



RuralHIGHLIGHTS

Local News from Rural Electric Convenience Cooperative

Innovation Through Technology



Melvin Repscher
Board Chairman



David Stuva
President/CEO

The founders of Rural Electric Convenience Cooperative shared a relentless vision – bring electricity to rural Illinois and improve the quality of life. The use of electricity grew from powering one small light bulb, to literally powering our access to the world. Just imagine what our ancestors would think if they could see how the co-op's vision and use of technology has expanded over the last 81 years.

Innovative solutions from NISC, our technology cooperative, enable us to provide more effective two-way communications. With our SmartHub App, you can log onto RECC's website and access your accounts 24 hours a day. You can pay your bill online, view your energy use, report service issues and access outage maps, all without directly communicating with an employee. Through this system, we can also send customized messages to alert you of planned service interruptions or explain the cause of a line outage.

Deploying state-of-the-art solutions, like our 2004 investment in Automated Metering Infrastructure (AMI), enables the co-op to collect hourly meter readings, pinpoint

outages, improve service reliability and provide detailed usage information for our members.

Since 2011, RECC Linemen have used NISC software and iPads to look up account information, open and close outages, send/receive email, review digital maps, receive work orders and complete timesheets. Linemen even take outage photos that are used to keep members updated on Facebook and Twitter.

By embracing technology, RECC has implemented numerous services well ahead of many larger investor-owned utilities and municipals. We've proven that even though we may be small in comparison, technology enables us to compete with anyone.

Lower electric rates started January 1, 2018

Effective Jan. 1, 2018, RECC began a new 10-year and five-month Wholesale Power Supply Contract with NextEra Energy Marketing, LLC. NextEra sells electricity to utilities, cooperatives, municipal systems, retail electricity providers and large industrial customers. NextEra is the world's largest generator of renewable energy from the wind and the sun, and its nuclear fleet is the third largest in the country.

During 2017, the Power Cost Adjustment (PCA) charge on all member bills was 8.5 mils per KWH, or \$8.50 per thousand KWHs. At the Dec. 21, 2017 RECC board meeting, the directors approved the 2018 Operating Budget, which reflected the lower wholesale power costs

from our NextEra contract. The board lowered the Power Cost Adjustment (PCA) from a "charge" of \$.0085 per KWH to a "credit" of \$.006 per KWH, a savings of 1.45 cents per KWH!

A member who uses 1,000 KWHs per month will save \$174 a year, compared to what they would have paid in 2017. A member who uses 5,000 KWHs per month will save \$870 a year, compared to what they would have paid in 2017.

The lower cost per KWH started Jan. 1, 2018 and was reflected on the February 2018 electric bills. In addition to lower power costs and stable rates, the board will also have an opportunity to build equity by retaining higher margins and retire past Capital Credit Equity.

"All RECC Rates are now lower than they were nine years ago!"

Modern technology has changed how we do a lot of our work, but our vision remains steadfast – to provide reliable power, quality service and affordable electric rates.

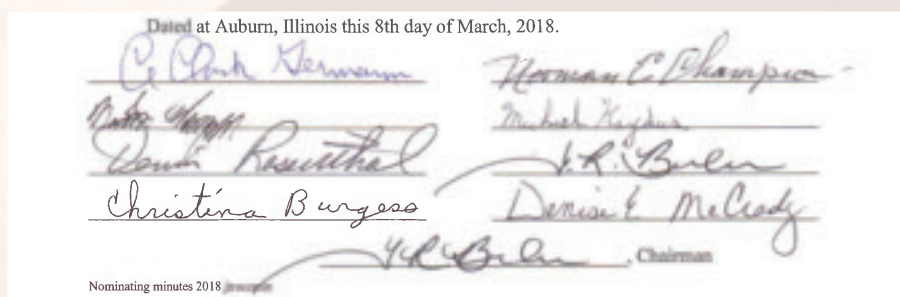
Report of the Nominating Committee of Rural Electric Convenience Cooperative Co.

Each of the undersigned being members of Rural Electric Convenience Cooperative Co. and having been appointed by the Board of Directors of the Cooperative to the Nominating Committee make this report to the Board of Directors of the Cooperative.

The Nominating Committee members met at the Cooperative headquarters at Auburn, Illinois on March 8, 2018, at the hour of 6:30 o'clock p.m. We further report that we nominated the following members from each of the following respective Districts of the Cooperative for election to the Board of Directors of the Cooperative at the annual meeting of members to be held on June 7, 2018, to serve until the third subsequent annual meeting of members thereafter:

District No.	Name	Address
District 7	Andy Goleman	1248 E. Divernon Rd Divernon, IL 62530
District 8	Lou Weitekamp	3253 Illinois Rt. 48 Raymond, IL 62560
District 9	Cassie L. Eigenmann	11767 Hurricane Timber Ln. Modesto, IL 62667

The undersigned further report that after taking the foregoing action, the Nominating Committee duly adjourned.



Candidate Profiles & Statements

District 7 Candidate Profile: Andy Goleman



Andy Goleman has spent most of his adult life in service to the public. Andy has been a member of the Divernon School Board and president of the Sangamon County Farm Bureau Board. He served on the Illinois Farm Bureau Board, Country Financial Board and the Illinois Corn Growers Board as a Director. For more than two decades, Andy served on the Sangamon County Board, including 13 years as the Chairman of the Finance Committee where he oversaw a \$100 million annual budget.

Andy was appointed Sangamon County Auditor in June 2015 and was elected to a full term in November 2016. He currently serves as the

County Auditor and continues to be actively involved on the family farm in the Divernon/Pawnee area. Andy graduated from Divernon High School before receiving an Associate of Arts degree at Lincoln Land Community College. He then earned a B.A. in Mass Communications and a double minor in History/Political Science at Western Illinois University. He is a member of the Divernon United Methodist Church and a former Chairman of the church's board.

Candidate's Statement:

I have had the privilege to represent District 7 on the RECC Board since 2013. My goal is to continue working with the Board, staff and management to provide reliable service at a reasonable cost, utilizing the most modern

technology available. The new NextEra contract, that the Board entered into, has already reduced rates for the next year and the foreseeable future. Listening to the member owners has led to the introduction of important new technologies, such as outage notification, electronic communications and numerous payment options.

We have many challenges which we will meet head-on. With our dedicated employees and a strong board of directors, we will continue to provide you with a first-class electric cooperative. I am humbled and honored to have been your RECC Director for the last five years and I would ask for your continued support with your vote to serve as your District 7 Director.

District 8 Candidate Profile: Lou Weitekamp



Lou Weitekamp grew up on a family farm near Farmersville. After high school, he earned a degree from SIU Carbondale in Architectural

Drafting and Design, working 40 years in Peoria in architecture and construction. He and his wife, Judy, are the parents of two sons and grandparents

to six grandchildren. In 2005, Lou and Judy retired from their careers and moved back into the RECC area west of Raymond. Lou enjoys living near family, being involved in church, traveling to visit children and grandchildren, gardening and volunteering at Love Packages in Butler.

Candidate's Statement:

As a member of the RECC board

for nearly eight years, I have attended many meetings and educational opportunities to better equip me for the necessary decisions of our cooperative. I'm pleased with the progress that RECC has made to lower electric costs and will continue to act in the best interest of the member owners of this fine co-op.

District 9 Candidate Profile: Cassie Eigenmann



Cassie has served on the RECC Board since 1998. She has a B.S. degree from Eureka College and has taken multiple graduate courses in the fields

of Business Management, Agricultural Spectroscopy and Computer Science. She has also achieved Credentialed Director, Board Leadership, and Director Gold status for the co-op, having taken more than 40 courses and seminars related to the electric industry.

Cassie retired from the DICKEY-john Corporation in 2014 after 40 years of service in various capacities of manufacturing, marketing and engineering. Post retirement, she was awarded a

lifetime membership in the National Conference on Weights and Measures in order to continue her governmental regulatory work in agriculture. Cassie is also an active member of the Koke Mill Christian Church and serves as Usher and Prayer Intercessor.

Candidate's Statement:

I am grateful for the opportunity to have served you as your director for over 19 years. I continue to learn and stay informed in the ever-changing electric industry by attending seminars and classes on the latest concepts, government regulations and industry innovations. Because of our leadership and our push for continued education, RECC is recognized among other co-ops

as a progressive organization, always exploring new ways to increase service and decrease cost. I am proud to be a part of that kind of success!

As the electric industry continues to grow and experience major changes, we, as directors, have successfully endeavored to meet challenges "head-on" in keeping our electric rates low and our service reliable.

I take my position on the board of directors very seriously, prayerfully, considering each decision in the best interest of our members. It is with both pride and humility that I ask for your support to continue serving as one of your directors, as we position our co-op for continued success in a challenging industry environment.

Minutes of the 2017 Annual Membership Meeting

The 2017 Annual Meeting of Members of Rural Electric Convenience Cooperative Co. was held at Glenwood High School, Chatham, on June 8, 2017, pursuant to Article III, Section I, of the bylaws and Notice by the Secretary of Rural Electric Convenience Cooperative Co.

Vice Chairman Chris Wilcox welcomed the members. He introduced Reverend Ralph Imler, Ambassador Baptist Church, Chatham, who delivered the invocation. Vice Chairman Wilcox then led the members in the Pledge of Allegiance and National Anthem.

Chairman Mel Repscher called the meeting to order at 7 p.m. and announced that a quorum was present with 256 members

registered in person or by proxy. Chairman Repscher announced the meeting would be conducted in accordance with Robert's Rules of Order and voting to be conducted according to State law.

Secretary/Treasurer Lou Weitekamp read the Official Notice of the 2017 Annual Meeting.

Chairman Repscher introduced each member of the Board of Directors. He introduced Attorney Jerry Tice and Cooperative President/CEO David Stuva. Chairman Repscher then appointed Shelley Crocks as Recording Secretary and appointed Vince Fisher Sergeant at Arms.

The minutes of the 2016 Annual Meeting of Members were presented to the members. Chairman Repscher called for a motion to approve same as presented. Upon motion duly made, seconded and approved by voice vote, the minutes of the 2016 Annual Meeting of Members were approved as presented.

Director Andy Goleman introduced Representative Avery Bourne; Director of the Illinois Department of Natural Resources, Wayne Rosenthal; Springfield District Director for Congressman Darin LaHood, Hal Smith; President & CEO of IMEA, Kevin Gaden and NextEra Energy Marketing, LLC

Continued on page 20h ►

Your Neighbors Serving as Your Cooperative's Directors





David Stuva
President/CEO



Andrew Boston
2nd Yr Apprentice
Lineman



Travis Boylen
Journeyman
Lineman



Chris Bridges
Engineering
Technician



Dalton Brown
1st Yr Apprentice
Lineman



Shelley Crocks
Senior Member
Accounts
Representative



Matt Evans
1st Yr Apprentice
Lineman



Becky Grossner
CIS-AMI Administrator



William Hart
Journeyman
Lineman



Tim Hemberger
Manager of Operations
and Maintenance



Sean Koen
Journeyman
Lineman



Jeff Lancaster
Manager of Member
Services



Sandy Lex
Member Services
Liaison



Dave McCarty
Warehouseman



Aubrie Megginson
Senior Accountant



Jill Mortimer
Member Accounts
Representative
(Part-Time)



Curtis Nicholson
Line Foreman



Shane Norris
Journeyman
Lineman



Matt Sheerin
Manager of Finance
and Administration



Stefan Sporrer
Custodian



Brandon Taylor
Network
Administrator



Walter Wallace
Journeyman
Lineman



**Kenneth
Williamson**
Line Foreman

Employees

Rural Electric Convenience Cooperative

Your Touchstone Energy® Partner 

Revenue and Expenses

For the year 2017 compared to 2016

OPERATING REVENUES

	2017	2016
Operating Revenue and Patronage Capital	\$14,783,767	\$15,118,580
Other Electric Revenue	\$200,798	\$261,103
TOTAL OPERATING REVENUES	\$14,984,565	\$15,379,683

OPERATING REVENUE DEDUCTIONS

Cost of Purchased Power	\$10,124,771	\$9,926,949
Transmission Expense	\$8,026	\$1,333
Operations Expense	\$470,082	\$455,733
Maintenance Expense	\$777,779	\$853,954
Consumers' Accounting and Collecting Expenses	\$295,118	\$314,318
Customer Service and Informational Expense	\$96,715	\$114,663
Demonstration Salaries and Expenses	\$87,403	\$83,385
General Office Salaries and Expenses	\$662,707	\$668,131
Engineering, Legal and Accounting Services	\$50,572	\$120,972
Other Administrative and General Expenses	\$301,012	\$324,478
Maintenance of General Plant	\$116,203	\$138,424
Depreciation Expenses	\$1,391,377	\$1,350,167
Taxes	\$14,552	\$12,075
Interest on Long-Term Loans	\$895,185	\$852,968
Short-Term Interest	\$33,371	\$33,914
Other Deductions	\$44,556	\$44,441

TOTAL OPERATING REVENUES DEDUCTIONS	\$15,369,429	\$15,295,905
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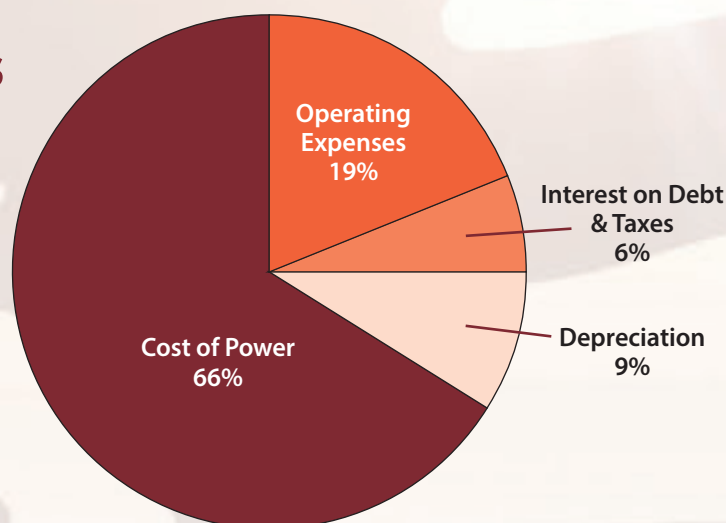
ELECTRIC OPERATING MARGINS (DEFICIT)	(\$384,864)	\$83,778
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Capital Credits-Associated Organizations	\$233,474	\$126,823
Capital Credits - G & T	\$0	\$0
Non-Operating Margins (Net)	\$50,903	\$22,474

PATRONAGE CAPITAL AND MARGINS (DEFICIT)	\$284,377	\$149,297
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NET PATRONAGE CAPITAL AND MARGINS (DEFICIT)	(\$100,487)	\$233,075
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Where Your Dollar Goes



Balance Sheet

As of December 31, 2017 and December 31, 2016

ASSETS

	2017	2016
Total Utility Plant.....	\$52,407,732	\$51,072,219
Less: Provision for Depreciation.....	\$18,092,838	\$17,028,501
Net Utility Plant.....	\$34,314,894	\$34,043,718
Cash.....	\$52,849	\$47,515
Investments and Restricted Funds.....	\$1,547,050	\$1,471,968
Accounts, Notes and Interest Receivable	\$1,530,626	\$1,605,142
Materials and Supplies	\$636,407	\$496,112
Other Assets	\$1,509,657	\$1,918,574
TOTAL ASSETS.....	\$39,591,483	\$39,583,029

LIABILITIES

Memberships.....	\$24,260	\$24,200
Consumers' Deposits.....	\$502,355	\$494,585
Accounts Payable	\$1,467,021	\$1,440,330
Accrued Taxes and Interest.....	\$271,561	\$341,385
Patronage Capital.....	\$11,573,525	\$11,412,550
Operating Deficit (Prior Years)	\$0	\$0
Margins (Deficit)	(\$151,390)	\$210,601
Other Equities.....	\$682,981	\$630,792
Other Deferred Credits.....	\$204,721	\$250,712
Long-Term Debt to CFC & CoBank	\$23,959,903	\$23,065,261
Other Noncurrent Liabilities.....	\$286,546	\$272,613
Notes Payable	\$770,000	\$1,440,000
TOTAL LIABILITIES AND EQUITY.....	\$39,591,483	\$39,583,029

Audit

The firm of Dreyer & Kelso, certified public accountants of Mission, Kansas, made an audit of all records of the Rural Electric Convenience Cooperative Co., for the year ending Dec. 31, 2017.

The firm submitted the report of the audit to all members of the board of directors, the attorney and copies are retained for the cooperative records. This report stated that the accounts of said cooperative are in accordance with the Rural Utilities Service accounting procedures and in their opinion, the balance sheet, related statement of revenue and expenses and patronage capital and other equities presented fairly the financial position of the cooperative as of Dec. 31, 2017.

"Minutes" continued from 20c

Representative, Holly Carias along with other guests.

Vice Chairman Wilcox and Chairman Repscher presented service awards to Journeyman Lineman, Travis Boylen, 10 years; CIS/AMI Administrator, Becky Grossner, 15 years; Manager of Finance and Administration, Matt Sheerin, 15 years; Journeyman Lineman, Tim Hemberger, 30 years; Manager of Operations and Maintenance, Lou DeLaby, 45 years. Lou will receive his pin in October 2017.

Vice Chairman Wilcox stated Lou DeLaby will be retiring in the spring of 2018 and Journeyman Lineman Tim Hemberger will be his replacement.

Vice Chairman Wilcox stated Dana Smith, Manager of Member & Public Relations, will be retiring later this year. Jeff Lancaster has been named as his replacement.

Vice Chairman Wilcox announced Jacob Harris, Pawnee, and Savannah Norris, Auburn, as the Cooperative winners for the Youth to Washington trip.

Vice Chairman Wilcox stated Madalyn Crawford has been selected to receive a 2017 Thomas H Moore IEC Memorial Scholarship. She is the daughter Stanley and Shay Crawford of Girard.

Secretary/Treasurer Weitekamp presented the Treasurer's Report. He stated interest, depreciation, taxes, required operating margins and the cost of purchased power combine for nearly 80 percent or \$15,379,683 of the co-op's total revenue collected. Twenty percent is operating expenses.

Chairman Repscher recognized Director Clayton Bloome and himself having earned Director Gold by completing training by the National Rural Electric Cooperative Association. Chairman Repscher also recognized Director Andy Goleman receiving his Board Leadership certificate and the Director Gold certificate.

President/CEO Stuva stated AIEC conducted a survey in 2016 to determine overall member satisfaction. Rural Electric's ACSI score was an 85. The average national rating for investor-owned utilities was 74, average for municipal utilities was 73 and the average for Illinois electric co-ops was 85.

President/CEO Stuva stated there was a 90 percent overall satisfaction rating among our members. Top satisfaction was prompt outage response, knowledgeable employees and reliable electric service. Rural Electric received

higher ratings in all 13 attributes for satisfaction compared to our 2013 results.

Chairman Repscher stated 82 percent of our members say they receive good value for their electric payments. Chairman Repscher also stated significant improvement with after-hours contact, going from 78 percent to 88 percent. He stated we will continue to add electronic messages to our communications options, including Facebook and other social media.

President/CEO Stuva stated Morrisonville Grade School and South Fork Elementary School in Kincaid received a \$500 mini grant through our Touchstone Energy Classroom Empowerment Grants.

President/CEO Stuva stated the employees donated \$550 with the co-op matching, to the Panhandle Food Pantry in Raymond, as a show of support for the communities serviced by the co-op.

President/CEO Stuva stated several employees helped Sangchris Lake State Park by clearing small brush and spreading gravel on the 1,200-foot trail to the historic Taylor Cemetery.

Chairman Repscher discussed the Co-op Connections Card as a program that was created to help promote local businesses while providing savings for electric cooperative members. Local businesses in several towns have offered Co-op Connections discounts to our members.

President/CEO Stuva stated crews upgraded 2.3 miles of three-phase feeder line from overhead to underground cable along Route 104 to the east and north sides of Auburn.

President/CEO Stuva stated the Sicily and Taylorville substation transformers were upgraded to handle new system loads and backfeeding.

President/CEO Stuva stated the cooperative's vehicles have new logos that are easier to recognize.

President/CEO Stuva informed the membership there will be a change in power supply that will take place Jan. 1, 2018. Rural Electric has had a wholesale power supply contract with the Illinois Municipal Electric Agency since Jan. 1, 2009.

Chairman Repscher stated the Board did an extensive evaluation of the proposals from seven wholesale power providers. On Oct. 18, 2016, we approved a 10-year and 5-month power supply agreement with NextEra Energy Power Marketing, LLC.

Chairman Repscher stated the Board locked in our capacity needs and costs for the entire term of the NextEra contract to avoid the uncertainty of future power auctions or changes in the regional control organizations. He stated our NextEra Power Supply contract provides lower wholesale power costs than we are currently paying. This will enable the Board to keep our rates stable and possibly remove the current Power Cost Adjustment or even change it to a monthly credit on members' bills.

Chairman Repscher stated the Board will also have an opportunity to build equity by retaining higher margins and rotate equity through Capital Credit Retirements.

Chairman Repscher called upon Stacey Hart, Nominating Committee Chairman, to present the Committee Report. Ms. Hart reported the Nominating Committee met on March 9, 2017 as stated on page 18B of the Annual Meeting Notice and nominated Thomas Hart as a candidate for Director District 4, John Beatty as a candidate for Director District 5, and Melvin Repscher as a candidate for Director District 6.

Chairman Repscher called on Attorney Jerry Tice to conduct the election of Directors. Attorney Tice reported that no nominating petitions had been filed before the meeting for Districts 4, 5 and 6. Accordingly, the candidates for Director District No. 4, Thomas Hart, Director District No. 5, John Beatty and Director District No. 6, Melvin Repscher, are nominated for a three-year term. The Chair entertained a motion to accept the nominations of the Nominating Committee and to direct the Secretary to cast a unanimous ballot for the nominees of these three districts. The motion was offered and seconded and upon voice vote, the Chair declared that the motion was unanimously carried, there being no opposing votes.

Chairman Repscher called for any unfinished business and new business. He informed the members of next year's Annual Meeting on June 7, 2018 and thanked all of the members for attending this year's meeting. Prize drawings were then held.

There being no other business, upon motion duly made, seconded and unanimously adopted, Chairman Repscher declared the meeting adjourned sine die.

Respectfully submitted,
Secretary

RURAL ELECTRIC CONVENIENCE COOPERATIVE'S

Illinois Country Living

JUNE 2018 • ICL.COOP



INNOVATION THROUGH TECHNOLOGY

RECC's Annual Meeting Report pages 20a-20h

Thursday, June 7, 2018

Glenwood High School

1501 E. Plummer Blvd.

Chatham, IL

Please bring this booklet to the Annual Meeting to save time in registering!

Rural  Electric
Convenience Cooperative

Your Touchstone Energy® Partner 

Official Meeting Notice

NOTICE IS HEREBY GIVEN that the Annual Meeting of members of RURAL ELECTRIC CONVENIENCE COOPERATIVE CO. will be held at the Glenwood High School, Chatham, IL, at the hour of 7:00 p.m. on Thursday, June 7, 2018. This meeting is called pursuant to Section 1, Article III of the cooperative's bylaws to take action on the following matters:

1. To receive reports of the officers, directors and president/CEO.
2. To elect three directors for three year terms to the Board of Directors.
3. To take action on any other matters that may properly come before the meeting.

Attendance of four (4) percent of the members entitled to vote, in person or by proxy, is required to transact the business of the meeting. If you cannot attend, please execute a proxy and give it to another member who plans to attend. The person designated may act for you in any business matter and at the election at your Annual Meeting. Each member present may vote one proxy. Your proxy is located on the back page of this publication.

John Beatty, Secretary-Treasurer
Rural Electric Convenience Cooperative Co.

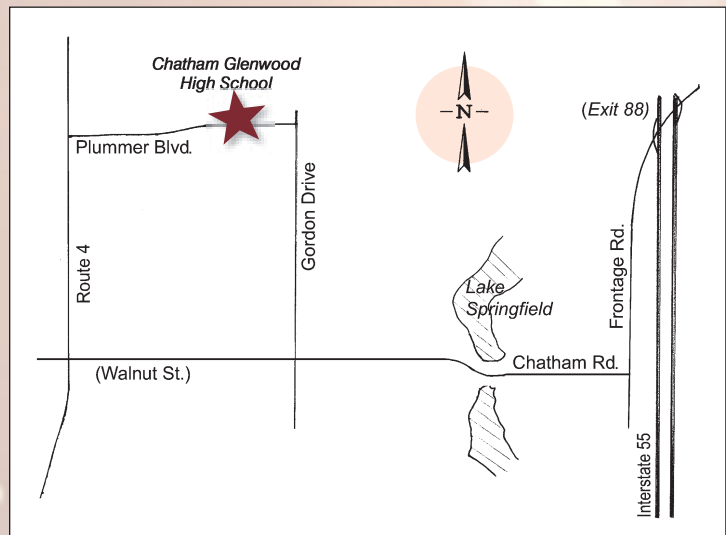
Directions to Glenwood High School

From I-55:

Take the Chatham exit (Exit 88), turn west and follow the frontage road as it curves south, 1 mile to Chatham Road. Turn west on Chatham Road, 1.8 miles to Gordon Drive. Turn north, $\frac{3}{4}$ mile to Plummer Blvd. Turn west on Plummer to high school parking lot.

From Highway 4:

Turn east on Plummer Blvd. at north edge of Chatham. Follow Plummer $\frac{3}{4}$ mile to high school.



See inside back cover for the Annual Meeting Agenda

Rural Electric Convenience Cooperative Co.

Annual Meeting Agenda

June 7, 2018

5:00 p.m.

Registration, Pork Dinner

6:50 p.m.

Invocation, Pledge of Allegiance, National Anthem

7:00 p.m.

1. Call to Order
2. Announcements, Introductions, Approve 2017 Minutes
3. RECC Service Awards
4. Treasurer's Report
5. Chairman's Report
6. President/CEO's Report
7. Nominating Committee Report
8. Conduct Election of Directors
9. Unfinished Business
10. New Business
11. Attendance Prize Drawings
12. Adjourn



Be sure to bring your
Co-op Connections[®] card
to receive a free gift.



Annual meeting attendees may be photographed during the event. These photos are for RECC use only and may appear in RECC publications such as newsletters, press releases, social media sites or future RECC promotional material.

Proxy

Please give your proxy to a member who plans to attend the meeting, if you are unable to attend.

I am unable to attend my annual meeting but wish to vote by proxy. I do hereby name and appoint _____, a member of Rural Electric Convenience Cooperative Co., to act for me in the matter of electing three members of the board of directors of said cooperative; and said member is also authorized to cast my ballot in all matters coming before the Annual Meeting of members on June 7, 2018.

I certify that I am a member of said cooperative.

Print Member Name

Member's Signature

Registration & Dinner

Registration begins at 5 p.m. and lasts until 6:45. During that time, your family is welcome to try a quarter pound pork burger and many new items provided by Country Girl Catering. We are excited about our new menu, and we believe our members will be too.

For the first time ever, Carl's Ice Cream will be serving its famous ice cream at our annual meeting. We have got the whole truck reserved just for our members. Check out displays from RECC and local vendors, or take a ride 50 feet up in a bucket truck.

Special activities for kids include balloon artist Tim The Twister, along with Sunshyne The Clown painting temporary face and body art with many fabulous designs. Special prizes will be given to youngsters up to 15 years old that participate in our mini-basketball challenge and bean bag toss game.



Annual Meeting Attendance Gifts

Each registered member will receive a \$10 credit on their electric bill, in appreciation of their participation in the cooperative's Annual Meeting. No extra paperwork is necessary – just look for the credit on billing statements going out in early July!

PRIZES

All members in attendance during the business meeting are eligible for one of the many free prizes, including a **\$300 Grand Prize**. Get involved and informed with your cooperative, and stick around for a chance to win a prize!