

## NEWS, NOTES & VIEWS 1/99



Late last year, we got a note from Betty Dunker of Hull where her family farms. She's been a customer for 48 years. The note said:

*"Just a note to let you know how nice it is to have someone like Clayton Dehart who we can depend on. He came out on Sunday afternoon to help us get the electric on. Hope your company appreciates him as much as your customers do. This man deserves a nice bonus, but you haven't even thought about it, have you? Well think about it now, OK!"*

We do appreciate Clayton and our other employees, too. But we hadn't thought about that bonus. So we called Betty, and said, "OK, we'll give Clayton a bonus if you hand him the envelope and let us take a snapshot for the center section of *Illinois Country Living*." She was good enough to agree.

Clayton has been the serviceman for western Pike County for 28 years. He started working for the Cooperative on July 1, 1966, and everybody who's done a good job for that long deserves the recognition. We particularly appreciated getting Betty's note.



### Illinois Rural Electric Cooperative

P.O. Box 80, Two South Main Street  
Winchester, Illinois 62694

1-800-468-4732

## **Purchased Power Costs to Increase in 1999**

While we do not now know the exact figures, we do know that our supplier, Soyland Power Cooperative, will have higher power costs in 1999, and that, sooner or later, those costs will be passed on to the Cooperative and, ultimately, its member customers.

At the beginning of 1997 when Soyland lowered its costs, Illinois Rural Electric Cooperative passed all of those savings on to customers, plus a little bit more. As a result, we are not in a position to absorb the increases we expect to see in 1999.

The Purchased Power Adjustment will show the amount on your monthly statement. The adjustment only recovers costs associated with increases from Soyland.

There's no guarantee, of course, but we anticipate that the price will drop a little in 2000, and that would mean an equally lower adjustment. Once the costs associated with Soyland's restructuring are completely paid off — in the 2002/03 timeframe, we'll be in a position to look at the entire rate structure, and lower prices to the extent possible.

## **Please Let Us Know About Critical Medical Equipment**

If you use critical, life-supporting medical equipment, please let us know.

While we hope that the likelihood is remote, we need to continually update our records so that if we are asked to limit our sales during an emergency on the transmission system, we can do so with the least harmful impact on customers. We came close to having to

limit sales last summer, and it could happen again.

We won't limit sales to control costs, but if there's an emergency on the transmission system, we would limit sales on a rotating basis by disconnecting circuits from the substations.

## **A Happier Note: Tessa Alexandra Diane Funk**

Forester Melvin Funk and his wife, Cindy, greeted their granddaughter, named above, last fall, as did her brothers, Dylan 3, and Devin 5.

## **Lineman's Rodeo**



Apprentice Sam Surratt at the 1998 Illinois Electric Cooperative Lineman's Rodeo participates in the pole top rescue contest.

The rodeo lets line workers test their skills against those of others across the state, and enhances our safety training programs.

## Year 2000 Readiness — the Y2K Bug

All across the country, local electric cooperatives are attaching the Year 2000 computer issue, and Illinois Rural Electric is no exception.

The Year 2000 problem, variously known as the Y2K or millennium bug, may manifest itself when millions of electronic devices contained in all kinds of equipment, from the simplest to the most sophisticated, may not recognize the new century.

It's a matter of investigating every conceivable "what if," a global problem that has industry, government, and ordinary citizens working to identify and fix or replace anything that might fail because of the Y2K glitch.

At Illinois Rural Electric, Ron Coultas, manager of operations and engineering, and Michele Peters, manager of information services, lead all departments through the steps needed to assure the operation of the cooperative and its electric system on Jan. 1, 2000 and beyond.

"We've involved the entire organization," Michele said, "It's a top priority. Our readiness plans went into action months ago, and we've been in ongoing communications with our supplier to be as certain as possible that it will be ready as well.

"Fortunately, most of the Illinois Rural system is mechanically controlled, which means that it will be less sensitive to Year 2000 anomalies, but everyone needs to remember that there are no 100 percent guarantees. Illinois Rural Electric buys from Soyland Power Cooperative, which, in turn buys from Illinois Power and from AmerenCIPS. They all depend upon the Mid America Interconnected Network and adjoining

regional transmission systems. It's a big chain."

On the national front, work to achieve Year 2000 readiness by electric cooperatives is on par with the rest of the electric industry. It's on schedule as recommended in an official progress report that the North American Electric Reliability Council provided to the U.S. Department of Energy last September. NERC which is the official coordinator of Year 2000 readiness, risk assessment and contingency planning for the electric utility industry, will continue to provide quarterly updates on electric utility readiness to the DOE.

More than 90 percent of the nation's cooperative electric utilities, including Illinois Rural, participated in the survey that contributed to the first report. The cooperatives' responses to the survey indicate that 75 percent of them will achieve overall readiness for transition to the year 2000 by June 1999, as NERC has recommended.

Illinois Rural Electric Cooperative is among those, which expects to be ready not later than June 1999.

### **Getting questionnaires about insurance?**

**They are not from your  
electric cooperative.**

**There's some fine print  
at the bottom, naming the  
insurance company.**

## Generally, Customers Approve of New Monthly Statement

### Some Changes Already Made

We got hundreds of responses to our request for customers' thoughts about the new monthly statement. Thanks.

Our favorite response came from a local churchman: "Out with the old and in with the new — Hallelujah — Great improvement in billing."

In response to those comments, we've made some changes already, showing the water heater savings and puffing the meter number on both parts of the bill, as examples.

We haven't made every suggested change in the new form, however. A number of people wanted to see the early pay discount. Fact is, as we see it, there isn't really a discount. There's a penalty for late payments, and that will continue.

### More Changes to Come

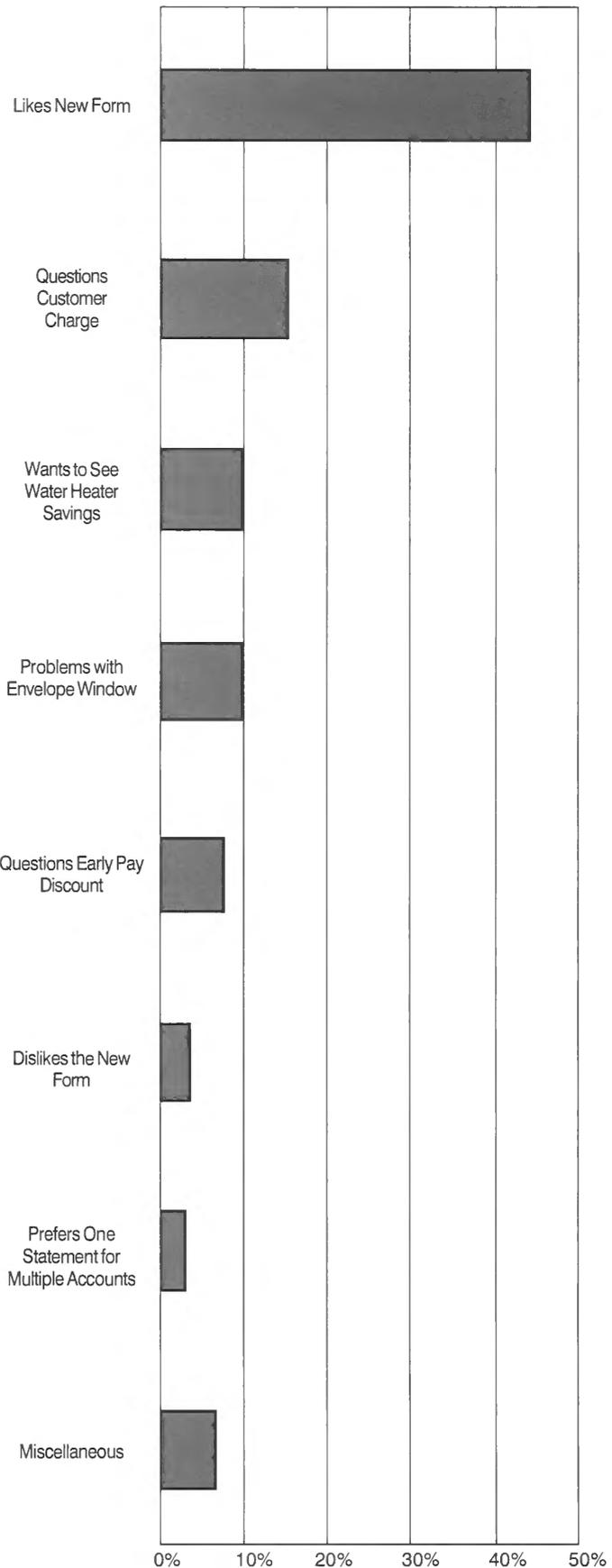
With the new statement, we itemized the customer-charge which had been included with the energy charge.

We'll be itemizing more as time goes by, but our breaking the bill into smaller pieces does not mean that we're increasing the costs. If we were increasing rates, we'd tell you about that and the reasons for it.

While we do need to pass on higher power costs from our supplier, that doesn't benefit Illinois Rural Electric in any way, and we don't intend to increase our charges at the present time.

In any event, we genuinely appreciate hearing from you.

Customers' Reactions



## NEWS, NOTES & VIEWS 2/99

### Ever Get Tired of Reading Your Electric Meter?

### Automatic Meter Reading Answers That!

During 1999, the Cooperative will install 900 automatic meter reading devices in customers' meters in Pike and Calhoun Counties.

While it's not cast in stone, over the next six years, we expect to install automatic meter readers in every member's meter. The average annual investment will be about \$125,000.

For most customers, we'll use a device which transmits the reading over the electric line to the substation and then over a telephone line to the office. For a relatively few customers, who use a great deal of electricity, we'll use an automatic meter reader that uses the telephone line all the way.

Why, you could ask, are we doing this?

First, it will be a lot easier for member customers. It has to be a hassle to read the meter sometimes.

Second, we'll have much better data about what is happening on the system. We'll know if certain sections are without power, as an example. We also hope, over time, to bring our billing closer to customers' use. Right now, we bill for December use at the beginning of February. It would be better to bill for January use at the beginning of February, but it will be a long time before we're able to do that.

Finally, this type of technology is going to be essential when customers are able to select which company provides the electric energy. That will be much like the way you now select your long-distance supplier.

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While we might not always be able to do much about it in the short-term, you should let the co-op's general manager know about other things you'd like to see improved, or hassles removed. His e-mail address is [electric.co-op@excite.com](mailto:electric.co-op@excite.com).



## Illinois Rural Electric Cooperative

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# Protect your family from carbon monoxide

It happens every year in many communities — a family is hospitalized because a propane or natural gas water heater or furnace backdrafts and fills a home with carbon monoxide.

In some cases the odorless, colorless gas is detected in time and a tragedy can be averted. However, even then it can take several days to recover from the effects of carbon monoxide poisoning.

Carbon monoxide is a common by-product of appliances that burn propane or natural gas. Carbon monoxide is created by propane, natural gas and other fuel-burning appliances including furnaces, clothes dryers, water heaters, fireplaces, ranges and even wood stoves, charcoal grills and kerosene space heaters.

When carbon monoxide is breathed into your system, it eventually replaces the oxygen in the blood, causing your body to literally suffocate from the inside out, resulting in brain damage or death.

As more homes are designed to be super energy efficient and airtight, carbon monoxide-polluted air is more easily trapped inside.

Everyone in your home is susceptible to carbon monoxide poisoning, but the hazard increases for unborn babies, infants, senior citizens and people with coronary or respiratory problems.

There are several ways you can protect yourself and your family from carbon monoxide poisoning:

- Read and follow manufacturers' operating and maintenance instructions on all appliances and equipment. Have a qualified propane technician check the system periodically and make any necessary adjustments to ensure proper combustion.

- Remodeling or repair work around the home may affect how a furnace or appliance performs. Before you do any insulation, caulking or sealing — or before adding an exhaust fan, wood stove or fireplace — call a qualified propane service technician to correct anything that could create carbon monoxide problems.

- Install carbon monoxide detectors in the house.

Battery-powered and plug-in carbon monoxide detectors are now available from many home improvement stores. The detectors constantly monitor the amount of carbon monoxide in the air and sound an alarm as an early warning when carbon monoxide is present. Detectors should be installed near the bedrooms and also near the home's heating source.

The units are about the size of a smoke de-

tector, and if you heat your home with propane or natural gas they are just as important to your safety.

Because it's odorless and colorless, carbon monoxide is difficult to detect, and the symptoms of carbon monoxide poisoning are difficult to recognize. Often they resemble the flu or a bad cold. Symptoms of low-level poisoning can include headaches, fatigue, nausea, dizzy spells and confusion.

Here are some warning signs to look for.

- Are you experiencing chronic symptoms such as headaches, fatigue, nausea?

- Are other members of your family also feeling ill?

- Do you feel better when you are away from home for a period of time?

If so, you may be suffering from carbon monoxide poisoning. To be sure, see your physician and request a carboxyhemoglobin test. This determines the percentage of carbon monoxide in your blood.

If you think your home may contain carbon monoxide, get out of the house immediately. Have an emergency plan so all family members can be accounted for. Don't go back into the house. Most fatalities occur when people reenter a home in search of loved ones. Call the fire department from a neighbor's home.

## **What can cause carbon monoxide formation and infiltration:**

- Anything that plugs the vent system: a bird nest, an internal collapse of a masonry chimney, or damage to the vent piping, for example.

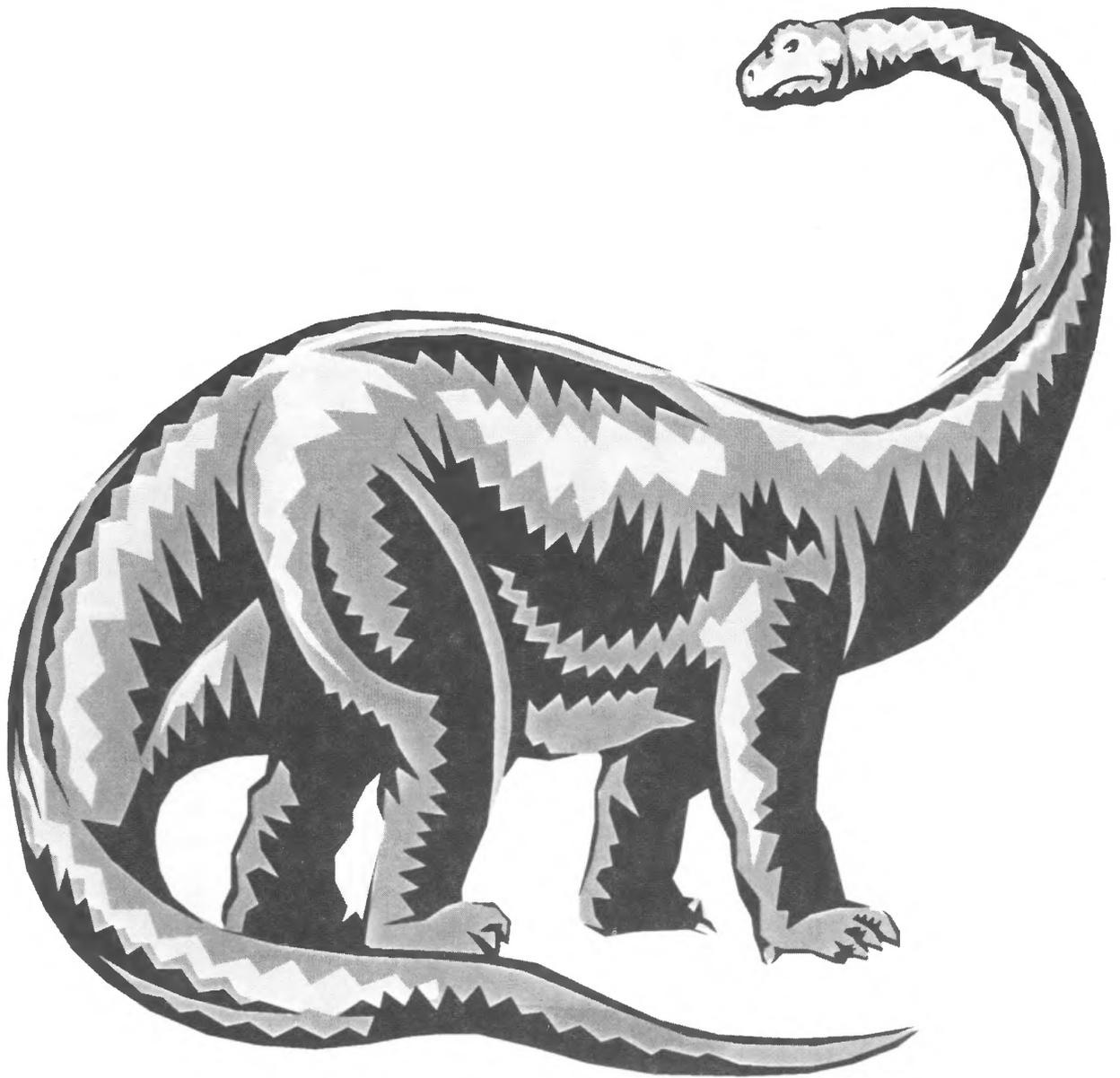
- Vent pipes rusting through inside the building.

- A leaking heat exchanger in a furnace or space heater.

- Plugged fresh-air vents in crawl spaces, basements, utility rooms, or closets housing a gas appliance.

- Excessive caulking, insulating or sealing or use of taped plastic storm windows can reduce the natural influx of fresh air and "starve" an appliance of oxygen, causing excessive levels of carbon monoxide to form.

- Improper air adjustment, wrong orifice size, or misalignment within burner systems, which can create excessive amounts of carbon monoxide that may infiltrate indoors if the vent system isn't working properly.



## **Brontosaurus:**

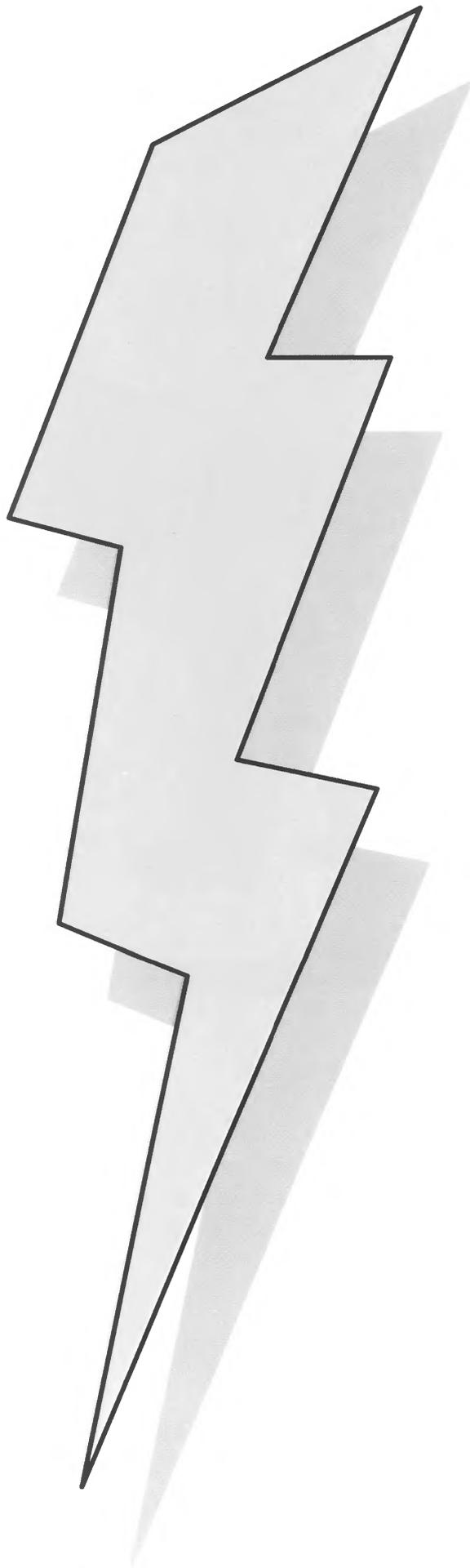
**Coming to a Right-of-Way Near You . . .**

At its January meeting, the Cooperative's Board of Directors voted to augment the continuing program of right-of-way maintenance by acquiring a piece of mechanical equipment called Brontosaurus.

Improving tree and brush trimming and removal along the Cooperative's 2,800 miles of electric lines is a high priority. The better we do with right-of-way maintenance, the fewer outages there will be.

The Brontosaurus is a track mounted tree and brush removal system. In some ways it looks like earth moving equipment, but instead of a giant track hoe, it has a rotating drum with teeth which neatly demolish trees and brush under electric lines.

The equipment costs \$220,000, and Ron Coultas, the Cooperative's Manager of Engineering and Operations, says, "We'll get a good return. In fact, we'll get more done for fewer dollars."



It has an incredible capacity to damage your motors and electronic equipment.

The enormous electric charge in lightning can cause havoc, and there's no way that Illinois Rural Electric Cooperative can be responsible for the damage lightning can do.

But the Cooperative can help with a full line of products to protect your appliances and electronic equipment. Just send us this coupon, and we'll give you a call so we can get started.

\_\_\_\_\_  
Please print your name

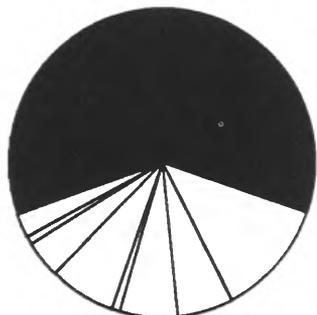
\_\_\_\_\_  
And your telephone number. Thanks.

\_\_\_\_\_  
Best time to call.

There are various options, beginning with a \$19.95 inspection with monthly charges of \$4.95 for meter inserts. We have point-of-use protection, too.

# NEWS, NOTES & VIEWS 3/99

Purchased Power



## The 1998 Revenue Dollar

We're just now (the end of January) closing the books on 1998, and we wanted to share the results with you. The numbers are preliminary; if you want a copy of the audited statements, let us know.

Total Revenue was just under \$13,000,000. On a personal basis, that sounds like a lot. On an average cents per dollar basis, it's more familiar.

## 61 Cents for Purchased Power

The largest expense, of course, was purchased power. We expect that to be a higher percentage in 1999 as power costs increase and other costs stay pretty much in line.

Because of the way our supplier purchased electricity for us, we got a reasonably good deal on the energy component in '98. Prices will be higher in '99, and we may see some slight decline in 2000.

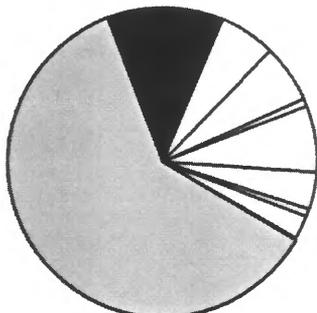
## 12 Cents for Operations and Maintenance

Actual operations and maintenance expenses were 42% higher than in 1997, principally because of right-of-way clearing and because of storm damage. We'll continue at about the same level for right-of-way clearing, but we hope for a little less storm damage.

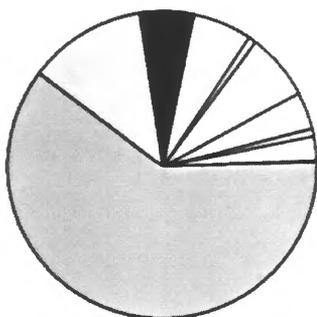
## 6 Cents for Interest

Thanks largely to the Rural Utilities Service electric program, our average interest rate is about 4.5% for both long- and short-term debt.

Operations & Maintenance



Interest



## Illinois Rural Electric Cooperative

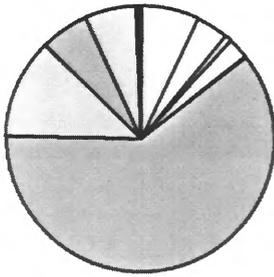
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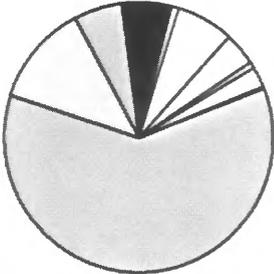
Depreciation



6 Cents for Depreciation

Depreciation isn't like other revenue offsets. It doesn't reflect an actual cash payment for goods or services. It does, however, help make cash available, and that's particularly helpful in meeting our debt service requirements.

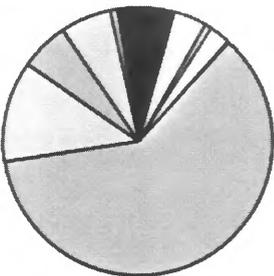
Marketing



Less than 1 Cent for Marketing

Down from a couple of cents in '97, this includes the Annual Meeting expenses, *Illinois Country Living*, and limited advertising.

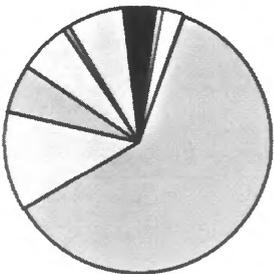
Administrative & General



7 Cents for Administrative and General

This is truly a catchall category for accounting, general management, legal expenses, information/computer systems, and some insurance.

Customer Accounting



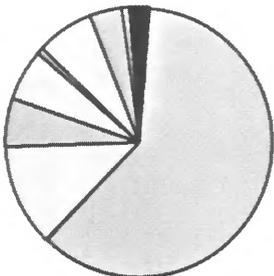
4 Cents Consumer Accounting

This is principally the costs of mailing the bills, some personnel, and uncollectible accounts.

Less than 1 Cent for Merchandising and Wiring

We've cut the ongoing costs of selling appliances and doing wiring and other jobs for customers in half, and we're working toward breaking even.

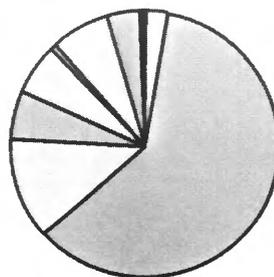
Merchandising & Wiring



2.5 Cents for Earnings

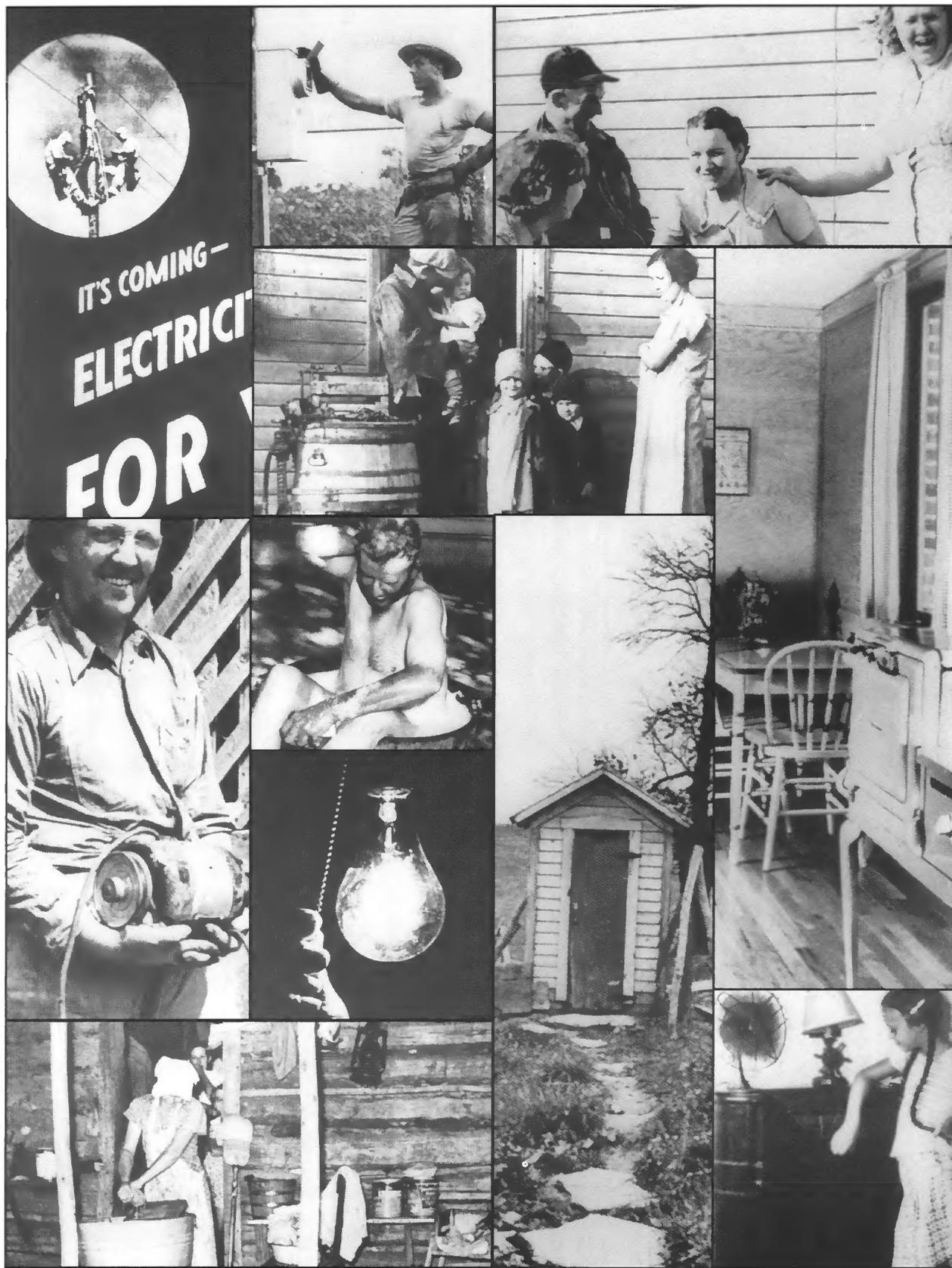
Two-and-a-half cents reach the bottom line, becoming members' equity on the balance sheet. At the present time, that's reinvested in the cooperative.

Earnings



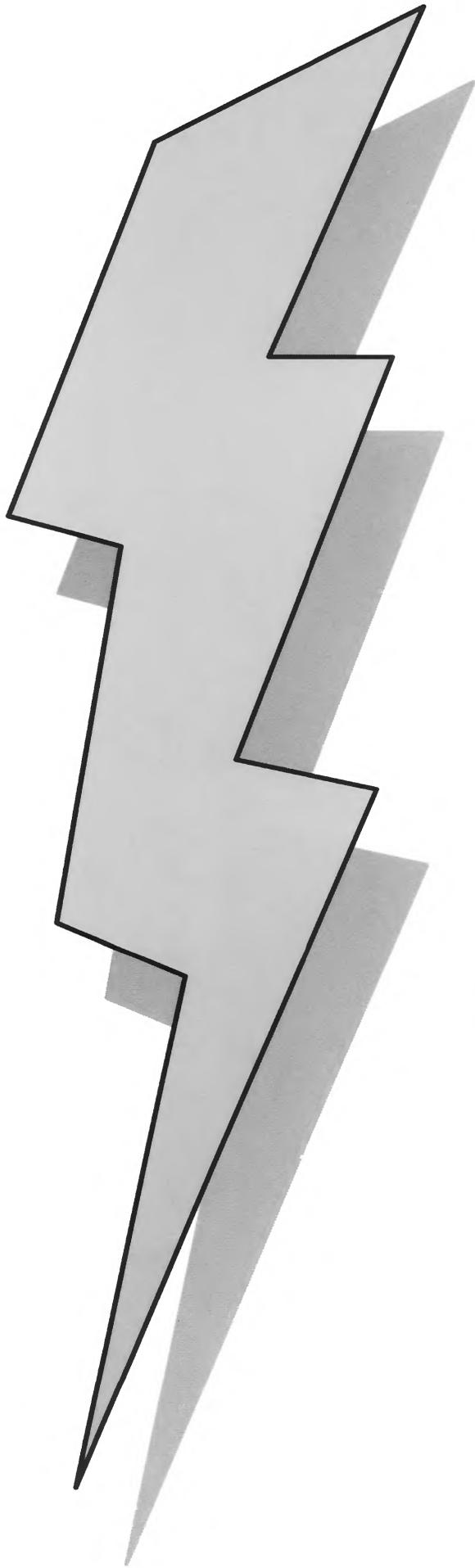
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Let us know if you have any questions. Give us a call or e-mail [electric.co-op@excite.com](mailto:electric.co-op@excite.com).



We'd guess that these photographs date from around 1940 when the Cooperative was expanding throughout the service

area. If you have a story about first getting electricity, we'd enjoy sharing it with *Illinois Country Living* readers.



It has an incredible capacity to damage your motors and electronic equipment.

The enormous electric charge in lightning can cause havoc, and there's no way that Illinois Rural Electric Cooperative can be responsible for the damage lightning can do.

But the Cooperative can help with a full line of products to protect your appliances and electronic equipment. Just send us this coupon, and we'll give you a call so we can get started.

\_\_\_\_\_  
Please print your name

\_\_\_\_\_  
And your telephone number. Thanks.

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Best time to call.

There are various options, beginning with a \$19.95 inspection with monthly charges of \$4.95 for meter inserts. We have point-of-use protection, too.

## NEWS, NOTES & VIEWS 4/99



### Moving to Pike County

Joe Killday has been promoted to the Area Service position for western Pike County. Clayton Dehart who will retire later this year currently holds that position.

Joe is a graduate of Illinois College. He started at the Cooperative in July 1990.

He and his wife, Donna, have two daughters, and they plan to move to the area at the end of the school year.



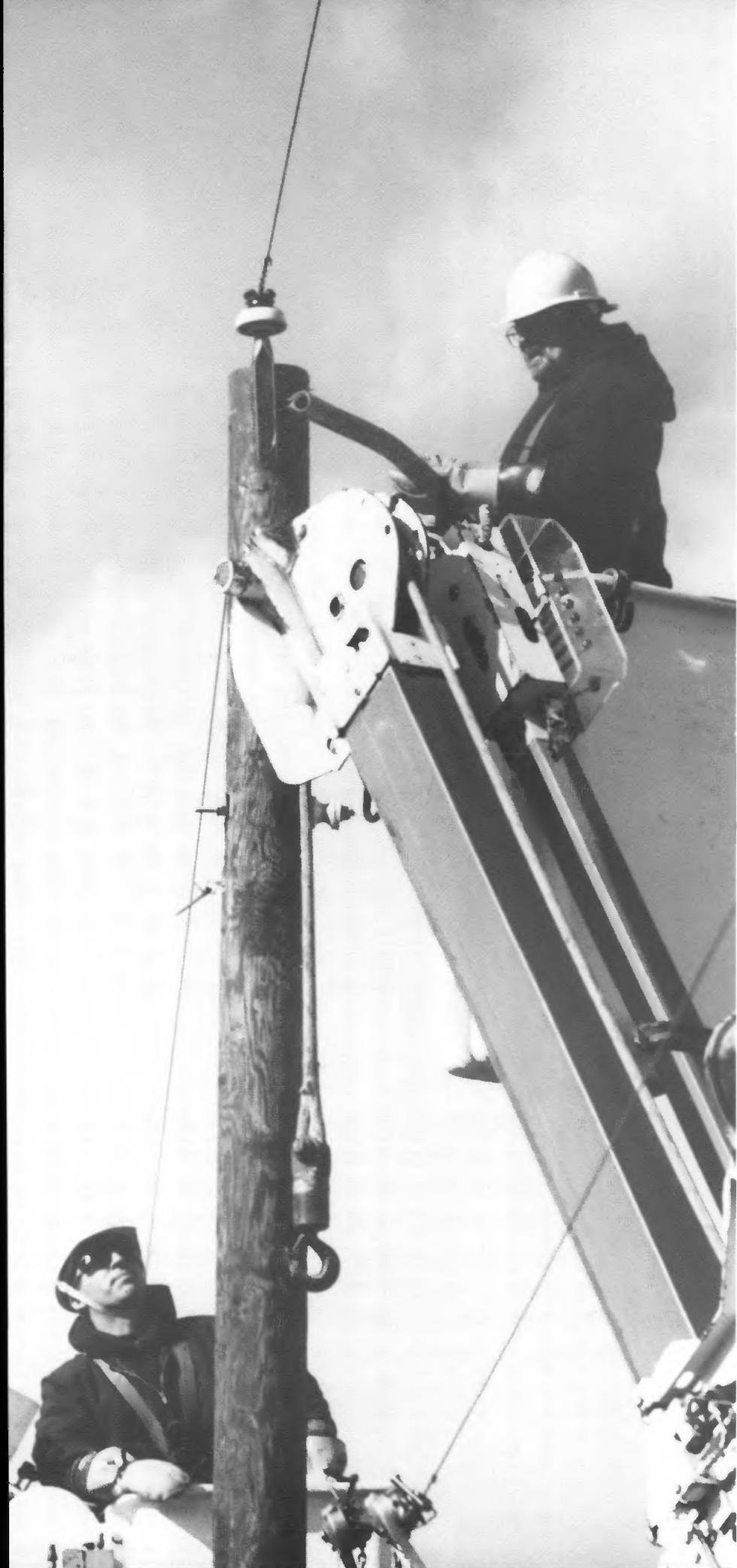
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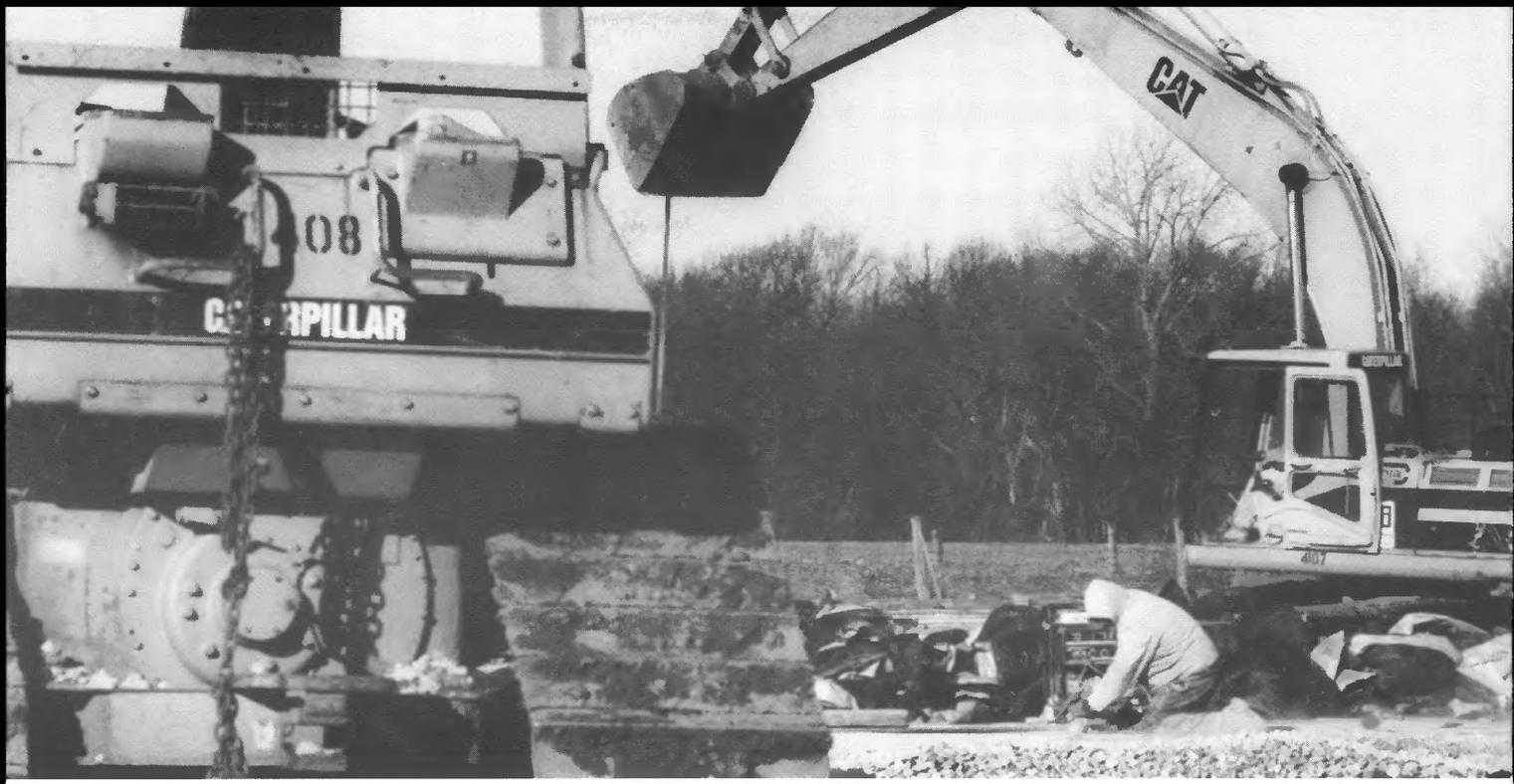


Craig Long (left) and Kenny Roundcount are caught in the air putting the wire back on a pole replaced following the February windstorm.

In all, as many as a third of customers were out of power at the worst of it. Virtually all of them had power restored before midnight. A handful, though, were without power until 3 or 4 a.m.

Our own crews were aided in restoring power by crews from neighboring cooperatives, Rural Electric Convenience Cooperative Co. and Adams Electric Cooperative. Our crews also go to help other cooperatives as needed across Illinois.

Thanks came from many quarters, and Illinois Rural Electric Cooperative's Board of Directors unanimously passed a resolution thanking the line crews for their work in getting power back to the Cooperative's members.



## Initial Construction for New "Peaking" Power Plant

Construction is now well under way for Soyland Power Cooperative's new peaking plant in Aley. (These snapshots were taken last winter).

A peaking plant is used only on days of high demand, when demand hits a peak, usually in July or August.

When completed, the \$25-million facility will be able to generate about 125 megawatts of electricity with natural gas fired turbines. That's just under a quarter of the total demand on a peak day for the roughly 150,000 customers ultimately served by the cooperatives, including Illinois Rural Electric, which own Soyland.

Last summer, the peak was set in the last week of June, and prices for wholesale electricity went through the roof. Those prices still haven't settled back to historic levels.

This new plant will help keep peak prices in line, and, if we have a more normal summer this year, many hope that prices will decline somewhat in 2000.



# MAYTAG

## ★ BRIGHTEST ★

# STARS

*on*

# SALE

*Introducing New Cleaning Performance*



**OUTSTANDING CLEANING**

— and —  
**KEEPS WHITES  
WHITE!**

## **MAYTAG**

### **ATLANTIS™ WASHER**

- Unique TurboRinse™ System Powers Residue Out of Clothes for Outstanding Cleaning.
- Swirl-Away™ Water Extraction System Draws Residue Out of the Tub, Keeping Whites White.

**Illinois Rural Electric Cooperative**

**(217) 742-3128 or (800) 468-4732**

# NEWS, NOTES & VIEWS 5/99



## Inside: 1999 Annual Meeting News & How Directors Get Elected

Mark Toppmeyer, pictured at the left, is the Cooperative's new apprentice serviceman for Calhoun County. A life-long county resident, he has associates degrees from Ranken Technical College and from Lewis and Clark Community College. He most recently worked for Bell Electrical Contractors in St. Louis.

Mark and his wife, Mary, live in Meppen.

As many members know, Mark's father, Francis, represented Calhoun County on the Board of Directors for many years. As required by policy, "Topy" resigned before Mark came aboard. We wish him well, and thank him for his service.



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## Note from a Customer:

**“Wow! Sure wish I could tack an extra 10% on what I sell!”**

We wish we didn't have to.

The purchased power adjustment on members' bills reflects higher costs from the Cooperative's supplier. The higher costs this year are the result of the turmoil in the wholesale electric power markets last summer.

If we have a more "normal" summer for the wholesale market, we expect costs to decline somewhat in 2000. There's good reason to believe that we'll have a more normal summer because more generation will be available this summer than during the peak periods last year.

If we get lower power costs next year, the purchased power adjustment will flow those savings back to customers on a dollar for dollar basis. Savings automatically go to members.

It's also the case, that the Cooperative isn't like other businesses. We have a responsibility to be here and to supply electricity safely. Put another way, we have a responsibility not to fail. Among other things, that means we can't operate at a loss.

## Itemized Bills

We're beginning the process of showing you the components that have always been part of your monthly costs.

We began showing the **Customer Charge** as a line item. The charge has always been included in the total. A customer charge helps collect some of the fixed costs, which the Cooperative incurs before it delivers a kilowatt-hour of electricity.

If the customer charge were to collect all of the fixed costs of our being ready to supply electricity, it would be in the range of \$40.00 a month and the cost per kilowatt-hour would decline. But at that level, it would create a genuine hardship for some members.

We haven't broken it out yet, but your bill includes nearly two cents per kilowatt-hour for the costs associated with the Clinton nuclear plant. Those **"Stranded Costs"** will be paid off during 2003.

We will be breaking out the **Energy** portion of our purchased power so you'll be able to see that.

Nonetheless, the fastest growing major component of your costs is the one for operations and maintenance as we work to lower the number and length of power outages. We haven't planned to break that out, but maybe we should.

## Y2K

We're increasingly optimistic that the United States electric system will work pretty much as usual on January 1, 2000.

The electric industry is reporting regularly to the federal Department of Energy, and those reports indicate that the problem for the industry isn't as serious as first thought.

It's likely that there will be some problems nationally, but it doesn't seem likely that they will result in widespread, long-term outages for significant parts of the country.

You can be certain that we're taking the matter seriously here at Illinois Rural Electric Cooperative, as are our suppliers.

**If you need large or small wiring jobs,**

**If you want to protect your property from lightning damage,**

**If you want a peace of mind plan for your water heater,**

**If you're in the market for a new range, refrigerator, freezer, dish washer, clothes washer or dryer,**

**If you need an appliance repaired,**

**Call (800) 468-4732.  
Call your electric co-op.**

## **How Members of the Cooperative's Board of Directors Are Nominated and Elected**

**Every One of the Cooperative's Customer/Members  
Can Participate. It's a Democracy.**

The Cooperative's Bylaws govern the process of nominating and electing Members of the Board of Directors.

Article IV, Section 4, describes the two ways nominations may be made.

### **Nominating Committee Method**

Like virtually every other electric cooperative, the Board of Directors appoints a nominating committee, not less than 90 nor more than 160 days before the Annual Meeting.

**The 1999 annual meeting of members will be held on August 21 in the Funk Building at the Scott Country Fair Grounds in Winchester.**

(Yes, this year those who get there early will get air-conditioning).

As you'd expect, members of the Board of Directors may not serve on the Nominating Committee.

You could write to the Committee at P.O. Box 80, Winchester, Illinois 62693. The Committee will get your unopened envelop, and you'll get an acknowledgement from the Committee.

### **Nominations by Members**

Fifteen members may make nominations for open seats in their director districts. The nominees must be members of the Cooperative, and they must meet the other requirements of the Bylaws. The nominations must be in writing, and those members signing the nomination would need to include clearly printed names and addresses so that the memberships could be verified. Remember: Sometimes both spouses have a joint membership; sometimes only one spouse is a member.

**Nominations made by members must be made and delivered to the cooperative at least 45 days before the annual meeting.**

### **Three Directors Will Be Elected in 1999**

In all there are eleven members of the Board of Directors. They serve three-years, staggered terms.

In 1999 the districts for which Directors will be elected are:

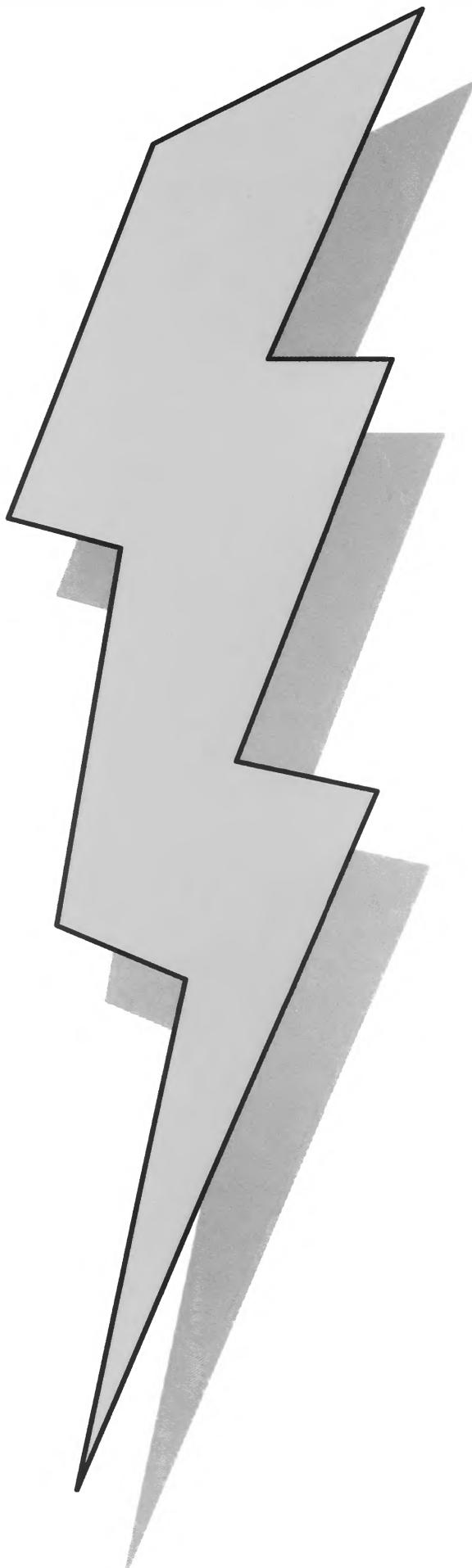
District 1. Hadley, Kinderhook, Cincinnati, Barry, Levee, Pleasant Vale and parts of Atlas in Pike County, and parts of Fall Creek and Payson in Adams County.

District 3. Hagener, Arenzville and Beardstown in Cass County, Exeter, Bluffs and Merritt in Scott County, and Township 16, Ranges 12 and 13, and Township 15, Range 12, in Morgan County.

District 7. The eastern part of Morgan County, surrounding Jacksonville and south to the Greene County line. Township 13, Ranges 9 and 10, Township 14, Ranges 9 and 10 and Township 15, Ranges 9 and 10.

**If you're thinking about nominating someone to serve on the board of directors, call the cooperative's office, and we'll send you a copy of the bylaws.**

We'll have more about the 1999 Annual Meeting in next month's issue of *Illinois Country Living*.



It has an incredible capacity to damage your motors and electronic equipment.

The enormous electric charge in lightning can cause havoc, and there's no way that Illinois Rural Electric Cooperative can be responsible for the damage lightning can do.

But the Cooperative can help with a full line of products to protect your appliances and electronic equipment. Just send us this coupon, and we'll give you a call so we can get started.

<hr/> <p>Please print your name</p> <hr/>
<hr/> <p>And your telephone number. Thanks.</p> <hr/>
<hr/> <p>Best time to call.</p> <hr/>

There are various options, beginning with a \$19.95 inspection with monthly charges of \$4.95 for meter inserts. We have point-of-use protection, too.



# NEWS, NOTES & VIEWS 6/99



## Good Pie Crust

### *Everybody Wins!*

Pictured above are the judges for our contest. From left to right in the front row are Amanda Burnett, Jennifer Hathaway, Toni Erke and Tony Anders. In the back row, David Clary and Bobby Clary. At the right is first prize winner Judy Zaharli, of Golden Eagle, pictured across the street from the Calhoun County Health Department in Hardin where she works. Recipes follow.



## Illinois Rural Electric Cooperative

P.O. Box 80, Two South Main Street  
Winchester, Illinois 62694

1-800-468-4732

A Touchstone Energy™ Partner  
*The power of human connections*



Our judges were from Joan Dieker's food science class at West Pike High School. We asked them to judge because West Pike High School is an Illinois Rural Electric Cooperative member/customer, like you. In return for their help, we asked if the class might need something that we could send over as an expression of our thanks.

Here are some excerpts from the judges' letters. "Thanks for letting us judge . . . It was fun . . . I enjoyed tasting them all." "And thanks for the refrigerator. We really needed it." "We needed a bigger refrigerator because ours was very small." "We had fun making the pie crusts." "Maybe we will do it next year."

What about pizza crust next year?

We appreciate the judges' and Ms. Dieker's help, and were glad to be able to help the school in return. And, what about a pizza crust contest next year?

---

Here's the first place recipe:

12 cups flour  
2 1/2 tablespoons sugar  
3 tablespoons salt  
4 cups lard

Sift flour, salt and sugar together.  
Divide lard in 2 parts.  
Add 1<sup>st</sup> half to flour mixture.  
Cut the lard into the flour until fine, like corn meal.  
Add the 2<sup>nd</sup> half of lard.  
Cut into flour until the size of peas.

Store in a tightly covered container and use the mixture as needed to make pie crusts.

1 cup of mix and 3 tablespoons water makes a single crust.

This mixture will make 8 to 9 pies and is perfect for the cook who loves pies.

---

Second place was taken by Sheila Smith of Baylis, with a "never-fail" recipe.

2 1/2 cups flour  
1 tablespoon sugar  
1 teaspoon salt  
1 cup shortening  
1 egg  
milk

Combine flour, sugar, salt and cut in shortening. Put egg in measuring cup; fill a little over 1/2 full with milk and beat together with fork. Add to flour, shortening mixture and make into a ball. Chill for an hour and roll out to make two 9-inch pie shells or one nice double crust pie. Roll out leftover dough, spread with butter or margarine and sprinkle with a sugar/cinnamon mixture. Bake 8 to 10 minutes. Makes a nice after school treat.

---

And finally, the third place entry from Bea Magelitz of Winchester.

5 1/4 cups all-purpose flour  
2 1/2 cups lard  
2 tablespoons sugar  
1 tablespoon salt  
1 egg plus water to equal 1 cup

Mix all together at once and knead on a lightly floured board until smooth. Left over crust can be put in a plastic bag and kept for several days.

---

It makes us hungry for pie just thinking about it. A special thanks to everybody who entered the contest. We hope everybody had fun.



## Illinois Electric Youth Day 1999

High school students from across Illinois met their state legislators in Springfield during "Illinois Electric and Telephone Cooperatives Youth Day" in April.

Fifteen area students representing the Cooperative met with Representatives Tom Ryder and Richard Myers at the State Capitol. The 250 students and chaperones also toured the Illinois Supreme Court, the State Capitol, the Executive Mansion and Lincoln's Tomb.

In the front from left are: Kristi Brogdon, Chapin; Doug Carmean, Arenzville; Katherine Doyle, Jacksonville; Susan Brogdon, Chapin; Rachel Kinser, Greenfield, Rep. Ryder; Rep. Myers; Amanada Bergschneider, Franklin; John Magelitz, Chambersburg; Alyssa Martin, Winchester; Matt Wildrick, Jacksonville; and Michelle Grammer, New Canton. In the back row from the left are Adam Gettings, Eldred; Jonathan White, Kinderhook; Anthony Meehan, Rockbridge; Andrew Varble, Carrollton; Brian Nation, Pittsfield; and Chaperone Patty Brogdon.

## Moving Turbines on Area Roads Requires Many Axles and Wheels

Two of the turbines for our electric supplier, Soyland Power Cooperative, arrived by rail in Murrayville, and were taken by truck to the site in Alsey. The numerous axles and wheels distribute the weight so that there isn't damage to the roads. In all Soyland will install five, natural gas fired turbines at the site, on the west side of Illinois Route 106.

Once the turbines are in place, they'll need electricity from Illinois Rural Electric to start. The snapshot at the bottom right shows Cooperative employees Gary Harbison and Chad Gregory preparing a pole prior to its installation.

The turbines at Alsey will be used when there's peak demand on the electric system, not all the time. During times of peak demand, prices for excess electric power can skyrocket, and it's expected that having the turbines in place will tend to keep costs in line.

Soyland plans to have the facility ready for use in mid-June so that when the hot weather arrives, an additional significant portion of its members' needs can be generated locally. Soyland's other generation facilities include a coal-fired plant and an oil fired turbine in Pearl and diesel generators in Pittsfield. The balance of the supply is bought from other producers throughout the region.

The President of Illinois Rural's Board of Directors and its General Manager both serve on the Soyland Board.



# NEWS, NOTES & VIEWS 7/99

## HOW MUCH HOT WATER DO YOU NEED ON THE HOTTEST DAYS OF THE YEAR?

Members with electric water heaters, who don't qualify for the all-electric rate, can still save by taking advantage of the controlled water heating option.

The savings amount to \$10.00 a month, 12 months a year. \$120.00 for a relatively minor inconvenience isn't bad.

Here's how it works: The Cooperative installs a switch which turns the water heaters off during the peak summer hours. You'll still have some hot water, but everybody in the family won't be able to take a shower.

Peak hours typically occur between noon and 8 PM on four or five July or August days. Last year we saw a peak in late June. It's possible that it could come in September, too.

Controlling water heaters create savings on power costs, and those savings automatically flow to all customers. If you want to save a little money, and still a little hot water, send us this coupon:

Please call me about controlling my electric water heater.

Name \_\_\_\_\_

Phone Number \_\_\_\_\_

Best Time to Call \_\_\_\_\_

**Thanks for printing.**

### 1999 Annual Meeting

**Saturday, August 21  
at the Scott County Fair  
Grounds in Winchester**

**inside the Funk Building with  
air conditioning for the first 150  
members to register.**

**More on the Annual Meeting  
on the next page.**



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## Cleaning Files

In the past, no scrap of paper was ever thrown out here, and, as a result, we have too many pieces of paper. It's more than we have room for. So, we're in the process of cleaning out some of the material in the customer files.

One file was particularly thick.

It started during World War II when the cooperative applied to the War Board for permission to extend service to a dairy farmer. Permission was granted for the use of valuable material.

It turns out that this particular account was one of those that are always a dollar short and a day late. Decades of copies of late notices were in the file.

Some interesting correspondence, too.

In December 1945, the manager wrote: "Dear Member: We regret it isn't possible for us to accept the credit from Sears, Roebuck & Co. of 49 cents. It will have to be cashed at a retail Sears store, . . ."

In 1953, the Cooperative's energy advisor noted that the customer had, among other appliances, a TV.

Pretty early for a TV as we recall. What stations were on the air locally then?

By the time May 1955 rolled around, things hadn't gotten much better. The manager again writes: "Dear Member: July 29, 1955 will be a big day for this Cooperative — we will hold our 17<sup>th</sup> ANNUAL MEETING and ELECTRICAL FAIR!

"We are giving you this last opportunity to avoid the embarrassment of having your name read at this meeting as a delinquent member - one whose non-payment of his liability is making all the other member-owners share in the loss to their business.

"We feel we have been patient with you and you should show your good intention by at least making payments on this account regularly, if unable to pay it all at once. There is still \$15.60 due."

Fortunately, we think, customers are now protected by federal law from that kind of embarrassment. But it probably provided an incentive to pay the amounts due, even if the amounts seem quaint because they came before the nuclear expense we continue to pay and before a half century of general inflation.

### 1999 Annual Meeting

**We'll show the meeting on big screen TV sets outside for those who arrive later.**

**We'll have thousands of dollars in prizes for members.**

**You'll hear from the Board of Directors and management.**

## Correspondence

We got a really hot letter not long ago about current costs.

One of the suggestions was to review staffing levels.

Here are the facts of the matter: by the end of this year, the number of full-time cooperative employees will have declined by at least 17% from 1997 levels. But that can't go on forever. We need a highly skilled work force to build and maintain the electric system and to restore service when we have to. Just as important, we need a highly skilled staff to keep the office running.

As we noted to the writer, our costs are high because of two fundamental factors. First of all, we're still paying for the costs associated with our share of the Clinton Nuclear Plant; that's about two cents a kilowatt hour.

The second reason is the simple fact that we have fewer than four customers per mile of electric line. That's a considerable investment for fewer than four customers to support.

## Services from Your Cooperative

Illinois Rural Electric Cooperative provides a number of services in response to members' needs and specific requests.

We can handle wiring whether it's a small job or a large one. A light for the hall closet or an entire new building system.

We carry the General Electric line of Smartwater™ water conditioning and filtering products.

Our water heater protection plan is a great deal at \$2.95 a month.

We have a full line of Maytag, Jennaire and Magic Chef appliances.

We repair appliances, too.

We've got a full line of surge protection devices, from point of use to the kind installed at your meter.

We've also got a new line of electric outdoor grills. Perfect for summer.

**Three members of the Board of Directors will be elected.**

**Registration will begin at 9:30 a.m.**

**It's a great time to ask questions about your Cooperative.**

**You'll see old friends, too.**

**touch·stone** \ˈtəch-,stōn\ *n* **1** : stone related to flint and formerly used to test the purity of gold  
**2** : a test or criterion for determining quality or genuineness **3** : **Touchstone Energy<sup>SM</sup>** :  
**a nationwide alliance of electric co-ops**

NO MATTER HOW YOU DEFINE IT, ELECTRIC COOPERATIVES ARE GOOD FOR AMERICA. WE PROVIDE AT-COST POWER, RELIABLY AND AFFORDABLY, TO BUSINESSES AND INDIVIDUALS ALIKE. THAT'S THE WAY IT'S BEEN FOR DECADES. AND THAT'S THE WAY IT WILL STAY.

NOW, ELECTRIC COOPERATIVES ACROSS THE UNITED STATES ARE COMING TOGETHER IN A NATIONWIDE ALLIANCE CALLED **TOUCHSTONE ENERGY™**.

WE'RE NOT CHANGING OUR NAME, OUR OWNERSHIP, OR OUR COMMITMENT TO YOU. YOUR BUSINESS AND YOUR VOICE ARE STILL VERY IMPORTANT TO US.

AS A **TOUCHSTONE ENERGY™** PARTNER, WE'LL BE SHARING IDEAS AND ADVANCED TECHNOLOGIES WHILE CONTINUING OUR DEDICATION TO BUSINESSES AND INDIVIDUALS IN THE COMMUNITIES WE SERVE.

**TOUCHSTONE ENERGY™**. IT'S THE DEFINITION OF WHAT SERVICE SHOULD BE.

## Illinois Rural Electric Cooperative

<http://www.touchstoneenergy.com>



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**Illinois Rural  
Electric Cooperative**

Two South Main Street  
Winchester, IL 62694

## **NOTICE OF THE 1999 ANNUAL MEETING OF MEMBERS OF ILLINOIS RURAL ELECTRIC COOPERATIVE**

To All Active Members of Illinois Rural Electric Cooperative:

The 1999 Annual Meeting of members will be held on Saturday, August 21, at 10:00 AM at the Scott County Fair Grounds in Winchester, Illinois. Registration will begin at 9:30 AM.

In addition to reports on the past year and the election of three directors, members will be asked to vote to amend the Bylaws.

The meeting also provides an opportunity for you to ask questions and make suggestions to the Cooperative's Board of Directors and management.

On behalf of the Board of Directors, I urge you to attend. If you are not able to attend, please send your proxy with a friend or neighbor.

We look forward to seeing you on the 21<sup>st</sup>.

F. Alan Heaton  
Secretary

---

A Touchstone Energy<sup>®</sup> Partner 

## To Our Members:

As we prepare for our last annual meeting of the 1900s, it's a good time to reflect just a little on where we've been, and, perhaps even more importantly, on where we're going.

## Strategic Focus

Early this year, your Board and members of the Cooperative's management team devoted a couple of days to thinking about how we can best meet members' needs. We looked at three basic approaches. One would place our focus on developing outstanding products and services. The second would have had us focus our efforts on marketing to the specific needs of individual customers. The third approach put the focus on operational excellence.

After a great deal of discussion, we elected to follow that third course and rededicate the Cooperative to operational excellence in all parts of the organization.

We intend to reduce the number and length of service outages, and we intend to "get things right the first time" in the office, with billing as an example. And, finally, after we've paid off the debts associated with the Clinton nuclear plant in 2003, we intend to be able to lower rates.

In the area of traditional utility operations, we've made major new commitments to providing first rate equipment to our line personnel so that they will have the necessary tools to do their jobs. We're replacing three line trucks for our construction crews and four for our area

service people. We have state-of-the-art equipment to install new conductors. We've acquired new mechanical right-of-way maintenance equipment.

In all, we've acquired and ordered over \$1,000,000 worth of new equipment to help reduce both the number and length of service interruptions.

We've also begun the process of installing automatic meter reading devices, and we expect to have all customers' meters automatically read over the course of the next five years.

That process will virtually eliminate "billing errors."

We're also systematically reducing the total labor force at the Cooperative, and by the end of this year, we'll have at least 17% fewer employees than we did in 1997. That can't go on forever, but it's a crucial component of keeping costs in line so that we'll be able to reduce rates once the Clinton debt is paid off.

Management has implemented plans to achieve clear goals in all of these areas, and your Board sees the measurement of the progress regularly.

We believe we're on track and that you'll see improved results.

## Wholesale Power — Costs and Opportunities

Both your Board President and General Manager serve on the Board of Directors of Soyland Power Cooperative, our wholesale supplier of electricity.

As you'd expect, wholesale power is far and away our

largest expense. The present prices for wholesale power are at an unusually high level by historic standards. That's happened in large part because of the unfortunate set of events very early last summer when we hit peak demand levels in June while many electric plants were not operating and when transmission facilities also failed.

Those things coupled with a newly deregulated wholesale power market sent the price for electricity to all-time highs.

For its part, Soyland has built a new "peaking" plant in Alsey, just south of Winchester. That facility which is designed to run only when electric demand is heavy will protect Soyland's member cooperatives from the extraordinary price spikes we saw last year.

The entire Soyland Board, with its outside consultants, has spent the better part of this year studying the available options to secure a reliable power supply at the best possible price.

Years and years ago, we were told that there would be a perfect solution for wholesale electricity: nuclear power. It would be "too cheap to meter." Well, we know pretty well that there's not a perfect solution, but we want to assure you that Soyland is doing what it can — like building the plant at Alsey — and that all the options are being carefully examined.

## Working Together

One of the fundamental cooperative principals concerns is working together.

It's the simple idea that we can achieve better results that way.

We're in the early, but real, stages of working with neighboring electric cooperatives to find ways in which we can provide better service or additional services and ways in which we can control costs. We don't expect earth-shattering news to come from this effort. We don't expect, as an example, to recommend that any of the cooperatives be merged into a larger organization right now. But we do hope to be able to share news with you in the coming months.

Improvements generally come in small steps in organizations like ours, which have been around for some time. Nonetheless, we wanted to share this effort with neighboring cooperatives with you, as an illustration of our unwillingness to let any opportunity simply pass us by.

### **Outstanding Service**

We're fortunate to have an outstanding group of employees. Donna Lawson, who's the person most likely to answer the telephone when you call the office, celebrated her 35<sup>th</sup> anniversary with the Cooperative this past May. In August, Joann Stice, our senior customer service representative, will celebrate her 30<sup>th</sup> anniversary.

Herb Long who had been an area serviceman in Pike County retired earlier this year after 30 years of service, and Clayton Dehart, also an area serviceman in Pike County, has told us that he'll retire this fall after 33 years of service.

We want to thank those four named above particularly and thank all the Cooperative's employees for their day-in and day-out effort to meet members' needs.

Finally, we want to note the 14 years of service Francis Toppmeyer provided as a member of the Board of Directors, as the representative from Calhoun County. "Tippy" resigned early this year so that his son, Mark, could compete for an area service position.

We valued his thoughtful counsel as well as his sense of humor, and we'll miss his contributions on members' behalf.

We are fortunate that the Board Committee created, as the Bylaws require, to find candidates to fill the Calhoun County vacancy, which brought Julia Eberlin to the Board, and we look forward to her contributions in the coming years.

J. M. Sapp, who has served on the Board for the past 26 years, has also resigned from the Board, and that resignation was accepted with great regret. A Board Committee has been formed to find a replacement.

### **Subsidiary Operations**

Our subsidiary, Illinois Rural Telecommunications Co., has provided outstanding satellite dish television service in the area for five years, consistently being ranked in the top sector for its performance in that area.

IRTC is now extending Internet service to a growing

section of the Cooperative's service territory, and we look forward to all of our customers having local dial up access to a high speed Internet connection. Having the Internet available is going to be essential to keep rural areas from being left out of economic development in the next century.

### **Looking Ahead**

When this Cooperative was formed in 1936, its purpose was to improve the quality of life in the rural community. That purpose was achieved by our working together.

Our purpose — our reason for being — really hasn't changed. We'll improve the quality of life in the rural community we serve by improving our quality of service and by offering new services, and we'll work with others to do that.

### **Please Join Us at the Annual Meeting**

We hope that you'll be able to attend the annual meeting, that you'll ask questions and that you'll make suggestions. Your being there and your participation are essential parts of the cooperative process.

We look forward to seeing you there on August 21<sup>st</sup>.

Merton L. Pond,  
President of the Board

Bruce N. Giffin,  
General Manager

## Members of the Cooperative's Board of Directors



**Merton L. Pond,  
President, Bluffs**



**Thomas H. Camerer,  
Assistant Treasurer  
Eldred**



**Thomas D. Meehan III  
Roodhouse**



**Robert A. Brown,  
Vice President,  
Winchester**



**Gary K. Clark,  
New Canton**



**Robert Reed,  
Nebo**



**F. Alan Heaton,  
Secretary,  
Murrayville**



**Julia B. Eberlin,  
Brussels**



**Ronald K. Myers,  
Treasurer,  
Griggsville**



**William Griswold,  
Rockbridge**

# Illinois Rural Electric Cooperative

## Condensed Balance Sheet and Income Statement (Dollars in Thousands)

	1998	1997
<b>Assets</b>		
Total Utility Plant	\$ 30,887	\$ 29,675
Less Accumulated Depreciation	8,629	8,818
Net Utility Plant	22,259	21,013
Investments and Patronage Capital	1,413	1,447
Cash and Other Current Assets	4,663	3,699
<b>Total Assets</b>	<b>\$ 28,334</b>	<b>\$ 26,160</b>
<b>Liabilities</b>		
Total Equity	\$ 8,368	\$ 7,958
Long-Term Debt	16,444	15,042
Total Current and Accrued	3,446	3,160
<b>Total Liabilities</b>	<b>\$ 28,334</b>	<b>\$ 26,160</b>

Copies of the complete audit of the 1998 and 1997 financial statements will be available for members at the annual meeting.

### VOTING BY PROXY

The Cooperative's Bylaws allow a member to carry as many as three proxies and vote them at the Annual Meeting. You are urged to attend and vote in person; but, if you are unable to attend, please send your proxy with a friend or a neighbor.

**PROXY** As a member of Illinois Rural Electric Cooperative, I, the undersigned, hereby appoint

\_\_\_\_\_

My proxy to vote in my stead at the Annual Meeting of Members to be held in Winchester, Illinois, on August 21, 1999, and I hereby confirm and ratify my proxy's vote.

Witness my hand, this \_\_\_\_\_ day of August, 1999.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

## Report of the Nominating Committee

After careful consideration, there was a motion duly made, seconded and passed to nominate the following individuals to run for the Board of Directors of Illinois Rural Electric Cooperative: Gary K. Clark of New Canton to represent District One; Merton L. Pond of Bluffs to represent District Three; and F. Alan Heaton of Murrayville to represent District Seven.

The 1999 Nominating Committee:  
Bob Pembroke, chairman, Jim Gay,  
August Nolte, Jim Wilson, and  
Norman Vortman

## Proposed Changes to the Cooperative's Bylaws

After months of study and debate, the Board of Directors recommends the following changes to the Cooperative's Bylaws. Only those areas with proposed changes are printed here.

Material to be deleted from the Bylaws is shown with a strikethrough style, as in the following examples: ~~If the proposal is to delete material, it will look like this sentence.~~ New language is underlined. If the language is neither underlined nor presented with a strike through it, it is the existing language.

In many cases the changes are intended to simplify the language. In other instances, there would be changes in practice. As an example, there is a proposal to eliminate the membership fee, and, if that and the other proposals are passed by members, the Cooperative will return membership fees to existing members. Some proposals principally bring things up to date; the existing borrowing limit of \$75,000,000 was set in 1975, as an example. In other areas, the proposals would change policy.

You are urged to read the material carefully. We will be pleased to answer your questions at the meeting or you may call the Cooperative's General Manager prior to the meeting.

We believe these changes are important to position the Cooperative for a changing electric industry and urge you to study the proposals and to support them at the Annual meeting.

## Article 1 Membership

### Section 1. Requirements for Membership.

Any person, firm, association, corporation or boy politic or subdivision thereof will become a member of the Illinois Rural Electric Co. Cooperative (hereinafter called the "Cooperative") upon receipt of electric service and/or electric delivery services from the Cooperative, provided that he or it has first:

(a) Made a written application for membership therein;

(b) Agreed to purchase from the Cooperative electric energy and/or electric delivery services; and as hereinafter specified:

(c) Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative, and any rules and regulations and rate schedules as they exist or as they may thereafter be adopted or amended by the Board of Directors. and

(d) ~~Paid the membership fee hereinafter specified:~~

No member shall hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

### ~~Section 2. Membership Certificates.~~

~~Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the board of directors. Such certificate shall be signed by the president and the secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the board of directors may prescribe.~~

Section 2. Membership Records. The Cooperative will not issue certificates to

members; it will keep permanent records of members and their capital credits, as described herein.

**Section 3. Joint Membership.** A husband and wife may apply for a joint membership, ~~and subject to their compliance with the requirements set forth in Section 1 of this article may be accepted for such membership. The term "Member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified action by or in respect of the holders of a joint membership shall be as follows:~~

~~(a)~~

The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute joint waiver of notice of the meeting. The joint membership shall have one vote, and that vote may not be divided.

~~(b) The vote of either separately or both jointly shall constitute one joint vote:~~

~~Provided, that if both are present but in disagreement on such vote, then each shall cast only one half vote;~~

~~(c)~~

A waiver of notice signed by either or both shall constitute a joint waiver; notice to either shall constitute notice to both.

~~(d)~~

Suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership.

~~(e)~~

Withdrawal of either shall terminate the joint membership.

~~(f)~~

Either, but not both concurrently, may be elected or appointed as an officer or board member provided that both meet the qualifications for such office.

### Section 4. Conversion of Memberships.

~~(a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, bylaws,~~

and rules and regulations adopted by the board of directors. The outstanding membership certificate shall be surrendered and shall be reissued by the Cooperative in such a manner as shall indicate the changed membership status.

(b)

Upon the death of either spouse, who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered and shall be reissued in such manner as shall indicate a changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative the membership shall be held solely by the survivor.

#### **Section 5, Acceptance Into Membership.**

Upon complying with requirements set forth in Section 1, any applicant shall by board resolution be accepted into membership in and become eligible to receive electric service from the Cooperative, unless the board of directors shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause: Provided, that any person whose application has been submitted for sixty (60) days or longer but not approved by the board of directors may, by filing written request with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which the applicant shall be entitled to be present and be heard.

**Section 6. Membership Fees.** The membership fee shall be determined by the board from time to time, of which a member shall be eligible for one (1) service connection.

**Section 7. 4. Purchase of Electric Energy and/or Electric Delivery Services.** Each member shall purchase electric energy and/or electric delivery services shall be available; purchase from the Cooperative, all electric energy purchased for use in the premises specified in his application for membership, and shall pay thereof at rates which shall,

from time to time, be fixed by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of the facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative: from the Cooperative as soon as electric energy and/or electric delivery services are made available to the member. It is expressly understood that amounts paid for electric energy and/or electric delivery services in excess of costs of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amounts regardless of the amount of electric energy consumed as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be doomed to be allocated and credited on a prorata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperatives actual accounting procedures do not reflect such allocation and proration.

#### **Section 8 5. Classifications of Members.**

All Members of the Cooperative shall be classified as either active or inactive members. Active members are those currently buying electricity and/or electric delivery services. Active members have the right to vote upon any proposition submitted to the membership, and they are eligible to hold any elective office, providing they meet the qualifications set forth in these Bylaws.

as follows:

(a) Active Members. All members currently using electric service from the Cooperative, delivered to the respective members through one or more service connections, shall be classed the active members of the Cooperative and as such, shall have the right to vote upon any proposition submitted to the membership of the Cooperative and shall be eligible to hold any elective office in the Cooperative further

~~providing he or she meets all other qualifications required in the bylaws.~~

Inactive members are not currently using services provided by the Cooperative, and they are not eligible to vote in any elections or to hold any elective office.

~~(b) Inactive Members. Those persons, having otherwise qualified for membership in the Cooperative but who are not currently using electric service from the Cooperative shall be classed inactive members of the Cooperative and as such, shall not be eligible to vote upon any proposition submitted to the membership of the Cooperative or to hold any elective office in the Cooperative.~~

Classification of membership from inactive to active or vice versa, shall change at once without notice to said member upon commencing to use or ceasing to use electric service and/or electric delivery services from the Cooperative or disconnection by the Cooperative of the member's electric service and/or electric delivery services.

Change of classification shall not affect in any way obligation for debts the member may have incurred with the Cooperative, nor the capital credits accrued by the member.

#### **Section 9 6. Termination of Membership.**

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may by the affirmative vote of not less than two-thirds of all the members of the board expel any member who fails to comply with any of the provisions of the Articles of Incorporation, bylaws, or rules and regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failures shall have continued for at least 10 days after such notice was given. Any expelled member may be reinstated by vote of the board of directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six months after service is available to him has not purchased electric energy from the Cooperative, or a member who has ceased

to purchase energy, or energy delivery services, from the Cooperative may be cancelled by resolution of the board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of membership fee, if any, paid by him, provided however that the Cooperative shall deduct from the amount of membership fee the amount of any debts or obligations owed by the member to the Cooperative.

## **Article III Meeting of members**

**Section 1. Annual Meeting.** An annual meeting of the members shall be held between the first day of ~~July~~ May and the fifteenth day of ~~September~~ October, both dates inclusive, within the area served by the Cooperative at such hour and place as shall be designated by resolution of the board of directors and specified in the notice of the meeting for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the board of directors to make adequate plans and preparations for the annual meeting. If the election of directors shall not be held on the day designated therein for any annual meeting or at any adjournment thereof the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

**Section 8. Order of Business.** The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially

as follows, except as otherwise determined by the members at such meeting:

1. Report on the number of members present in person or by proxy in order to determine existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Members' approval of actions by the Board of Directors.
6. Election of directors.
7. Unfinished business.
8. New business.
9. Adjournment.

## Article IX Non-profit operation

**Section 1. Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**Section 2. Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy and/or electric delivery services, the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative.

In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy and/or electric delivery services in excess of the sum of operating costs and expenses, including interest on debt service, properly chargeable against the sale of electric energy or other services, amounts required to offset any losses incurred during the current or any prior fiscal year; and

maintenance of reserves in accordance with prudent utility practice.

~~properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.~~

All such amounts in excess of operating costs, expenses and prior losses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits or account for the losses to a capital account for each member all such amounts for credits and losses in proportion to the value or quantity of this Cooperative's service used, received or purchased by each member during the applicable fiscal year in excess of operating costs and expenses and prior losses. The books and records of this Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital and losses, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and this Cooperative shall within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his account. All such amounts credited to the capital account of any member shall have the same status as

though they had been paid to the member in cash in accordance with a legal obligation to do so and the member had then furnished this Cooperative corresponding amounts of capital.

~~All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons as herein provided.~~

Funds and amounts, other than operating margins, received by the Cooperative that exceed the Cooperative's costs and expenses may be allocated as capital credited to members in the same manner as the Cooperative allocates capital credits to members; or used by the Cooperative as non-allocated capital but such funds shall not be accumulated beyond the reasonable needs of the Cooperative.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired for amounts furnished and credited prior to January 1, 1999. For capital furnished and credited after January 1, 1999, the Cooperative's Board may retire such capital in any order whatsoever.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to

successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board of directors acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and conditions. ~~The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting it in a conspicuous place in the Cooperative's office.~~

## **Article XI Fiscal year**

The fiscal year of the Cooperative shall begin on the first day of January in each year and end on the thirty-first day of December of the same year, or any twelve month period designated by the Board of Directors.

## **Article XII Membership in other organizations**

~~The cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the~~

~~members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchases, provided, however, that the Cooperative may upon the authorization of the board of directors, purchase stock in or become a member of (a) any corporation organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or (b) with the approval of the Administrator of REA, any other corporation for the purpose of acquiring electric facilities.~~

### **Article XIII XII** **Seal**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and words, "Corporate Seal, Illinois."

### **Article XIII** **Borrowing Authority**

The Cooperative's Board of Directors is authorized to borrow amounts which together with the aggregate amount of existing indebtedness shall not exceed \$100,000,000.

# NEWS, NOTES & VIEWS 10/99



## Two South Main Street, Winchester

We've put a new, much needed coat of paint on the office building, replacing the mint green, sometimes called "IREC" green, and there's a new canvas awning to replace the metal one which was retired last year.

The old sign with Willie Wirehands and "Co." instead of "Cooperative" is still up. We haven't decided what, if anything, to do about that. Your thoughts?



## Illinois Rural Electric Cooperative

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**touch-stone** \ˈtəch-,stōn\ *n* **1** : stone related to flint and formerly used to test the purity of gold  
**2** : a test or criterion for determining quality or genuineness **3** : **Touchstone Energy<sup>SM</sup>** : a nationwide alliance of electric co-ops

NO MATTER HOW YOU DEFINE IT, ELECTRIC COOPERATIVES ARE GOOD FOR AMERICA. WE PROVIDE AT-COST POWER, RELIABLY AND AFFORDABLY, TO BUSINESSES AND INDIVIDUALS ALIKE. THAT'S THE WAY IT'S BEEN FOR DECADES. AND THAT'S THE WAY IT WILL STAY.

NOW, ELECTRIC COOPERATIVES ACROSS THE UNITED STATES ARE COMING TOGETHER IN A NATIONWIDE ALLIANCE CALLED **TOUCHSTONE ENERGY<sup>TM</sup>**.

WE'RE NOT CHANGING OUR NAME, OUR OWNERSHIP, OR OUR COMMITMENT TO YOU. YOUR BUSINESS AND YOUR VOICE ARE STILL VERY IMPORTANT TO US.

AS A **TOUCHSTONE ENERGY<sup>TM</sup>** PARTNER, WE'LL BE SHARING IDEAS AND ADVANCED TECHNOLOGIES WHILE CONTINUING OUR DEDICATION TO BUSINESSES AND INDIVIDUALS IN THE COMMUNITIES WE SERVE.

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## Illinois Rural Electric Cooperative

<http://www.touchstoneenergy.com>





**Training session: Left to right, Gary Harbison (back to camera), Brad Kemper, instructor Chad Waybright from Utility Equipment Resources, Melvin Funk and Gary Furniss. In the photo at the right, Nick Freeman appears to be carrying the pole. In fact, it's the new digger/derrick.**

## New Equipment Essential to Improved Service

As we discussed at the annual meeting, the Cooperative has made a substantial commitment having the equipment necessary to meet its goals. Those include reducing the number of outages and reducing their length, and improving service while the work force declines as a result of attrition, that is people retiring or leaving of their own choice.

Achieving those goals means that the Winchester based line crews, the area service people, and the right-of-way maintenance personnel increasingly enjoy new equipment like these digger/derricks. Nobody, we believe, can be expected to do an outstanding job with inadequate equipment.

It's also the case, that the total costs of owning and operating new and relatively new equipment are no higher — oftentimes lower — than the costs of operating equipment too old and worn for the job.

We have two of these new digger/derrick trucks. They are state of the art. Let us mention just a few

features. They can reach 47 feet. The center-mounted derrick is more stable than corner mounts. They are equipped with hydraulic devices to pull old poles, rather than putting stress on the derrick. The winch in the front bumper, unlike the older trucks, can be safely operated from within the cab, and it's fully enclosed.



**Posing with one of the new trucks in the yard in Winchester are Kevin Baird and Matt Clayton.**

# NEWS, NOTES & VIEWS 11/99

## ***“Illinois Rural Electric Cooperative, this is Donna . . .”***



The voice most likely to answer your phone call belongs to Donna Lawson, above, the Cooperative's receptionist, who celebrated her 35<sup>th</sup> anniversary this year. She's our most senior employee by a couple of years of service.

We wondered if she remembered the first day. You bet. "I was excited about this new adventure, and I had to wait outside for the Cooperative to open. Then I went in to talk with the assistant manager, Bill Hanback, who took care of payroll. . ."

What's the most important thing she's learned here? ". . . Getting along with everybody," she replied.

The greatest change? "Computers, of course. When I first came, we did everything by hand. There was a huge billing machine, and if you made a mistake, you had to erase and erase."

A lifelong Winchester resident, Donna has been a 4-H volunteer for "several" years as a way to give something back to the community. She's chaired the 4-H clothing show — "Everybody should be able to sew" — a longstanding annual event. She's also active with the Scott County Fair, and serves on the fair board.

The Cooperative and its members are fortunate to have employees like Donna Lawson. Think about thanking her the next time that she answers your call.



## **Illinois Rural Electric Cooperative**

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## **Rural Utilities Service Distance Learning and Telemedicine program**

### ***Grants and Loans for Rural America***

The Distance Learning and Telemedicine Program is designed specifically to meet the educational and health care needs of rural America. Through loans, grants, and loan/grant combinations, advanced telecommunications technologies provide enhanced learning and health care opportunities for rural residents.

#### **Grant Program Features**

- ✓ Annual application period
- ✓ Competitive process
- ✓ 30% matching contribution
- ✓ \$50,000 minimum
- ✓ \$350,000 maximum

#### Eligible Purposes:

- ✓ Acquiring equipment
- ✓ Computer hardware and software
- ✓ Audio and video equipment
- ✓ Computer network components
- ✓ Terminal equipment
- ✓ Inside wiring
- ✓ Interactive video equipment, and
- ✓ Any other facilities which further
- ✓ Distance Learning and
- ✓ Telemedicine
- ✓ Acquiring instructional programming
- ✓ Providing technical assistance and instruction for using eligible equipment.

#### Competitive Scoring Criteria:

- ✓ Need for services and benefits
- ✓ Rurality of the project service area
- ✓ Economic need as estimated by the school lunch program
- ✓ Ability to leverage resources
- ✓ Innovativeness
- ✓ Cost effectiveness of the system

## **Loan/Grant Combination Program Features**

- ✓ Applications accepted year-round
- ✓ Noncompetitive application process
- ✓ No matching contribution
- ✓ \$50,000 minimum

#### Eligible Purposes:

- ✓ All eligible grant purposes
- ✓ Medical or educational equipment
- ✓ Links between teachers and students or medical professionals in the same facility
- ✓ Site development and alteration of buildings
- ✓ Purchasing land
- ✓ Purchasing or constructing buildings
- ✓ Acquiring telecommunications transmission facilities provided no facilities exist

#### **Loan Program Features**

- ✓ Applications accepted year-round
- ✓ Noncompetitive process
- ✓ No matching contribution
- ✓ \$50,000 minimum

#### Eligible Purposes:

- ✓ All eligible loan/grant purposes
- ✓ Project operating costs during the first two years
- ✓ Educational broadcasting for distance learning purposes

**This program has funded 252 projects in 43 states and two US territories, totaling \$68,000,000.**

**Just think what we could do here.  
For more information, visit the Rural  
Utilities Service Website at**

**[www.usda.gov/rus/dlt/dlml.htm](http://www.usda.gov/rus/dlt/dlml.htm)**

**or call us at Illinois Rural Electric  
Cooperative.**

## Scholarships

For the fifth consecutive year, Illinois Electric Cooperatives will award \$1,000 academic scholarships to high school seniors. The three scholarships are being awarded through the Illinois Electric Cooperative Memorial Scholarship Program. Because of the success of the program, an extra scholarship was added this year for children of cooperative members.

High school seniors pursuing a college education in the state of Illinois are eligible to participate in the program. Two of the three scholarships will be awarded to the child of an electric cooperative member. One award will go to the child of an electric cooperative director or employee. Deadline for applications to be returned to the cooperative is January 1, 2000.

"The purpose of the scholarship program is to assist electric cooperative youth while honoring past rural electric leaders through memorial gifts," said Patty Brogdon who, among other duties coordinates Illinois Rural's school programs. "Illinois Rural Electric Cooperative and the other Illinois electric cooperatives want to help in their communities. One of the best ways we can do this is by lending a hand to our young people."

Candidates are judged on the basis of grade point average, college entrance exam scores, work and volunteer experience, school and civic activities, and a short essay, which demonstrates their knowledge of electric cooperatives. Illinois Rural Electric Cooperative does not supervise or take part in the judging.

The scholarship program was established in 1994 by the board of directors of the Association of Illinois Electric Cooperatives. For more information, call Patty Brogdon at Illinois Rural Electric Cooperative at 217-742-3128. Or e-mail [pat@e-co-op.com](mailto:pat@e-co-op.com).

## Continuing Education



Education, of course, is the fifth\* of the cooperative principles. Shown above is Robert A. Brown, vice president of the board of directors of Illinois Rural Electric Cooperative, receiving a certificate for completing a series of director education courses from National Rural Electric Cooperative Association executive vice president Glenn English. F. Alan Heaton, secretary of the cooperative, received a similar award, but was not present for photographs.

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\*The first cooperative principle is open membership; the second — democratic member control; the third — members' economic participation; the fourth — autonomy; the sixth — cooperation among cooperatives; and the seventh — concern for the community.

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# NEWS, NOTES & VIEWS 12/99

## Illinois Rural Electric Cooperative Community Trust

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### The Best of the Holiday Season Throughout the Year

The best part of the holiday season may be helping others and improving our communities.

The Cooperative's Board of Directors has created a Community Trust which will give you the opportunity to do just that — help individuals and organizations throughout our service area, throughout the year.

Other electric cooperatives across America have done much the same for a number of years, and their programs have made significant contributions.

Here's how it will work:

If you don't want to be part of the program, you'll need to notify us; there will be forms to do that with your monthly statement.

If you chose to help your community this way, your monthly bill will be for the next highest dollar, up from \$54.61 to \$55.00, as an example.

The 39 cents in that example would go to the Community Trust. In all, we hope that we may be able to raise about \$40,000 a year this way.

The Community Trust's board, made up of members of the Cooperative's board, will make donations from the funds every three months.

We'll report to you regularly on the Community Trust's progress and its donations, and we'd welcome your suggestions. We've applied to the IRS for a 501(c)(3) exemption, and we expect to start collecting funds in March.

At the present time, we get requests from many, good and worthy community organizations and we're not able to respond to as many as we'd like. But with your help, we could do more.



## Illinois Rural Electric Cooperative

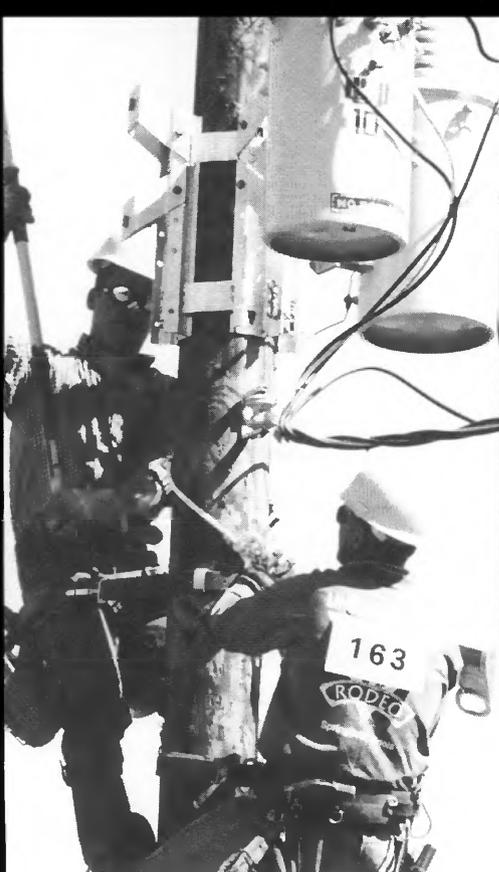
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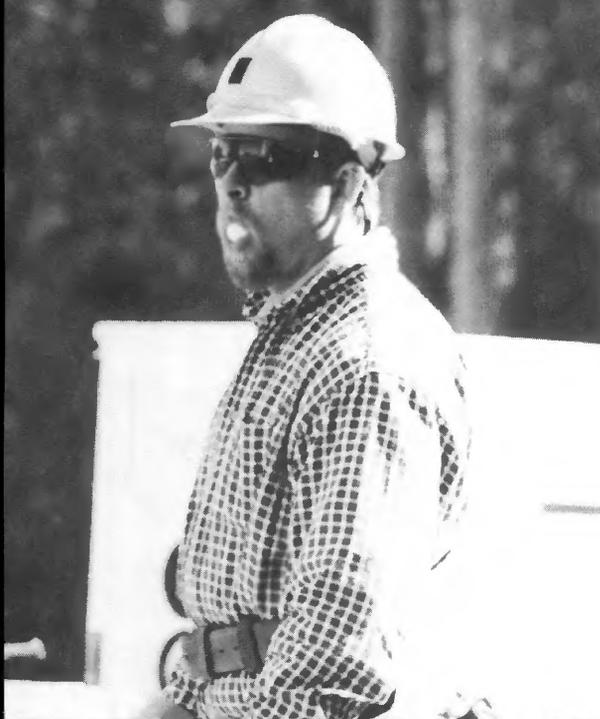
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## Linemen's Rodeo



Illinois Rural Electric's championship teams at the annual safety event: top left, Matt Clayton with Sam Surratt changing transformers; above Sam at a pole top rescue: and at left Chad Gregory with Brad Kemper changing transformers.



At the left, Brad Kemper at the egg climb — a show of good humor and dexterity; upper right, Kevin Baird at a pole top rescue; and above Gary Harbison, caught between events.

# Holiday Specials

Take 10% off any appliance in stock during the entire month of December.

10% off Maytag®!

10% off Magic Chef®!

If we've got it, you can have it for 10% less than our competitive everyday prices.

10% off GE Smartwater® softeners!

Sign up for surge protection and get the first three months for FREE!

Sign up for water heater protection and get the first three months FREE!