


Weathering the Storm

2021 Annual Meeting



**Shelby Electric
Cooperative**

Your Touchstone Energy® Cooperative 

Friday, June 4, 2021 • 1:00 p.m. • Shelby County 4-H Fairgrounds • Shelbyville, IL 62565

Your neighbors serving as YOUR COOPERATIVE'S DIRECTORS



— District 1 —
Robert Holthaus
Stonington
Vice Chairman



— District 2 —
Bennie Clawson
Tower Hill
Secretary



— District 3 —
David Keown
Findlay



— District 4 —
Larry Durbin
Shelbyville



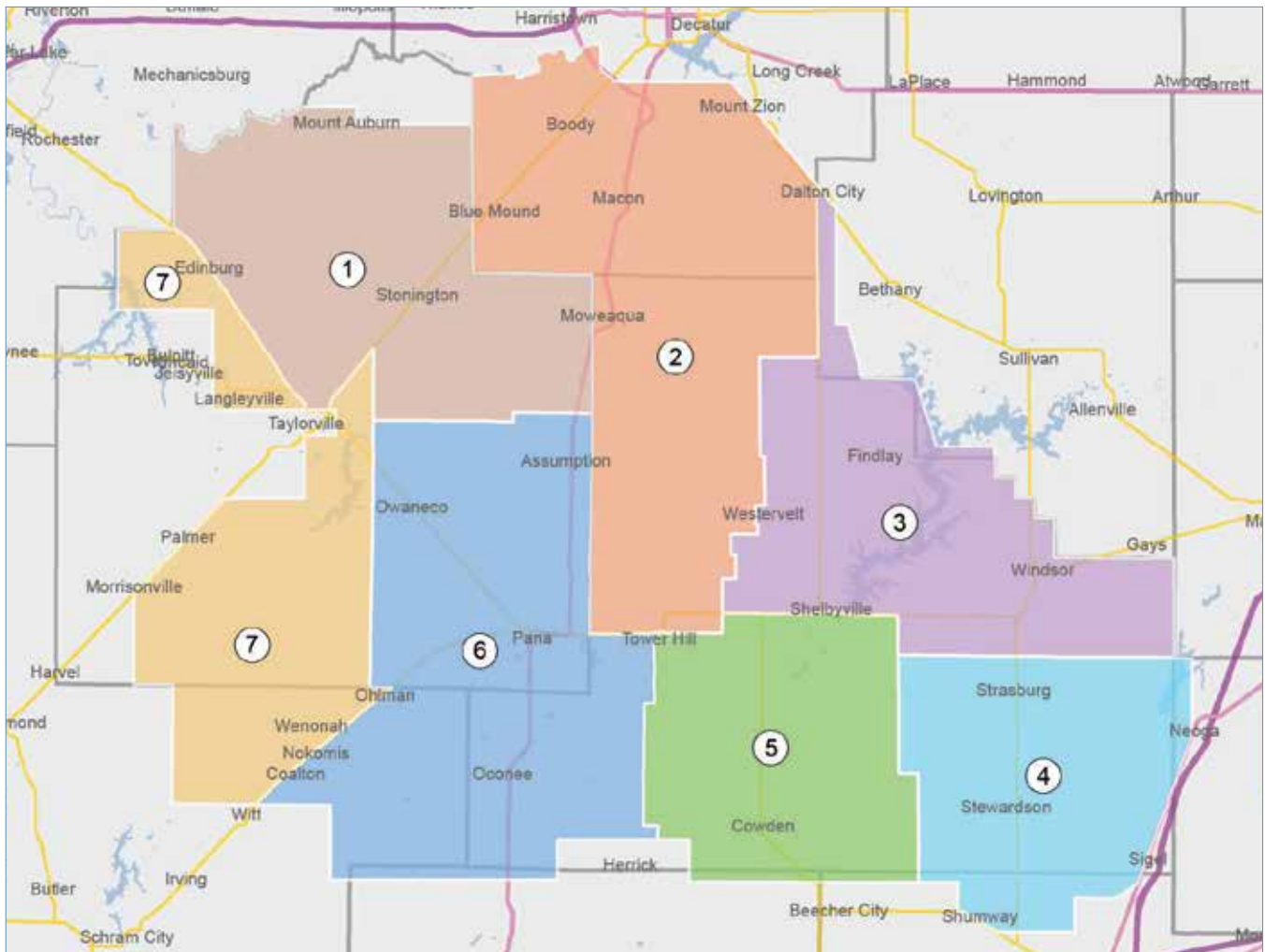
— District 5 —
Pam Rincker
Shelbyville



— District 6 —
Katie Ohmes
Pana
Treasurer



— District 7 —
Brent Lively
Taylorville
Chairman



Map data ©2020 Google

Shelby Electric Cooperative

2021 Annual Meeting

AGENDA

National Anthem	
Call to Order	Brent Lively, Chairman
Invocation	
Legal Call of the 83rd Annual Meeting	Bennie Clawson, Secretary
Report on Board of Directors Appointment of Committee on Credentials and Inspectors of Elections	Brent Lively
Introduction of Scholarship Winners	Brent Lively
Report of Committee on Credentials Regarding Active Class A Members Present to Establish a Quorum	Committee Chairman
Approval of Minutes of Previous (2019) Meeting	Brent Lively
Chairman's Report	Brent Lively
Treasurer's Report	Katie Ohmes, Treasurer
Amendments to Bylaws	Amy Jackson, Attorney
Election of Directors	Amy Jackson, Attorney
President/CEO's Report	Josh Shallenberger, President/CEO
Report of Inspectors of Elections	Committee Chairman
Other Business	
Door Prize Drawing	Josh Shallenberger
Adjournment	

OFFICIAL MEETING NOTICE

The annual meeting of the members of Shelby Electric Cooperative will be held at the Shelby County 4-H Fairgrounds in Shelbyville, Illinois, at 1:00 p.m. on Friday, June 4, 2021, to take action upon the following matters:

1. Approval of Minutes of 2019 annual meeting;
2. Presentation of reports of officers;
3. The election of five (5) directors;
4. Consideration of proposed amendments to bylaws; and
5. All other business which may come before the meeting or any adjournment or adjournments thereof.

In connection with the election of one director each from Districts 1, 2 and 7 for a term of three years, and Districts 4 and 5 for a term of two years, the following members have been nominated by petition.

District #	
1	Robert Holthaus
2	John "Greg" Mackling
4	Larry Durbin

District #	
5	Brian Halbrook
7	Brent Lively

Additional nominations for director may not be made from the floor at this meeting.

Dated at Shelbyville, Illinois, this 7th day of May, 2021.

Bennie Clawson, Secretary

NOMINEES FOR DIRECTORS

Shelby Electric Cooperative
June 4, 2021
Shelbyville, Illinois

DISTRICT 1	<i>(Vote for one)</i>
Robert Holthaus, Stonington.....	(3-Year Term)
DISTRICT 2	<i>(Vote for one)</i>
John "Greg" Mackling, Dalton City	(3-Year Term)
DISTRICT 4	<i>(Vote for one)</i>
Larry Durbin, Shelbyville	(2-Year Term)
DISTRICT 5	<i>(Vote for one)</i>
Brian Halbrook, Shelbyville	(2-Year Term)
DISTRICT 7	<i>(Vote for one)</i>
Brent Lively, Taylorville	(3-Year Term)

Shelby Electric Cooperative *Weathering the Storm*

PRESIDENT'S REPORT



Josh Shallenberger
President/CEO
Shelby Electric Cooperative

As I write this, it is difficult to believe that planting season is already upon us in the new year, let alone that it is 2021. As we look in the rearview mirror on a year that will be remembered for generations to come, we can extract some virtue from the unprecedented times that many of us faced. Being of the Gen X vintage myself and having just turned 50, my generation had not seen anything quite like the situation we faced with the health pandemic we are now all too familiar with. Something I've come to realize is that patience and flexibility can go a long way in enduring such circumstances. More simply put, grace leads to good things. While historically I do my best to be accommodating, admittedly, patience is not my strong suit.

Alignment of priorities has been critical when managing our personal lives as well as business dealings over the course of this last year. That is especially true when resources are constrained and circumstances are beyond your control. When in a service

business, the resource you rely on most are people to get the job done. When people are unable to fulfill their roles because they are caring for their themselves or a family member, you focus on what matters most.

An appreciation of all the freedoms we enjoy as Americans is what comes to mind as I reflect on 2020 as it is certainly one of those things that matters most. Even though we may have individual differences of opinion, we cannot forget that the many battles for freedom over several American generations has allowed for exactly that – those differences to not only exist, but to be openly expressed.

So that brings me to a point that hopefully all find to be a blessing in disguise when it comes to points of emphasis provided by the global health pandemic we have endured and that is remembrance. In January 2020, I lost a loved one who not only touched but also shaped my life in many ways. And I know many that have had the misfortune of being directly affected by COVID-19 and it is now that I would like to offer my condolences on behalf of the Cooperative. Many dear to us have passed on as a result and I cannot imagine the loss. But just as those who have lost their lives fighting for our great nation, those for which we mourn as the result of COVID-19 are those that will not soon be forgotten.

And finally, as I reflect on the events of this last year, I'm reminded of just how resilient the human race can be. We have adapted to continue about our lives, perhaps not without

significant change, but we persevere, nonetheless. The accelerated use of technology minimized the business impact of the pandemic and brought to light ways in which efficiencies could be gained moving forward. Fundamentals and common sense won the day when it came to fulfilling our responsibilities to the members of Shelby Electric, which is often the answer when faced with difficult situations in life.

Now as things are opening back up, we want to offer the opportunity for the members of Shelby Electric Cooperative to meet as this is a core tenant of the democratic form of governance considered to be very important in the policy making and oversight of the organization. But we want to continue to acknowledge the ongoing presence

of the virus and plan for a safe interaction with our members at this year's 2021 Shelby Electric Cooperative annual meeting. Therefore, we

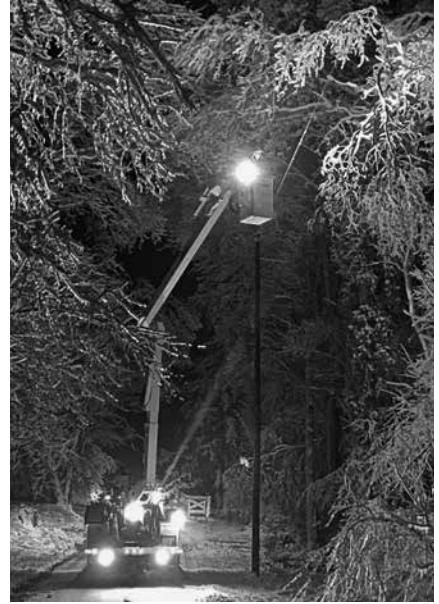
are pleased and excited to offer a drive through meal for the Shelby Electric Cooperative membership. This, as in years' past, will feature a pork chop dinner prepared by the Shelby County Pork Producers. The business portion of this year's meeting will be held in the open air of the Shelby County 4-H fairgrounds show arena for those wishing to participate. We hope that members will be able to find the time to come join us.

We appreciate the patience and flexibility you have afforded us over the last year and look forward to serving you into the future.

Just as those who have lost their lives fighting for our great nation, those for which we mourn as the result of COVID-19 are those that will not soon be forgotten.

#PowerOn

Shelby Electric Cooperative
2021 Annual Meeting



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PROPOSED CHANGE TO BYLAWS

**ARTICLE III
Directors**

Section 1. General Powers. The board of directors shall consist of nine (9) members. Seven (7) of the directors shall be elected from Director Districts as set forth in Sections 2 and 3 of this Article III, and two (2) of the directors shall be elected at large from the parts of the Cooperative Service Area as set forth in Section 3 of this Article III. The Cooperative board of directors may, at its discretion, expand the number of Cooperative directors by up to two (2) additional directors to represent Class B members. Except as otherwise provided by law, the certificate of incorporation of the Cooperative or by these bylaws, the board of directors shall manage the business, affairs and property of the Cooperative, authorize contracts, fix charges for its services for furnishing electric energy to its members, and for other services rendered for and to its members, and shall otherwise manage the affairs of the Cooperative in such manner as may be necessary, convenient or proper in order to carry out its objects and purposes; provided, however, that the Cooperative shall not be operated for pecuniary profit either to itself or to its members.

Section 2. Director Districts. The Cooperative may equitably divide the general area in which Class A members are located or reside ("Cooperative Service Area") into seven (7) districts ("Director Districts"). If necessary, the board of directors may revise the Director Districts to ensure that Class A members are equitably represented by the Director Districts.

Within thirty (30) days following any Director District revision, and at least thirty (30) days before the next Annual Member Meeting, the Cooperative shall notify, in writing, any members affected by the Director District revision. No Director District revision may:

- (a) Increase an existing Director's term of office; or
- (b) Unless the affected Director consents in writing, shorten any Director's term of office.

Provided, that if the Cooperative board of directors expands the board of directors as outlined in Article I, Section 1 by up to two (2) directors to represent Class B members, such Class B directors so named by the board of directors or subsequently elected by the members shall serve at large.

Section 3. Qualifications and Term of Office. At each annual meeting of the members, directors shall be elected as hereinafter provided, by ballot, by and from the active Class A members who are natural persons, to serve for a term of three (3) years or until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of directors. The nine directors shall be divided into three classes; Class I, consisting of three directors, i.e., one director each to be elected from Director Districts 3 and 6 and one director to be elected at large residing in that part of the Cooperative Service Area encompassed by Director Districts 1, 6, and 7; Class II, consisting of three directors, i.e., one Director each to be elected from Director Districts 4 and 5 and one director to be elected at large residing in that part of the Cooperative Service Area encompassed by Director Districts 2, 3, 4 and 5; and Class III, consisting of three directors, i.e., one Director each to be elected from Director Districts 1, 2 and 7, with one Class being elected each year. The division of the Cooperative Service Area into Director Districts and the election of directors by classes shall not limit or otherwise restrict an active Class A member from voting in an election of a director from a Director District different than the Director District in which the active Class A member resides or,

in the case of an at-large director, from a part of the Cooperative Service Area composed of Director Districts different than the Director District in which the active Class A member resides.

Except as provided herein, no member shall be eligible to become or remain a director or to hold any position of trust in the Cooperative (a) who, if seeking election as a director from a Director District, is not a bona fide resident in the Director District established under Section 2 of this Article from which he or she is to be or has been elected, or who, if seeking election as at-large director from a part of the Cooperative Service Area, is not a bona fide resident of one of the Director Districts encompassed within that part of the Cooperative Service Area from which the at-large director is to be or has been elected, (b) who is not at least eighteen (18) years of age, (c) who, at the time of an election of directors held after June 17, 2016, has completed more than six (6) three-year terms on the board of directors, or (d) who is in any way employed by or financially interested in (i) any business or enterprise engaged in the sale of any form of energy to the Cooperative (other than any form of energy that the Cooperative is required by law to purchase) or to any of the Cooperative's subsidiaries, members or consumers, (ii) any business or enterprise engaged in the delivery of any form of energy to the Cooperative or any of the Cooperative's subsidiaries, members or consumers, (iii) any other business or enterprise which is also engaged in by the Cooperative or its subsidiaries, either now or in the future, or (iv) any business or enterprise primarily engaged in selling electrical appliances, fixtures or supplies to the Cooperative or to any of the Cooperative's subsidiaries, members, or consumers, and 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

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is paid excluding township offices or school offices. Provided, however, that when a director, who has been elected as a director from a Director District, moves his or her residence from the Director District served, or who has been elected as an at-large director from a part of the Cooperative Services Area, moves his or her residence and no longer resides in any Director District encompassed within that part of the Cooperative Service Area from which the at-large director is elected, but is still within a 75 mile radius from the Cooperative's Shelbyville headquarters and remains an active Class A member of the Cooperative, the director may continue to serve until the normal expiration of his or her term or until a regular or special meeting of the members, whichever comes first, at which time an election shall be held to fill the unexpired term of the director. Further, so long as the National Rural Electric Cooperative Association shall provide a director training and certification program, no director shall be eligible to be re-elected as a director, after having served three full terms on the board of directors, commencing with the election of directors in 2017, or thereafter, unless he or she has been certified by said National Rural Electric Cooperative Association as having successfully completed its course of training for rural electric cooperative directors. When a membership is held jointly by persons under a joint membership, either one, but not both, may be elected as 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. Upon establishment of the fact that a director is holding office in violation of any of the foregoing qualification requirements, the board of directors may remove such director from office by the affirmative vote of the majority of the total membership of the board of directors. 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.

Section 4. Nominations. Any natural person who is an active Class A member (but not any person acting in a representative capacity for a Class A member) may be nominated to serve as a director from the Director District in which the active Class A member resides or as a director elected at large from the part of the Cooperative Service Area in which the active Class A member resides by delivering to the Secretary or the Secretary's designee a written petition (specifying whether the active Class A member is seeking election as a director from a Director District or as a director at large) signed by fifteen (15) or more active Class A members not less than sixty (60) days prior to the meeting. At the time of delivering the signed written petition to the Secretary or the Secretary's designee, the active Class A member shall also deliver to the Secretary or the Secretary's designee a completed Statement of Qualifications demonstrating that he/she is qualified to serve as a director under the terms and provisions of Article III, Section 3 of these bylaws.

Legal counsel for the Cooperative shall review all Statements of Qualifications of all nominees to confirm that each nominee meets the qualifications set forth in Article III, Section 3 of these bylaws.

The Secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and the nominations made by petition.

The members may, at any special meeting, called as hereinbefore provided, for the purpose of removing a director or directors, at which a director or directors is removed, elect a successor director or successors directors thereto who meet the qualifications set forth in Article III, Section 3 of these bylaws without compliance with the foregoing provisions with respect to nominations.

Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

Comment: In the proposed amendment to Article I, Sections 1, 3, and 4, the Board of Directors recommends increasing the number of directors from seven to nine, all of which will be divided into three classes and serve staggered 3-year terms. One director will continue to be elected from each of the seven Director Districts into which the Cooperative is geographically divided. The two additional directors will be elected "at large" with one of the additional directors being from the geographic area encompassing Director Districts 1, 6, and 7, and the other additional director being from the geographic area encompassing Director Districts 2, 3, 4, and 5. All directors will continue to be elected by all active Class A members voting in an election, regardless of whether the voting active Class A member resides in the Director District from which a director is to be elected or resides in the grouping of Director Districts from which an at-large director is to be elected.

The Board of Directors believes that the increase in the number of directors from seven to nine will provide greater stability for the Board of Directors in director succession, and that adding the two at-large directors, there will be increased opportunity to attract persons to serve as directors with specialized knowledge and skills useful for future Cooperative endeavors.

In addition, the Board of Directors recommends minor changes in the nominating petition process by which the Cooperative's Secretary may designate a person to receive the completed nominating petition and the completed Statement of Qualifications and by which the Cooperative's legal counsel alone will review the Statement of Qualifications to determine whether a nominee meets the requirements of the bylaws.

There are no changes to Sections 5 – 9 of Article III.

Shelby Electric Cooperative
Weathering the Storm

EIGHTY-FIRST ANNUAL MEETING OF THE SHELBY ELECTRIC COOPERATIVE

The Eighty-first Annual Meeting of the members of the Shelby Electric Cooperative was called to order by Chairman of the Board Brent Lively in the 4-H Auditorium at the Shelby County Fairgrounds, Shelbyville, Illinois, at 1:00 p.m., Friday, June 7, 2019. Following the playing of the National Anthem, the invocation was delivered by Kari Otto of the Smyser Christian Church in Gays.

Secretary Bennie Clawson then read to the members the Legal Call of the Eighty-first Annual Meeting of members which was as follows:

LEGAL CALL

BENNIE CLAWSON, Secretary of Shelby Electric Cooperative, hereby reports that, at my direction, on the 16th day of May, 2019, a notice of the annual meeting of members of the Cooperative to be held on June 7, 2019 was deposited by or on behalf of the Cooperative in the United States Mail, with postage prepaid, addressed to each active Class A member of the Cooperative at the address of said active Class A member as it appears in the records of the Cooperative.

Dated: June 7, 2019

(SIGNED) BENNIE CLAWSON
Secretary

After the reading of the Legal Call, Chairman Lively introduced the Board of Directors, Duane Noland and other members of the staff of the Association of Illinois Electric Cooperatives, and Eric Hobbie and other members of the staff of Prairie Power, Inc.

President and CEO Shallenberger introduced Congressman John Shimkus who offered brief comments on the importance of cooperative efforts to deliver services to rural America.

President and CEO Shallenberger introduced Dawn Morris, the Executive Director of the South-Central Illinois Chapter of the American Red Cross. Ms. Morris and Traci Johnston, the

training manager for the American Red Cross in a five-state area, presented Certificates of Merit to the fourteen Shelby Electric Cooperative employees involved in the CPR life-saving efforts for Kevin Carlen. Ms. Morris noted that the Certificate of Merit is one of the highest recognitions bestowed by the American Red Cross.

Chairman Lively reported that the following members of the Cooperative had been appointed by the Cooperative's Board of Directors to serve as the Committee on Credentials:

Brian Halbrook, Chair
Robert Holthaus
Bennie Clawson

Chairman Lively reported that the following members of the Cooperative had been appointed by the Cooperative's Board of Directors to serve as Inspectors of Elections:

Jessica Fox, Chair
Robert Wysong
John Miller

Chairman Lively introduced Ashlyn Finley of Pana High School, McKenna Kull of Shelbyville High School, and Elizabeth Curtin of Taylorville High School as the winners of the Shelby Electric Cooperative scholarships.

Brian Halbrook, Chair of the Committee on Credentials delivered the report of the Committee, said report being as follows:

REPORT OF THE COMMITTEE ON CREDENTIALS OF THE 81st ANNUAL MEETING OF THE SHELBY ELECTRIC COOPERATIVE, JUNE 7, 2019

We, the undersigned members of the Committee on Credentials appointed to serve for the 81st Annual Meeting of the Shelby Electric Cooperative, held June 7, 2019 at 1:00 o'clock p.m. (C.D.T.), do hereby certify as follows:

That we, and each of us, have examined the credentials of the active

Class A members of the Shelby Electric Cooperative present for the 81st Annual Meeting, and report as follows:

That the total number of active Class A members present in person are 537;

That the total number of active Class A members presenting duly executed proxies are 0;

Making a total of 537 active Class A members present in person or by proxy.

Dated this 7th day of June, A.D. 2019.

Brian Halbrook, Chair
Robert Holthaus
Bennie Clawson

Members of the Committee on Credentials

Chairman Lively declared a quorum to be present and the meeting open for the transaction of business.

Chairman Lively announced that written copies of the minutes of the Eightieth Annual meeting of the members, held on June 8th, 2018, had been included in the notice of meeting and had also been made available to the members prior to the meeting and asked if there was a motion to approve the minutes as published. On motion of member Marion L. McVey, seconded by member Ray Vogel, the minutes as published were approved by vote of the membership.

Chairman Lively then delivered his report as Chairman of the Board of Directors of the Cooperative. He stated that he wanted to describe what Shelby Electric Cooperative does and started by reading the brief story about the Furr family contained in the annual meeting booklet, "Power for Generations."

Chairman Lively noted that Shelby Electric Cooperative distributes electricity that it buys from Prairie Power, Inc. He reported that Prairie Power generates and purchases electricity for its ten member cooperatives, including electricity generated from its

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approximately 8% ownership interest in the mine-mouth, coal-fired plant at the Prairie State Energy Campus near Lively Grove. He reported that Shelby Electric Cooperative serves about 9,000 members on its distribution system with approximately 4.5 services per mile of electric line. He noted that Shelby Electric Cooperative serves members in nine counties, with 54 employees and approximately \$35 million per year of revenue. He reported that, over a period of years, the average net value of a member's equity interest had increased by 50% while, over that same time-period, the rate charged for electricity had increased only 3.7%.

Chairman Lively observed that, for the first time in the 81-year existence of Shelby Electric Cooperative, it appeared that a woman will be serving on the Board of Directors.

Chairman Lively reviewed some of the year's highlights, including the life-saving rescue efforts recognized earlier in the meeting and plans for remodeling of parts of the Cooperative's office building.

Chairman Lively then observed the retirements of two members of the Cooperative's Board of Directors. He noted that John Scott had served as a Director for 24 years and that Mark Lash had served as a Director for 18 years. In recognition of their outstanding service to the Cooperative, he presented each of them with a plaque commemorating that service.

Chairman Lively closed his remarks by noting that the most valuable asset of Shelby Electric Cooperative continues to be its employees.

Chairman Lively then introduced the Cooperative Treasurer, J. Mark Lash, who reviewed the Annual Report as published in the annual meeting notice. He reported that the Cooperative had annual revenues in 2018 of approximately \$35 million from the sale of electric service and that approximately \$22 million, or about 65 cents of every dollar of revenue, was paid by the Cooperative for power supply.

He reported that 2018 total margins were \$3,051,505. He reported that the Cooperative assets were approximately \$71 million, that the Cooperative had approximately \$34 million in liabilities, and that the net value of the Cooperative was \$37 million. He reported that the average Cooperative investment per member was \$3,821 and that the average plant investment in the Cooperative per member served was \$7,335, meaning that the Cooperative has invested about 2 times as much to provide service to each member as the members have invested in the Cooperative. He reported that Shelby Energy Company, the Cooperative's propane subsidiary, had over 2,800 customers and in 2018 had \$2.3 million in sales. He reported that PWR.net, the Cooperative-owned wireless internet service provider, is nearing completion of a whole system upgrade and remains profitable. He informed the members that copies of the Cooperative audit were available for those members that were interested in reviewing it.

After receiving the Report of the Cooperative Treasurer, on motion of member Richard Sims, seconded by member Marion McVey, said Report was received and unanimously approved by vote of the membership.

At the request of Chairman of the Board Lively, the Cooperative's attorney, Forrest Keaton, took charge of the meeting for the election of new directors. He reported that nominating petitions with the requisite number of signatures by Class A members of the Cooperative and completed Statements of Qualification as required by the Cooperative's bylaws had been received by the Cooperative's Secretary from the following persons not less than 60 days prior to the date of the annual meeting:

DISTRICT 3:

David Keown Findlay

DISTRICT 6:

Katie Ohmes Pana

He reported that the names of all persons who had delivered the

duly signed petition and Statement of Qualifications to the Cooperative Secretary had been placed on the written ballot which had been provided to the Class A members at the time of their registration for the meeting. The members were then requested to mark their ballots, which were then collected by the Inspectors of Election with the help of the Cooperative employees.

President and CEO Josh Shallenberger addressed the meeting and noted that Shelby Electric Cooperative and its subsidiaries serve more than 14,000 consumers, i.e., 9,397 receiving electric service through Shelby Electric, 2,818 receiving propane gas service through Shelby Energy Company, and 1,454 receiving wireless internet service provided through PWR.net.

President and CEO Shallenberger reported that Shelby Electric Cooperative's financial position is strong and noted the continued growth in the Cooperative's equity ratio. He reported that, through application of the Wholesale Power Cost Adjustment during 2018, members had received credits on their monthly bills totaling \$726,570 and that the Cooperative had also retired the remaining \$98,505.63 of 1989 capital credits by payment of that amount to current and former members. He noted that the Cooperative has, over time, retired a total of \$6,306,562 of capital credits to its members.

President and CEO Shallenberger then reviewed the results of a recent customer satisfaction survey of the performance of Shelby Electric Cooperative. He observed that the member feedback from the survey indicated very good marks for the Cooperative in areas of power reliability, power restoration, charges (rates), cooperative culture, and member service.

President and CEO Shallenberger then reviewed the types of electric generation assets, i.e., coal-fired, natural

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Continued from page 7

gas-fired, nuclear, conventional hydro-electric, wind, and solar, using an analogy of a baseball pitcher's repertoire. He observed that, in 2018, 63.18% of electricity generation came from coal-fired and natural gas-fired generators. He also noted that when the "going gets tough," there is reliance on what is most effective, and that as a result, during the 2014 polar vortex and the 2018 Arctic cold snap, fossil fuel-based generation was 75% and 70%, respectively. He observed that, as renewable portfolio standards continue to increase the percentage of mandated renewable generation across the United States, electric generation for cooperatives must continue to follow an "all-of-the-above" approach obtaining electricity from all types of electric generation assets.

There was no unfinished business.

There was no new business.

Chairman of the Board Lively called on Jessica Fox, Chair of the Inspectors of Elections to read the Certificate of Inspectors of Election, which was as follows:

CERTIFICATE OF INSPECTORS OF ELECTIONS

We, the undersigned, the duly appointed Inspectors of Elections, for the Annual Meeting of the members

of Shelby Electric Cooperative held on the 7th day of June, 2019 do hereby certify that the election of Directors was fairly and impartially conducted; that we received the votes of the members by ballot and counted the votes cast; and that the following members received the number of votes set opposite their respective names, to-wit:

DISTRICT 3: (To serve for a term of three years –

One (1) to be elected from this district)

NAME	NO. OF VOTES RECEIVED
David Keown	83
Spoiled Ballots	8

DISTRICT 6: (To serve for a term of three years – One (1) to be elected from this district)

NAME	NO. OF VOTES RECEIVED
Katie Ohmes	64
Spoiled Ballots	8

We further certify that the following persons were duly elected as Directors to hold office for a term of three years or until their successors shall have been elected and qualified:

DISTRICT 3: David Keown

DISTRICT 6: Katie Ohmes

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 7th day of June, 2019.

Jessica Fox, Chair (SEAL)

Robert Wysong (SEAL)

John Miller (SEAL)

Chairman Lively declared that David Keown and Katie Ohmes were duly elected to the Board of Directors for three-year terms.

On motion duly made by member Marion McVey, seconded by member Deborah Johnston, the meeting was adjourned by voice vote at 2:10 p.m.

Prior to the commencement of the Annual Meeting, the name of each member in attendance was placed in contention for the drawing for attendance prizes. Prizes were awarded to members with the grand prize being \$250 Shelby Electric Dollars, which was won by Mike Bauman.

Secretary

APPROVED:

Chairman

2021 ANNIVERSARY DATES:

EMPLOYEES

1 YEAR

Elizsha Darnell
Jill George
Lisa Snoke

5 YEARS

Dalton Brown
Gayla Dorsey
Tiffany Hancock
Sarah McConnell

25 YEARS

Jason Nohren

DIRECTORS

1 YEAR

Pam Rincker

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MEMBERS' FINANCIAL REPORT
for the year ended December 31, 2020

ASSETS		
Total cost of electric plant system including work in progress	78,646,584	
Depreciation	(42,020,415)	
Net electric plant system		36,626,169
Cash on hand and in the bank was		3,700,663
Investments in associated organizations		15,767,294
Investments in non-utility property		329,867
Other Investments and subordinated certificates		9,762,838
Receivable for electricity sales, and material sold		4,698,627
Stock materials and supplies		546,843
Prepaid expenses, deferred charges and miscellaneous assets		6,040,713
Total Assets		77,473,014
LIABILITIES AND MEMBERS' EQUITY		
Borrowed from and owed to CFC	21,970,914	
Borrowed from and owed to USDA	4,092,511	
Other Long Term Liabilities	1,977,529	
Total Debt	28,040,954	
Owed for materials, credit balances on consumers accounts, advanced consumer underground deposits, taxes, & etc.	2,874,567	
Consumer deposits paid	66,433	
Deferred credits and miscellaneous liabilities	512,957	
Total Liabilities	31,494,911	
MEMBERS' EQUITY (NET WORTH)		
Donated capital	2,549,498	
Patronage capital and other margins	43,428,605	
Total Members' Equity		45,978,103
Total Liabilities and Members' Equity (Net Worth)		77,473,014

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COOPERATIVE STATEMENT OF RECEIPTS AND EXPENSES
for the year ended December 31, 2020

OUR RECEIPTS:		
Sale of electric service		\$33,247,320
Propane revenue		1,934,576
Other receipts		230,066
Total receipts for 2020		\$35,411,962

OUR EXPENSES:		
Purchased electric power cost	\$20,035,368	
Purchased propane cost	1,170,287	
Operations and maintenance expense	3,602,241	
Consumer accounting and collecting expenses	662,389	
Customer assistance expense	879,778	
General office salaries and expenses	2,306,697	
Outside services	220,814	
Insurance expense	82,406	
Post retirement benefits, excluding pensions	109,703	
Depreciation and amortization expense	2,777,602	
Taxes	949,597	
Interest expense to CFC	1,357,757	
Total cost of providing service for 2020		34,154,639
Operating margin		1,257,323
Interest income, capital credits and other non-operating revenue		3,856,668
Total Margin		\$5,113,991

LONG-TERM OBLIGATIONS TO CFC & USDA RURAL DEVELOPMENT

Total CFC loan funds approved	\$61,529,086	
Total CFC funds borrowed	\$21,970,914	
Total USDA funds borrowed	\$4,092,511	
Payments made on principal during year	\$2,423,017	
Total interest paid during year	\$1,357,757	

Shelby Electric Cooperative
2021 Annual Meeting

**INTERESTING INFORMATION ABOUT YOUR COOPERATIVE'S PROGRESS
AND WHAT IT MEANS TO LOCAL BUSINESS**

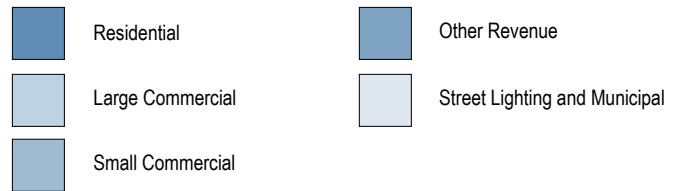
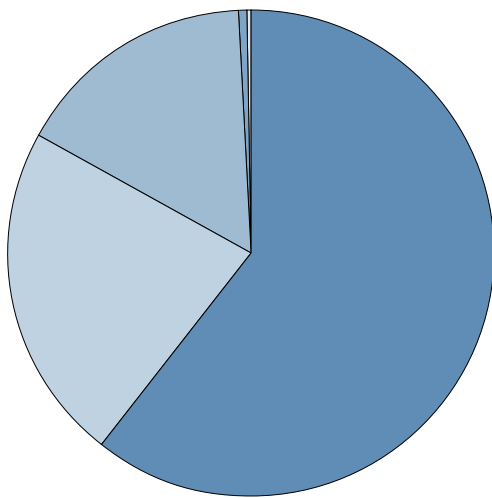
	2020	2019	2018	2017	2016
Total electric plant	78,380,706	74,370,350	71,271,271	69,422,671	67,096,728
Total miles of line	2,208	2,203	2,201	2,197	2,196
Average plant investment per mile	35,499	33,759	32,381	31,599	30,554
Average number of customers served	9,751	9,743	9,716	9,704	9,670
Average number of consumers per mile of line	4.42	4.42	4.41	4.42	4.40
Average plant investment per consumer served	8,038	7,633	7,335	7,154	6,939
Total cost of purchased power	20,035,368	20,816,899	22,190,064	20,940,118	21,086,288
Maximum monthly kW demand	49,144	48,687	51,015	48,671	49,714
Total kwh purchased by cooperative	257,959,556	266,606,640	272,311,336	257,841,947	266,309,947
Total kwh purchased by members	241,954,512	249,733,560	255,366,601	241,792,161	249,400,772
Average kwh used per month per member	2,068	2,136	2,190	2,076	2,149
Total electric revenue	33,477,386	34,406,977	35,084,816	33,983,100	33,550,555
Average monthly electric bill per member	286	294	301	292	289
Average monthly revenue per mile of line	1,263	1,302	1,328	1,289	1,273
Average ownership equity per member	4,715	4,216	3,821	4,738	3,180
Total taxes paid	949,597	963,892	992,541	949,597	971,979
# of Coop vehicles	35	35	33	33	32
Miles traveled by transportation vehicles	328,050	246,554	244,599	222,017	227,396
Total transportation costs	205,168	192,543	180,297	181,339	187,742
Average costs per mile by transportation vehicles	0.63	0.78	0.74	0.82	0.83
Hours used on power operated vehicles	10,161	8,351	8,929	9,843	10,349
Total power operated costs	351,502	420,665	322,705	383,612	331,007
Average cost per hour by power operated vehicles	34.59	50.37	36.14	38.97	31.98

COOPERATIVE OPERATING STATS

	2020	2019	2018	2017	2016
Cost of purchased power	20,035,368	20,816,899	22,190,064	20,940,118	21,086,288
Total kWh purchased	25,959,556	266,606,640	272,311,336	257,841,947	266,309,947
Total kWh sold	241,954,512	249,733,560	255,366,601	241,792,161	249,400,772
Average number of members served (excl. comm.)	9,477	9,469	9,460	9,445	9,416
Average kWh use per month per member (excl. comm.)	1,057	1,065	1,126	1,019	1,068
Average cost per kWh to member (excl. comm.)	16.78	16.93	16.48	17.42	16.67

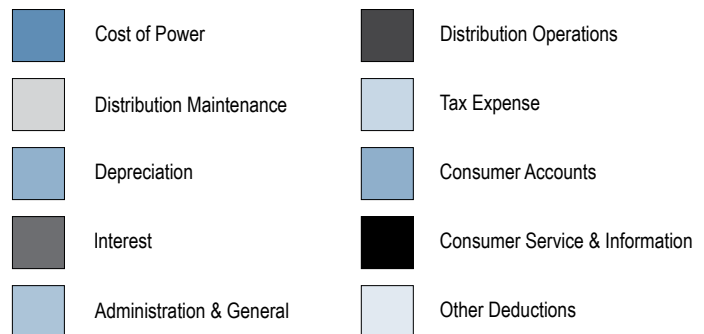
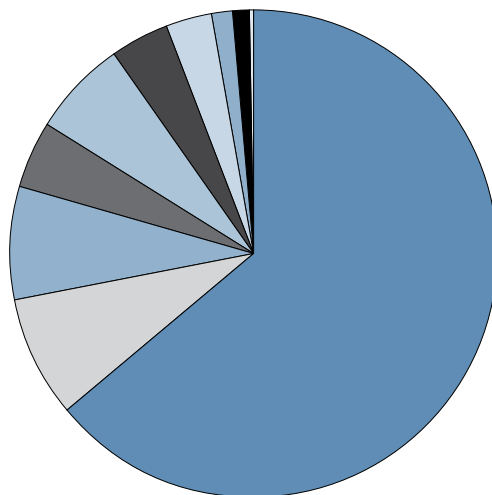
Shelby Electric Cooperative *Weathering the Storm*

SALES REVENUE



Residential	\$20,299,511	60.79%
Large Commercial	\$7,505,940	22.48%
Small Commercial	\$5,388,199	16.14%
Other Revenue	\$143,959	0.43%
Street Lighting and Municipal	\$53,670	0.16%
Total	\$33,391,279	100.00%

ALLOCATION OF TOTAL COST



Cost of Power	\$20,035,368	64.04%
Distribution Maintenance	\$2,487,257	7.95%
Depreciation	\$2,379,848	7.61%
Interest	\$1,363,716	4.36%
Administration & General	\$1,978,234	6.32%
Distribution Operations	\$1,226,070	3.92%
Tax Expense	\$946,910	3.03%
Consumer Accounts	\$462,902	1.48%
Consumer Service & Information	\$368,310	1.18%
Other Deductions	\$38,011	0.11%
Total	\$31,286,626	100.00%



**ANNUAL MEETING OF MEMBERS
SHELBY ELECTRIC COOPERATIVE**

PROXY

1. I, the undersigned active Class A member of Shelby Electric Cooperative, hereby appoint **(insert name of person to act as proxy)** _____ as my agent and proxy (a) to attend and represent me at the annual meeting of members of Shelby Electric Cooperative on June 4, 2021, and any continuation or adjournment of the annual meeting of members and (b) to act and vote on my behalf in the transaction of any business conducted at the annual meeting of members, in the same manner and with the same effect as if I were personally present.
2. This proxy and the authority represented by this proxy may be revoked by me at any time and is automatically revoked if I am personally in attendance at the annual meeting of members.

Date: _____, 2021

(Typed/printed name of active Class A member giving proxy)

(Signature of active Class A member giving proxy)

(Title/office, if corporation or other entity)

Witness: _____

(NOTE: The bylaws of the Cooperative provide that (1) only active Class A members of the Cooperative may cast the vote of another active Class A member for whom he or she has been given a proxy, (2) an active Class A member may only cast one proxy vote for an absent active Class A member in addition to his/her own vote, (3) any proxy must be filed with the Secretary of the Cooperative at or before the meeting, and (4) proxies expire 60 days after date of execution.)

The business meeting will be held in the show arena at the Shelby County 4-H Fairgrounds, Shelbyville, IL

Drive through only pork chop dinner (no seating available)

(Prepared by Pork Producers of Shelby County)



- Registration 10:30 a.m. - 1:00 p.m.
- A drive through only dinner will be served between 10:30 a.m. and 12:45 p.m.
- Entertainment by The Hood Family Band
- All registered members will receive a \$15 bill credit
- Must bring your registration card to the business meeting to qualify for the drawing
- Meals are limited to one per person in vehicle
- Must be present to win door prizes in the drawing after the meeting

Please mark your calendar and plan to attend

Door Prizes

**Prize drawing will be held at the conclusion of the business meeting
and you must be present to win**

Grand Prize!!!

\$250 "Shelby Electric Dollars" that can be used for any Shelby Electric provided service

SHELBY ELECTRIC COOPERATIVE

P.O. Box 560
Shelbyville, IL 62565

ADDRESS SERVICE REQUESTED

Presorted
Standard Mail
U.S. Postage Paid
Springfield, Illinois
Permit No. 609

THIS IS YOUR REGISTRATION CARD

Please bring it with you to expedite the registration process

All registered members will receive a \$15 bill credit

The Shelby County 4-H Fairgrounds are located west of the Cooperative on the north end of Shelbyville.
This is a drive through event; please follow the route shown below.

