 SPC board meeting were reviewed. Power supply, finance committee, rate committee, buyout committee and marketing committee reports were given.

Utili-soft manager Jeff Tankersley and SkyQuest Manager Dave Lithgow provided written reports.

There being no further business to come before the board, the meeting was adjourned.

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