

Friday, June 14, 2019

1:00 p.m.



Celebrating **80** Years

Peterson Park

Mattoon, IL



A Touchstone Energy Partner 



80th Annual Meeting

Our 80th Annual Meeting of members will begin at 1:00 p.m. on Friday, June 14th at Peterson Park in Mattoon. Registration opens at 10:00 a.m. so be sure to register when you arrive. For those members who cannot stay, **DRIVE UP REGISTRATION** will be available at the southwest park entrance on Broadway Avenue. Buffet lunch will be served from 11:00 a.m. until 12:30 p.m. The cost is only \$5.00 per person and no charge for children 12 and under. Members who purchase their meal tickets on or before June 7th will be eligible for two \$100 bill credit drawings at the end of the Annual Meeting business session.

All members who register will receive a \$25 bill credit. There will be a variety of activities going on throughout the morning. Make plans to come early and spend a few hours with us.





You're Invited to our 80th Annual Meeting

Friday, June 14th, 2019
Peterson Park, Mattoon

10:00 am Registration opens

Register in the DeMars Center & enjoy activities

11:00 am – 12:30 pm Buffet Lunch

Meal Ticket Required – Additional tickets may be purchased in line

1:00 pm Business Meeting

- Call to Order..... Debbie Albin, Chairman
- National Anthem
- Invocation
- Introduction of Board..... Debbie Albin, Chairman
- Acknowledgment of Quorum Debbie Albin, Chairman
- Annual Meeting Notice Bill Voyles, Secretary
- Approval of 2018 Meeting Minutes* Bill Voyles, Secretary
- Treasurer’s Report Jeffery Hudson, Treasurer
- Director Elections Bill Tapella, Legal Counsel
- Chairman’s Report..... Debbie Albin, Chairman
- President’s Report Kim Leftwich, President/CEO
- Introduction of Scholarship Winners..... Kim Leftwich, President/CEO
- Other Business
- Bill Credit Winners (**must be present to win**)
- Adjournment

** To keep the business session as brief and business like as possible, copies of the minutes were printed in the Annual Report to be read at the member’s convenience.*

Notice of Annual Meeting of Coles-Moultrie Electric Cooperative

Pursuant to the bylaws, the annual meeting of Coles-Moultrie Electric Cooperative will be held on Friday, June 14, 2019 at 1:00 p.m., at Peterson Park, Broadway Avenue, Mattoon, Illinois, to take action upon the following matters:

1. The reports of officers, directors, and manager.
2. The election of Directors from district 1.
3. All other business that may properly come before the meeting or any adjournment thereof.

Date: April 25, 2019
/s/ Bill Voyles, Secretary

Annual Report of the Chairman of the Board of Directors and the President/CEO Coles-Moultrie Electric Cooperative



Debbie Albin, DGC
Chairman



Kim B. Leftwich
President/CEO

As we celebrate our 80th year as a successful cooperative, we want to take the opportunity to reflect on that success and what lies ahead. We stand on the shoulders of visionary men and women who risked much to organize the Cooperative in 1938. Others would not take that risk and venture out of more urbanized areas to provide electric service in the significantly less densely populated rural areas. But our founders did and unleashed an economic vitality that serves us well to this day. When we look at history, it is easy to imagine that any of the momentous events in our country's history since 1938 could have set back or destroyed what our founders envisioned. Surviving and thriving for 80 years is not so commonplace. Think about the many companies we relied on in the past that have disappeared from the scene. And yet, we remain. It is a testament to those founders.

Looking forward, we see what might be described as a sea change in the electric industry. Electric deregulation in Illinois in 1997, although not directly impacting cooperatives, has unleashed new and potentially disruptive approaches from supply to distributed energy resources to renewable resources, all accompanied by integration issues unique to each change. In order to manage those changes, new technology applications are advancing at an ever-increasing pace.

Coles-Moultrie, like all other electric distribution entities, is compelled to meet this challenge. Our mission to provide reliable, safe, and affordable electric energy for our members has never wavered. It will not be without significant change to our Cooperative but will be essential to our continued success. There is much we do not know about the future of our industry, but we must rely on our members, our Board, and the employees of the Cooperative to face and succeed at all those challenges.

Turning to the present, 2018 had its own challenges as you might expect. It was a year of weather extremes throughout the year resulting in significant energy sales. Members individually experienced higher than ordinary bills while the increased sales reversed. Our projections for 2019 anticipate lesser sales as has been the experience for not just CMEC, but cooperatives and IOU's across the spectrum. The reality of continuing levelized or declining sales drives us to finding means of doing more with less, controlling our costs, and employing new technologies and applications to wring efficiencies out of everything we do. Changes made in 2017 to member charges, aside from the increased sales, achieved the objectives your Board anticipated, helping to secure the financial stability of the Cooperative. As a result of revenue margins produced by the changes, the Coopera-

tive resumed payout of Capital Credits to members as we are required to accomplish. We expect to continue the practice, returning your contributions from past years on a regular basis.

As is standard practice, the Cooperative consults with an independent auditor annually to insure we meet all accounting practices, processes, and methods as described in Generally Accepted Accounting Principles (GAAP). We are pleased to report that the review, conducted March 2019, confirmed the Cooperative met all appropriate standards. The

Cooperative is also subject to an annual review of our loan portfolio by our primary lender, Cooperative Finance Corporation (CFC). Once again, CMEC was found to be in complete compliance with CFC requirements, another validation of the fiduciary commitment of the Cooperative.

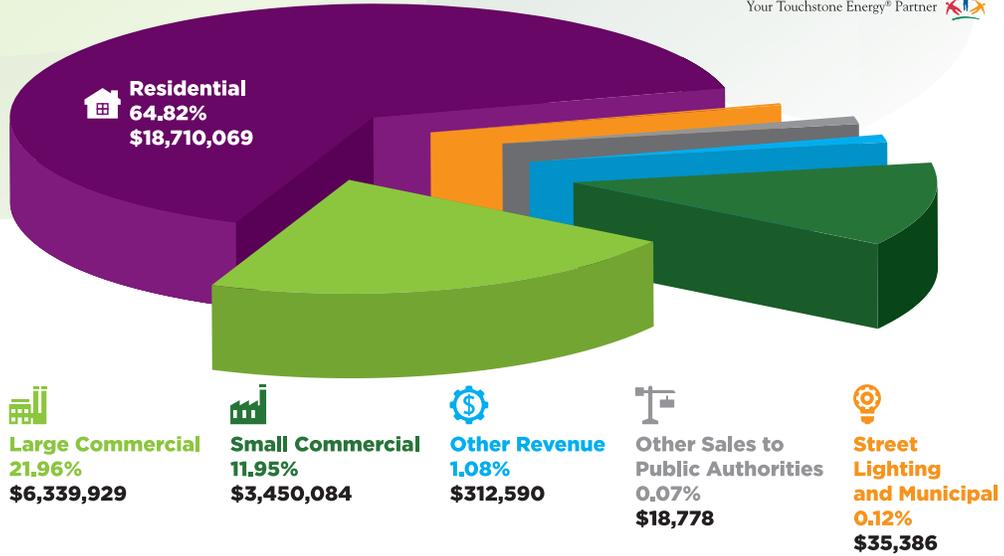
Your Cooperative is preparing for the challenges we expect to face in the future. Later this summer, the CMEC Board and Staff will convene a Strategic Planning session to consider those challenges and set a course for the future. In the past, such planning ses-

sions might be many years apart; today, the industry is changing so quickly it is imperative we review our positions much more frequently to adapt and adjust to the emerging environment. It is imperative for CMEC to remain a vital, instrumental part of the success of our region. We look forward to meeting you at our Annual Meeting on June 14, 2019. It is our privilege to host you, hear your interests and concerns, and build the plan that propels us forward to match the success of the last 80 years.

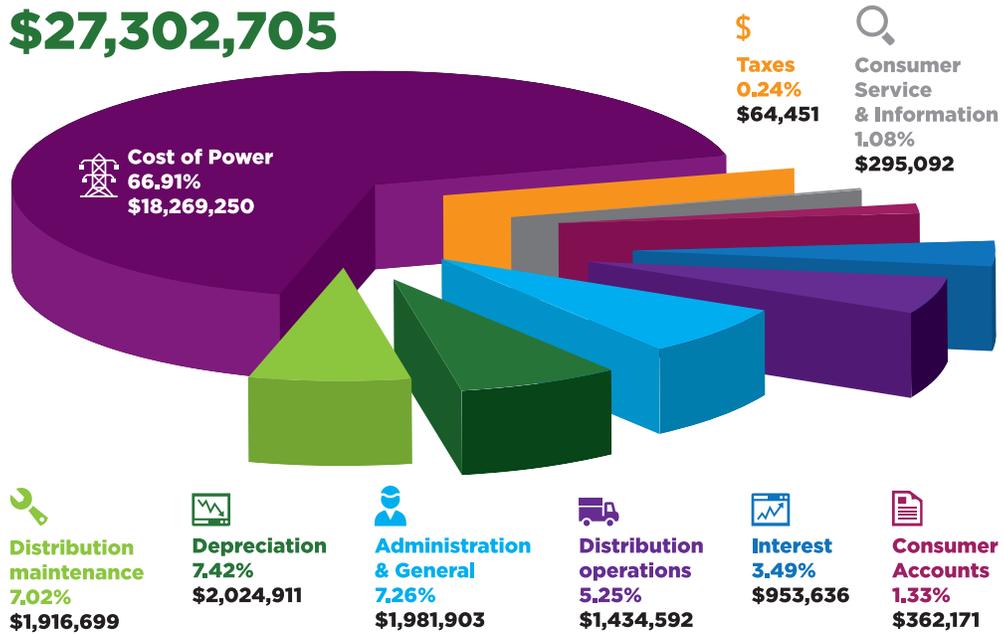


2018 YEAR-END FINANCIAL REPORT

Total Revenue
\$28,866,836



Total Cost of Electric Service
\$27,302,705



2018 FINANCIAL REPORT

January through December

Our Receipts

We furnish electric service amounting to	\$ 28,554,246.00
Non-Operating Income-Interest and Other Sources	\$ 312,590.00
Total Receipts for the Year	\$ 28,866,836.00

2018

Our Expenses

Electric power cost us	\$ 18,269,250.00
Expenses for operating and maintaining system.....	\$ 5,990,457.00
We estimate our system depreciated	\$ 2,024,911.00
Our taxes were	\$ 64,451.00
The interest paid on debt totaled	\$ 953,636.00
Total Expenses for the Year	\$ 27,302,705.00

Margins (deficits).....	\$ 1,564,131.00
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BALANCE SHEET

For the year ending December 31, 2018

What we own (Assets)

	2018	2017
Total cost of our system is	\$59,077,468.00	\$57,230,270.00
We estimate it has depreciated.....	(\$23,064,312.00)	(\$21,531,830.00)
The net value of our system is	\$36,013,156.00	\$35,698,440.00
We have cash in the bank amounting to	\$2,299,659.00	\$666,023.00
We have vested interests-associated organizations.....	\$10,550,410.00	\$9,382,993.00
Accounts Receivable.....	\$6,217,874.00	\$6,416,543.00
We have material and supplies amounting to.....	\$109,705.00	\$118,519.00
We have prepaid insurance and deferred expenses of ..	\$3,706,322.00	\$4,472,145.00
Total owned	\$58,897,126.00	\$56,754,663.00

What we owe (Liabilities)

We owe our lenders	\$18,048,971.00	\$19,389,995.00
We owe for materials taxes, short term loan	\$4,600,287.00	\$3,516,158.00
Consumer Deposits.....	\$385,823.00	\$376,438.00
Margins & Equities.....	\$32,079,946.00	\$29,805,133.00
Deferred Credits.....	\$10,435.00	\$10,435.00
Accumulated Operating Provisions	\$3,771,664.00	\$3,656,504.00
Total Liabilities and Capital	\$58,897,126.00	\$56,754,663.00

COLES-MOULTRIE BY THE NUMBERS



Average Annual Members
9,583



Members per Mile
4.81



Total KWH
209,432,255



Total Miles of Line
1,993



Average KWH per Month
1,821

We started with 338 miles of line energized by 753 members in 1939

June 15, 2018

Annual Meeting Minutes



Chairman of the Board of Directors, Jeff Hudson called the 79th Annual Meeting of Coles-Moultrie Electric Cooperative to order.

Singing of our National Anthem-Bo Willoughby
 Pledge of Allegiance – Jeff Hudson

Invocation by Adam Jacobsen, St. John’s Lutheran Church

Chairman Hudson confirmed that 252 active members were present or represented by proxy, which is more than sufficient for a quorum.

Chairman Hudson introduced the Board of Directors, CEO, Counsel and honored guests.

Introduction of President and CEO is Kim Leftwich

Introduction of Corporate Counsel firm of Tapella & Eberspacher LLC which was represented by Bill Tapella.

In attendance were the following guests: Joe Smith, Eric Hobbie and Phil Breezeel from Prairie Power, Inc. Also present were Maurice Shallow, Jim Pauley, Valerie Cheatham, Thad France and Jennifer Sours from Association of Illinois Electric Cooperatives. Heidi Hall and Jim Matlock present from Shelby Electric Cooperative. Melinda Garretts was present from Eastern Illini Cooperative.

Also recognized were past directors.

Secretary John Bowers read the Notice of the 79th Annual Meeting.

Motion made to approve the agenda as printed on the back page of the 2018 Annual Report. Motion seconded. Motion carried.

Motion made to dispense with the reading of the 2017 Annual Meeting Minutes. Motion seconded. Motion carried.

7 Cooperative Principles

1 VOLUNTARY AND OPEN MEMBERSHIP

4 AUTONOMY AND INDEPENDENCE

2 DEMOCRATIC MEMBER CONTROL

5 EDUCATION, TRAINING AND INFORMATION

3 MEMBERS' ECONOMIC PARTICIPATION

6 COOPERATION AMONG COOPERATIVES

7 CONCERN FOR COMMUNITY

Motion made to waive the reading of the Chairman and Treasurer's Report. Motion seconded. Motion carried.

President & CEO Kim Leftwich addressed the members.

Scholarships were presented to the following by Jeff Hudson:

- Janette Comstock, Lovington, Illinois
- Tanner Gray, Charleston, Illinois
- Mitchell Kremer, Mattoon, Illinois (absent)
- Caleb McKee, Bethany, Illinois
- Avery Pierce, Mattoon, Illinois
- Jacob White, Sullivan, Illinois

Corporate Counsel, Bill Tapella reviewed the director and bylaw election.

Election Inspector Certification 2018 Director Election:

The undersigned members of the Coles-Moultrie Electric Cooperative Election Inspectors committee, hereby certify the results of voting for the 2018 election of directors as follows:

District 3	Votes
Kent Metzger	588
Dean Robison	489
District 5	Votes
Steven Shrader	563
Andrew Fearn	510
District 6	Votes
Natalie Parkerson	480
Larry Beasley	413



Of 7,679 eligible voters 849 paper ballots were submitted and 274 web ballots were submitted.

2018 Bylaw Amendments

The undersigned members of the Coles-Moultrie Electric Cooperative Election Inspectors committee, hereby certify the results of voting for the 2018 Bylaw Amendments as follows:

Directors would be subject to term limits. Under the proposal, no director elected after 2018 annual meeting would be allowed to serve more than four consecutive, three-year terms on the board of directors. For directors who are serving at the time of the 2018 meeting, all prior service of such director would count as one three-year term for the purpose of calculating term limits.

For 977 • Against 91

This bylaw change was an editorial change to bet-

ter state the purpose of the bylaw, which is to maintain a complete copy of articles of incorporation and bylaws for inspection by any member and to make copies of the articles or bylaws available to a member, upon request.

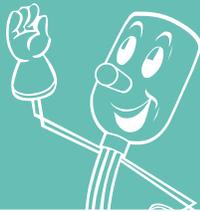
For 1008 • Against 58

Dated this June 13, 2018 by, J. David Smith, Joe Bicknell, Julia Abell, Nancy Janes, Dennis Getz, Priscilla Luetscher-Dean, C. Fidler

Ten Bill credit drawings were made by Carla Bradbury and announced by Kim Leftwich.

Chairman Hudson opened the meeting to member questions or comments from the floor. Priscilla Luetscher-Dean questioned the \$50 Service Availability Charge on the members bills.

Having no other questions or comments, Chairman Hudson called for a motion to adjourn. Motion was made. It was seconded. Motion carried. Adjournment.



Staff

Kim Leftwich, President & CEO

...

Samuel Adair, Manager of Marketing & Member Services

Amy C. Borntreger, Chief Financial Officer

Sandra Fisher, Controller

Anita Hoene, HR Manager

Shaun Vester, Manager of GIS Systems

Jim Wallace, Director of Operations & Engineering

...

William Arthur, Line Foreman

Aimee Boswell, Accountant

David Bowen, Area Serviceman

Carla Bradbury, Service Representative – Marketing

Julie Butler, Service Representative

James Geldert, Apprentice Lineman

Timothy Genta, Area Serviceman

Heather Hakman, Service Representative

Andrew Haumesser, Marketing Services Specialist

Kelsey Hawkins, Service Representative

Kellie Kastl, Service Representative

Charles Keller, Leadman

Jacob Logue, Line Foreman

Marcus McDowell, Journeyman Lineman

Brian McMichaels, Area Serviceman

John Pickowitz, General Foreman

Hunter Rawlings, Journeyman Lineman

Dennis Ray, Field Engineer

Shane Ruppert, Journeyman Lineman

Robert Schafer, Journeyman Lineman

Summar Smith, Service Representative – Engineering

Mitchell Stanciu, Journeyman Lineman

Eric Starwalt, Line Clearance Foreman

Michael Stuckey, Line Foreman

David Welsh, Distribution Automation Technician

Robert Westenhaver, Field Engineer

Jeffrey D. White, Field Engineer



Director Elections

It's not too late to vote for our District #1 Board Candidate. Nominees are Rebecca Moran and Bill Voyles.

You have until June 11th and may cast your vote by visiting our website, www.cmec.coop.

Each member was mailed a paper ballot on May 20th.

Survey Ballot Systems, SBS, will tabulate and report election results electronically on June 12th. Democratic Member Control is one of our seven guiding principles. Our Board is an elected body voted into position by you.



Bill Voyles



Rebecca Moran



LUNCH TICKETS STILL ON SALE AT THE COOPERATIVE OFFICE OR BY MAIL

Official Proxy Friday, June 14, 2019

I, the undersigned, an active member of Coles-Moultrie Electric Cooperative (herein-after called the "Cooperative"), hereby appoint:

_____ who is an active member of the Cooperative, my proxy to vote in my name and stead at the annual meeting of the members of the Cooperative to be held at Peterson Park, Mattoon, Illinois, Friday, June 14, 2019, upon all matters that may be presented at such meeting.

I hereby ratify and confirm the vote of my proxy.

Witness my hand and seal this _____ day of _____, 2019.

Signature of Active Member Giving Proxy

(A member may vote up to two proxies)

Member's registration stub

**Coles-Moultrie Electric Cooperative
Annual Meeting
Friday, June 14, 2019
Peterson Park - Mattoon, Illinois**

Purpose and Use of Proxy

The purpose of the proxy is to authorize another CMEC member to vote in your stead, on any matter that may come up for voting at the annual meeting, in case you are unable to attend in person. If this should be the case, you need to find a CMEC active member who will be attending the meeting. Fill in that member's name, date and sign the proxy and give it to that member. The CMEC bylaws permit each active member to vote up to two proxies. Please do not mail your proxy in to the CMEC office.

YOUR COOPERATIVE'S DIRECTORS



District #4
Debbie Albin, DGC
Chairman



District #2
John Bowers, BLC
Vice Chairman



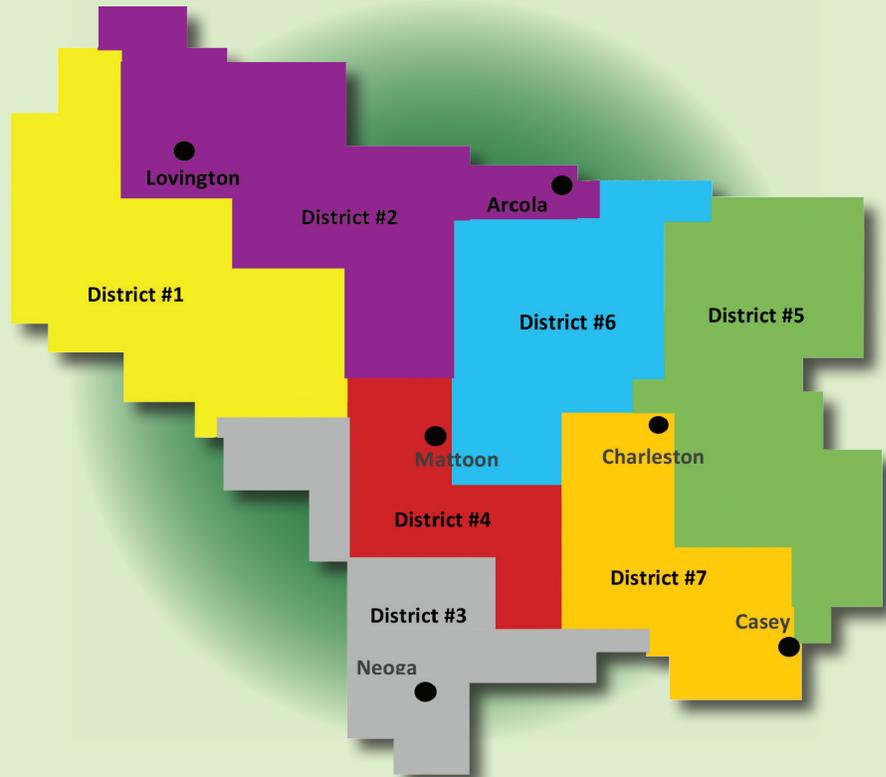
District #1
Bill Voyles,
Secretary



District #7
Jeffery Hudson,
Treasurer



District #3
Kent Metzger



District #6
Vacant

District #5
Vacant

Member's registration card — 2019 annual meeting

Please present this card at Annual Meeting Registration to help us locate your membership number and register you as quickly as possible.

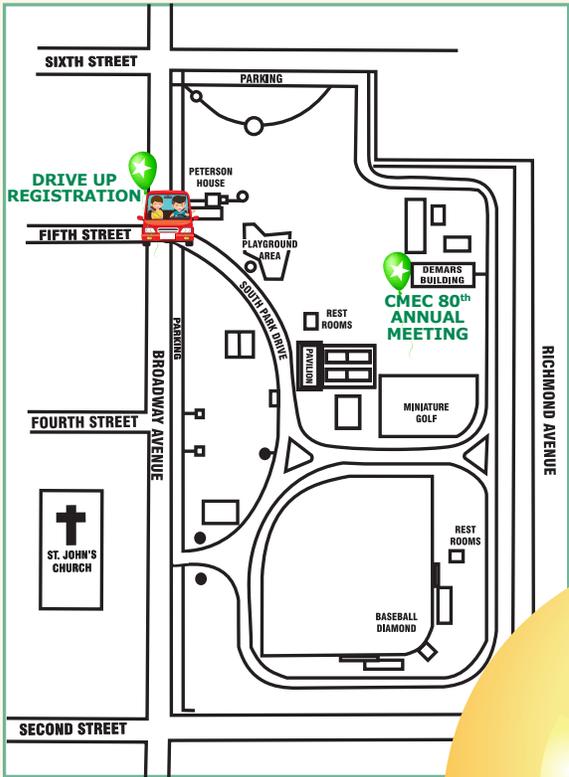
CMEC Annual Meeting

Friday, June 14, 2019 – Peterson Park



All registered members will receive a \$25 bill credit

- **Bucket Truck Rides**
- **Ice Cream**
- **Live Line Demo**
- **Member Showcase**
- **LED Lucy**
- **Popcorn**
- **Smarthub Signup**
- **Music by Sound Source**
- **Niemerg's Buffet Lunch**
- **Vehicle/Truck Display**
- **Lineman Area**
- **Bill Credit Drawings**



DRIVE UP REGISTRATION AVAILABLE –
SOUTHWEST PARK ENTRANCE BROADWAY AVENUE
NEXT TO THE PETERSON HOUSE

