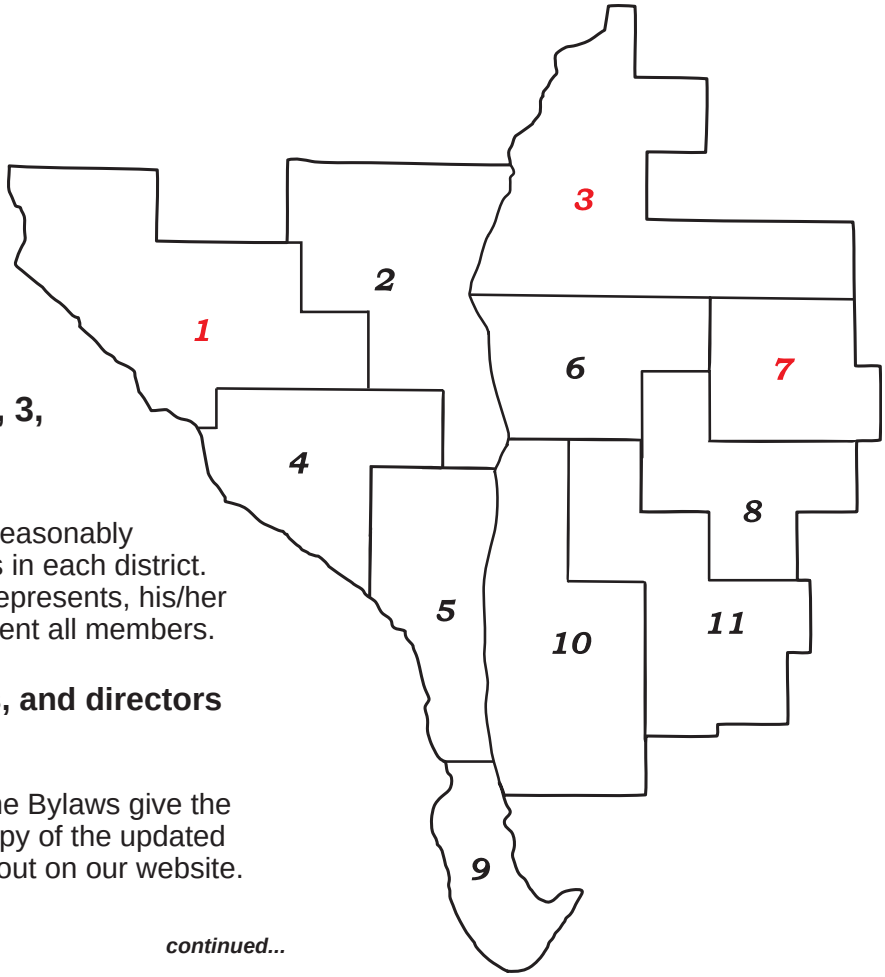
NEWS, NOTES & VIEWS 01/23

2023 Annual Meeting

June 10, 2023



This year there will be three directors elected for districts 1, 3, and 7 at the Annual Meeting.

Director districts have, as close as reasonably possible, the same number of members in each district. Regardless of which district a director represents, his/her duties and responsibilities are to represent all members.

In all, there are eleven districts, and directors serve staggered three-year terms.

This map shows the districts, and the Bylaws give the legal description. Give us a call for a copy of the updated Bylaws if you want one, or check them out on our website.

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Illinois Electric Cooperative

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

www.e-co-op.com
1-800-468-4732

A Touchstone Energy® Cooperative

This institution is an equal opportunity provider and employer.

Working to improve the quality of life in the communities we serve since 1936.

Directors Can Be Nominated in Two Ways, But Not from the Floor at the Meeting.

The Bylaws set up a mechanism for a nominating committee, which shall not include current members of the board of directors. Only a Class A member is eligible to serve on the board, as well as vote. Class A members are those who purchase electricity from the co-op.

That nominating committee is appointed not less than 90 days or more than 210 days before the Annual Meeting, and its nominations are to be posted in the office at least 45 days before the meeting.

If you want to communicate with the Nominating Committee about a possible candidate, or any other matter, write to:

2023 Nominating Committee Illinois Electric Cooperative P.O. Box 80 Winchester, IL 62694

Your letter will be given to the committee unopened.

Any fifteen Class A members may also nominate another member to serve on the board, and such nominations will be on the ballot with those from the nominating committee.

If you want to participate in the election by submitting a petition signed by fifteen members, be certain that in addition to the Class A members' signatures, there is a printed name and address so that the petition can be verified in time for posting 45 days before the meeting.

Remember that often a husband and wife are one membership, not two. A single member may also have more than one meter, but not more than one membership.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected as a director.

Nominations for the 2023 Election Must Be Posted in the Cooperative's Office No Later than April 25, 2023.

A nomination from fifteen Class A members must be received at the cooperative's office no later than 45 days before the Annual Meeting.

Section 3 of Article 4 of the Bylaws Sets Qualifications and Tenure.

"No member shall be eligible to become or remain a director or to hold a position of trust in the Cooperative who is not an actual consumer of goods or services provided by the Cooperative, or who is in any way employed by, or financially interested in a competing enterprise. No person shall take or hold office as a director who is the incumbent of or candidate for an elective public office in connection with which a salary is paid. Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions; the board shall remove such board member from office. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a Director, provided, however, that neither one shall be eligible to become or remain a Director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors."

What Do Directors Do? What Do They Get For It?

Together, Illinois Electric and its subsidiary, IRTC, are a $138,624,000 business, which supplies electricity and internet service to about 15,994 accounts in all or part of 10 counties. There are 54 full-time employees and two part-time employees.

The cooperative, itself, is about average sized among America's 900 electric cooperatives.

The cooperative's directors are responsible for its financial integrity and for its policies.

The cooperative's board of directors is responsible for the organization and IRTC. The board has additional responsibilities to the cooperative's lenders, employees, and the general community.

Basic law requires that a director shall, among other things, undertake the following duties:

- **Care** - Exercise due care and diligence that an ordinary, prudent person in a like position would exercise under similar circumstances, devoting such time and effort to the duties of a board member as may be necessary to oversee the business and affairs;

- **Loyalty** - Be loyal to the cooperative, acting at all times in good faith for its best interests and unaffected by any personal interest that is in conflict with the best interests of the cooperative;

- **Obedience** - Be obedient to the cooperative by adhering to all applicable requirements of law, the Bylaws, policies, contracts, and the cooperative's duly made decisions; and

- **Attention** - Be attentive to and study reports from management on the cooperative, and be attentive to and study additional sources of information concerning the industry and business generally so that the best decisions can be made.

Directors attend monthly meetings, at a minimum, to review financial and management reports and to consider matters brought to them by management and/or other directors.

Directors receive monthly reports and financial statements about the cooperative and IRTC before board meetings. There are additional articles, memos and trade publications they're expected to read.

Five members of the co-op's board serve on the technology committee.

The co-op board and the technology committee meet monthly, and there are additional committee meetings throughout the year, as well as meetings sponsored by electric co-op trade associations and banks.

Serving as a member of the Cooperative's board of directors is a time consuming responsibility. Excluding travel time to meetings, directors spend at least two full days a month on Cooperative business - attending meetings and training and reading to be prepared.

All of the members of the board are expected to pursue ongoing training in Springfield and at other locations.

Directors attend state, regional and national trade association meetings for additional training and to keep abreast of the best practices in the industry.

Directors receive up to $350 per day and out-of-pocket expenses for attending meetings. Additionally, since it's in the cooperative's interests that directors have good internet service to receive material by e-mail, directors get wireless, fiber, or satellite based internet service.

There are two ways members can vote in the election. First, you can vote by being present at the meeting, or, second, by sending your proxy with a member who is attending. Members can vote up to three proxies at the Annual Meeting.

What Does a Petition Look Like?

Here's an example of the form of a petition to nominate a fictional member of the cooperative.

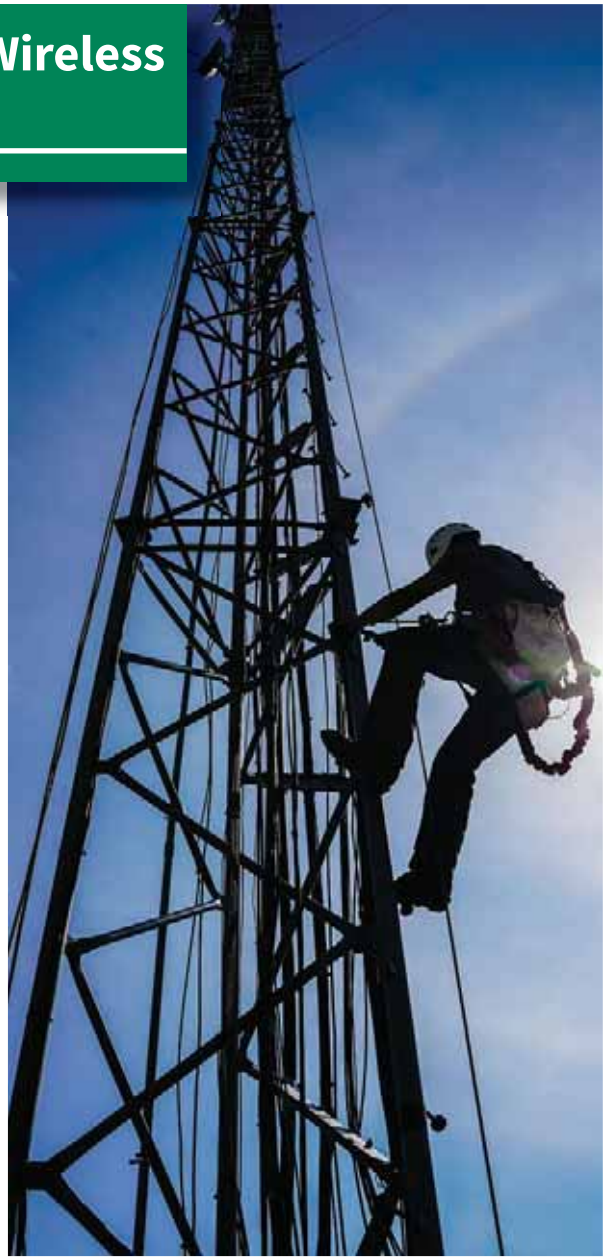
It's important that it state the person's name and address so that we can verify his/her membership.

We, the undersigned Class A members of Illinois Electric Cooperative, nominate Joe Smith, 348 Green Street, Appleville, Illinois to stand for election at the 2023 Annual Meeting of Members for the seat on the Cooperative's Board of Directors representing District Five.

	Signature	Printed Name	Address
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

15 Class A members' signatures are needed, however, to ensure things, it's probably best to have a few extras. Class A members buy electricity from the cooperative.

Improving and Expanding Wireless Internet in Pike County



Internet Service Technician Michael McDade climbing one of the co-op's towers.

The co-op is continuing work in Pike County to expand wireless coverage and increase speeds. Illinois Electric was one of 30 electric cooperatives nationwide that received funds through the Federal Communications Commission's (FCC) Connect America Fund Phase II (CAF-II) auction. The funds awarded to the co-op were made available by the FCC specifically for Pike County.

Through CAF Phase II, the FCC provides funding to service providers to subsidize the cost of building new network infrastructure or performing network upgrades to offer voice and broadband service in areas where it is lacking. CAF is a multi-year program, comparable to extending electricity and phone service to rural America early in the twentieth century and building the interstate highway system in the 1950s and '60s.

The co-op is working with Ericsson and XtremeLTE as technological partners in deploying the infrastructure to make higher wireless speeds possible in Pike County. This expansion is the first carrier-grade technology the co-op has deployed. The new wireless technology is line-of-site but will offer speeds of up to 100 mbp/s for downloads and up to 20 mbp/s for uploads where available.

The co-op will add six new broadcast locations, including south of Atlas, near Chambersburg, north of Pearl, Milton, New Salem, and near Hull, to go along with our existing towers and broadcast sites in the county. Fiber optic cable is being run to towers to increase capacity for subscribers.

The wireless internet project in Pike County is multi-phase and will be completed near the end of 2024. "We've hit some speed bumps along the way with Covid and supply chain issues, but we are excited to bring increased internet speeds to the area soon," said Matt Haverfield, Network Analyst at Illinois Electric.

The higher-speed internet packages are currently only available in the Nebo area. As we deploy more equipment in other places in Pike County to enable faster speeds, we will publish them on our website at *e-co-op.com*.

2023-2024 CEO Programs Accepting Applications

Jamie Headen with Benton and Associates speaking to this year's Morgan-Scott CEO students.

The CEO programs in Morgan, Scott, Greene, Calhoun, and Pike Counties will soon start accpeting applicants for next year's classes. CEO teaches students business and life skills that often sets the students apart from their peers.

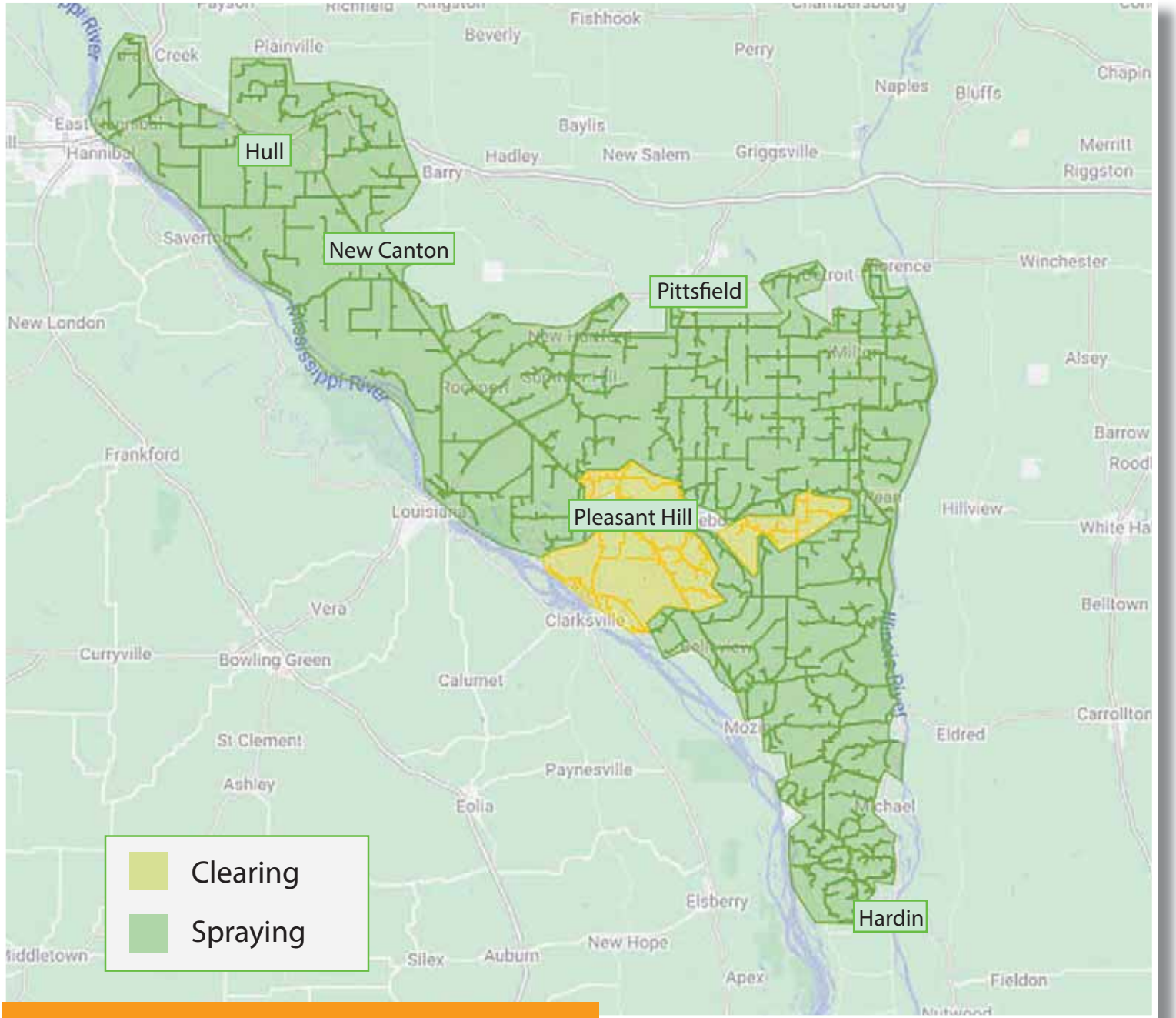
The co-op along with dozens of local investors helped start the Morgan-Scott CEO program eight years ago, with Greene-Calhoun and Pike programs following two years later. The goal: to help retain young people in our service territory by introducing them to the opportunities right in their backyards. As part of this, students in the CEO program start a class and personal business, as well as hear from more than 50 local professionals and business owners from their communities who share their career journeys, experiences, and lessons learned along the way. These connections help students develop professional networks, which sometimes lead to internship opportunities and ongoing mentorships.

CEO®

CREATING ENTREPRENEURIAL OPPORTUNITIES

MORGAN-SCOTT • GREENE-CALHOUN • PIKE

Morgan-Scott, Greene-Calhoun, and Pike CEO programs will officially begin student recruitment for the 2023-2024 classes in February. If you have a child or grandchild who will be a senior in the fall, have him or her speak to their school guidance counselor about applying to be in next year's CEO program.



2023 Right-of-Way Maintenance

The co-op and contractor crews are beginning to do right-of-way clearing and spraying. The map above outlines where crews will be clearing and spraying in 2023.

We trim and cut trees to reduce blinks and outages, and trees in the electric lines are potentially a serious danger. We also do follow up spraying as it's more cost effective than removal. All of our personnel who spray have passed the Illinois Department of Natural Resources tests to ensure full compliance.

For more information on right-of-way clearing, visit our website at e-co-op.com and click on Tree Trimming under the Services tab. If you have any questions, concerns, or requests, please contact Roger Fletcher at (217) 742-3128 ext. 1140.

Co-op's Rates to Increase an Average of 3% with Bills Mailed in February

We have spoken for years about the factors that drive rates, mainly low densities and the high cost of maintaining an aging electric system. This year, the factors have expanded to include record-high inflation, increasing interest rates, and a volatile wholesale power market. The combination of these factors will have a negative effect on 2023 rates.

Expenses have increased dramatically due to inflation and interest rates. We have seen a substantial price increase in virtually all materials needed to maintain the electric system, and we now pay more for the money required to make system improvements. We have made every effort to reduce costs and manage inflationary pressures, but still, there is a need for a rate increase. Without diligence in managing expenses, a more significant increase would have been needed.

Effective in February, rates will increase an average of 3%. This increase will be implemented as usual with slight adjustments to three of the four components in our rate design, the facility charge, delivery charge on kWhs used, and the demand charge. For most of you on Rate A (residential), some 97% of all bills, there is no demand charge.

The fourth component in our rate design is Purchased Power. Purchased Power is the power we purchase from our supplier, Prairie Power. We have no control over its price. We flow through Purchased Power directly with no markup. When we announce a rate increase, it's important you understand that we are referring to the three components that we can control, the facility charge, delivery, and demand.

In past rate announcements, we have not mentioned Purchased Power because Purchased Power was very stable. This year, due to inflationary pressures and a volatile capacity market, Purchase Power will increase. I want to be very open and transparent about the total increase you will see. Although the increase in the facility charge, delivery, and demand will be 3%, you will also see a modest increase in Purchased Power. The combination of the increase in Purchased Power and Illinois Electric's increase will equate to roughly 5%.

If you have any questions about rates, please give me a call. A complete rate schedule can be found on our website at e-co-op.com.

Randy B. Long,
General Manager
Illinois Electric Coopeartive

Sign Up for Text Message Notifications

Illinois Electric Cooperative offers text message notifications to members. This allows members to get alerts on their cell phone of outages that affect them along with the ability to quickly report outages.

Visit our website at *e-co-op.com* or give us a call at 1-800-468-4732 to sign up today!