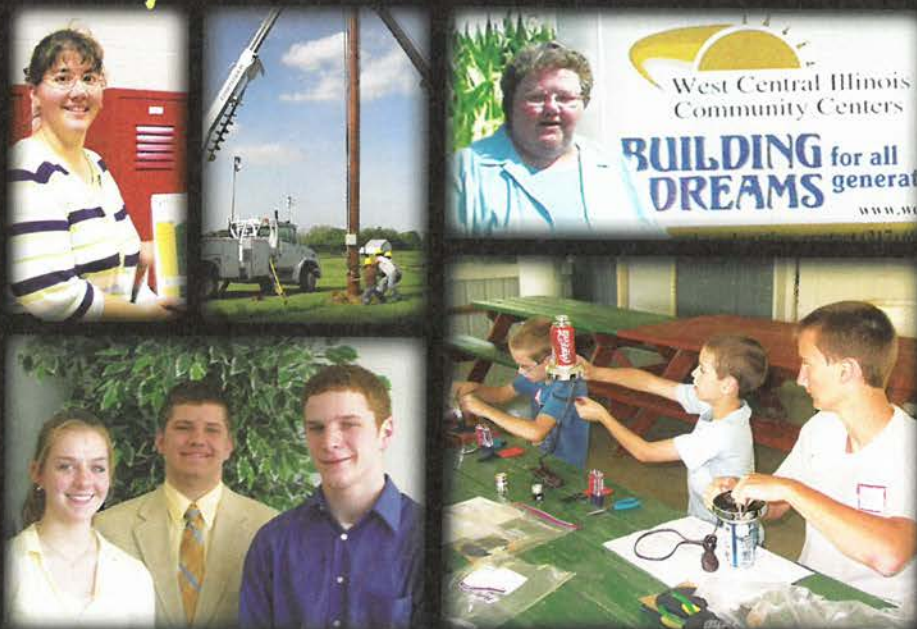


Our **Roots** *run deep in our community*



Adams Electric Cooperative *Annual Report*

Join us at the Annual Meeting
Wednesday, September 7, 2005
Bailey Park • Camp Point, Illinois

In This Issue

The September issue of the *Adams Outlet* contains the Annual Report of your Cooperative. According to the Cooperative's Bylaws and Articles of Incorporation for not-for-profit organizations, we are legally required to conduct an Annual Meeting of Members.

The extra activities associated with the Annual Meeting are intended to encourage attendance. Your Annual Meeting is a balance of business and pleasure.

Your Board of Directors want you to be well informed. We believe this 2005 Annual Report will give you a good summary of the past year's business activity. If you need more information, please let us know.

In order to keep the business progressing, copies of minutes, reports and other business items are printed in the Annual Report rather than presented from the platform. Please look over this report at your convenience and bring it to the Annual Meeting for reference. The Member registration card, on the back cover, will be used in drawing for prizes.

Adams Outlet Vol. 54, Number 9

Adams Outlet (USPS 005-220) is published monthly for \$2.00 per year by Adams Electric Cooperative, 700 East Wood, Camp Point, Illinois 62320. Periodical postage paid at Camp Point, Illinois and at additional mailing offices.
POSTMASTER: Send address changes to Adams Outlet, P.O. Box 247, Camp Point, Illinois 62320.

A BIG reason to attend your Annual Meeting...

WIN 1 of 2
Grand Prizes
6 Months
FREE
electricity
up to \$500

...but you must be present to win!

*Wednesday, September 7, 2005
Bailey Park • Camp Point, Illinois*

Cover Photos - *Top left:* Jody Obert, Liberty Grade School Principal, receives a "Get Charged" educational kit as part of Adams Electric Cooperative's participation in this 2004 Touchstone Energy Program; *Top center:* Cooperative employees, Mike Olson, Tim Brecht, Steve Fanning, Brad Smith and Trent Schroeder, volunteered their time to install poles at Unity Ball Diamond. Cooperative employees have installed poles and lights at numerous ball fields throughout our service territory; *Top right:* Dr. Debra Phillips speaks at the West Central Illinois Community Centers sign dedication ceremony. Adams Electric Cooperative agreed to donate the ground provided that funds are raised for the \$3.6 million, all-electric project; *Lower left:* Adams Electric Cooperative sponsors two students in the annual "Youth to Washington" contest to introduce students to federal government and teach them about cooperatives. Pictured are the winners Traci Eidson and Scott Baker with alternate Alex Meyer; *Lower right:* Students participate in 4-H Electricity School sponsored by Adams Electric Cooperative, University of Illinois Extension and AmerenCIPS. The annual event is open to 4-H members and non-members, age 8-18.

Annual Meeting Program

Wednesday, September 7, 2005 ~ Bailey Park ~ Camp Point, Illinois

5:00 p.m. ~ Registration

5:00 - 6:45 p.m. ~ Prime Rib Sandwich Dinner

5:15 - 6:30 p.m. ~ Entertainment ~ *Kathy Brink & Travis Spratt*

7:00 p.m. ~ Call to Order and Announcement of Quorum ~ *Mike Tenhouse, President*

Invocation ~ *Local Pastor*

Pledge of Allegiance ~ *Local Boy Scout Troop*

Introduction of Board ~ *Mike Tenhouse, President*

Official Notice of Annual Meeting ~ *Alan Acheson, Secretary*

Minutes of Previous Annual Meeting ~ *Alan Acheson, Secretary*

Introduction of Guests ~ *Jim Thompson, General Manager*

Report of Nominating Committee ~ *Nominating Committee Representative*

Election of Directors ~ *Charles Burton, Attorney*

Election of Nominating Committee for 2006 ~ *Charles Burton, Attorney*

Introduction of Advisory Committee & Youth Tour Winners ~ *Bill Stalder, Manager of Marketing/Member Services*

Treasurer's Report ~ *Richard King, Treasurer*

President's Report ~ *Mike Tenhouse, President*

Manager's Report ~ *Jim Thompson, General Manager*

Unfinished Business ~ *Mike Tenhouse, President*

Adjournment

Awarding of Door Prizes

Official Meeting Notice



Alan Acheson
Secretary

Pursuant to the provisions of the Bylaws, notice is hereby given that the Annual Meeting of Members of the Adams Electric Cooperative will be held at Bailey Park in Camp Point, beginning at 7:00 p.m. CDST, Wednesday, September 7, 2005 to take action upon the following matters:

- 1** To receive the reports of officers, directors and committees.
- 2** The election of three directors to serve a three-year term, or until their successors are elected and qualified.
- 3** Election of Nominating Committee for 2006.
- 4** All other business that may come before the meeting or any adjournment or adjournments thereof.

Dated this 24th day of August 2005.

Adams Electric Cooperative

Alan Acheson

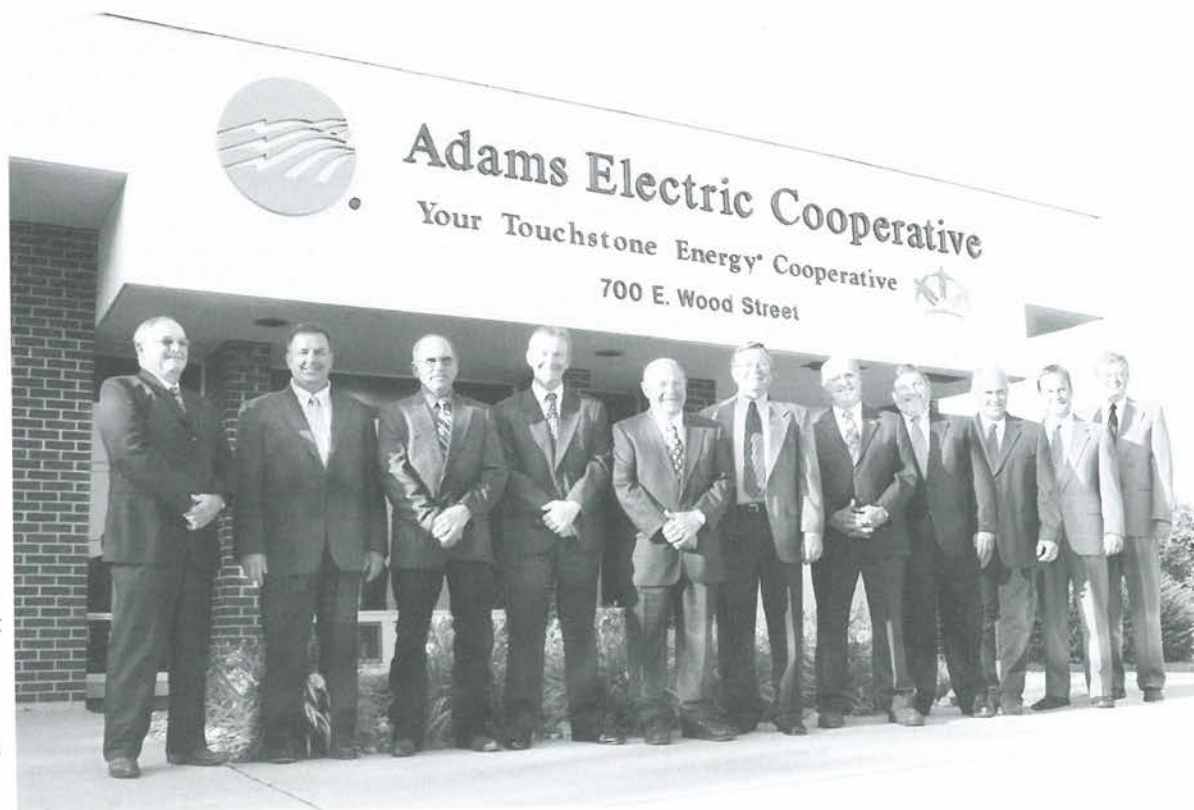
Alan Acheson, Secretary

On Wed., Sept. 7
Adams Electric
will be closing at
3:00 p.m. to prepare
for the Annual Meeting.

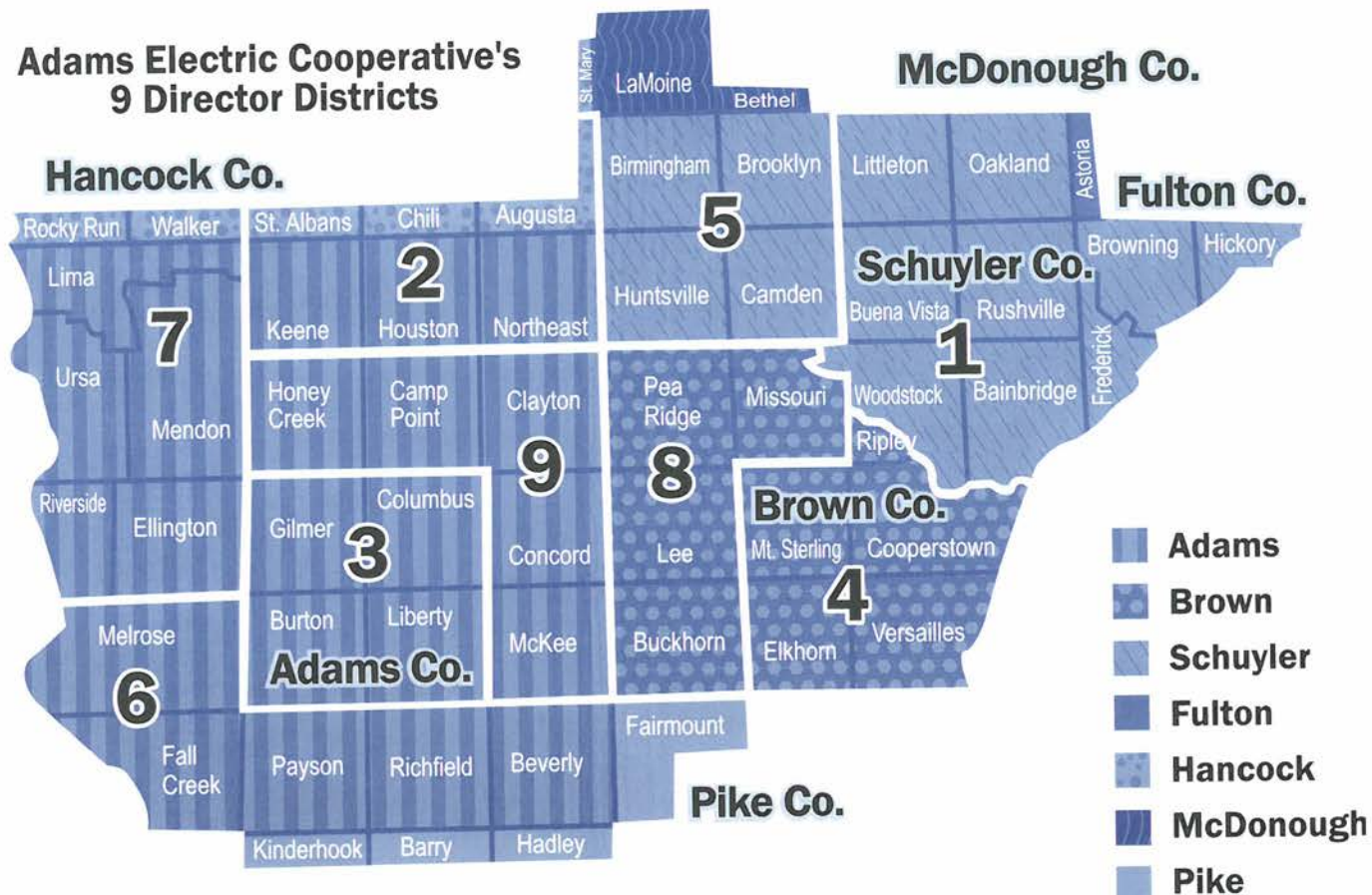
Your Board of Directors

Left to right:

District 5 - Rick King (*Treasurer*) of *Huntsville*, **District 8 - Ed Wagner** of *Mt. Sterling*, **District 2 - Lyle Waner** of *Loraine*, **District 1 - Alan Acheson** (*Secretary*) of *Rushville*, **District 3 - George Schneider** of *Liberty*, **District 7 - Jim Benz** (*Vice President*) of *Quincy*, **District 6 - John Kestner** of *Payson*, **District 9 - Michael Tenhouse** (*President*) of *Coatsburg*, **District 4 - Bob Willis** of *Mt. Sterling*, **General Manager - Jim Thompson** of *Quincy*, **Attorney - Charles Burton** of *Rushville*



Adams Electric Cooperative's 9 Director Districts



Selection of Nominating Committee

According to the Cooperative's Bylaws, it is necessary at the 2005 Annual Meeting of Members to select the Members of the 2006 Nominating Committee. The Committee is to be made up of one Member-at-large and two Members from each district in which the Director's three-year term will expire. Any Member of Adams Electric Cooperative may make nominations. This elected Committee will then meet and prepare the list of Director Nominees at least 60 days prior to the 2006 Annual Meeting of Members.

At the 2006 Annual Meeting of Adams Electric Cooperative, Directors will be elected to represent Districts 7, 8 and 9 comprised of the townships listed below:

District 7

(Adams County)
Ellington, Lima,
Mendon, Riverside
and Ursa

(Hancock County)
Rocky Run and
Walker



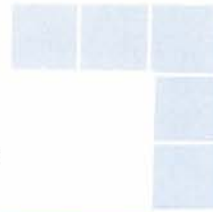
District 8

(Brown County)
Buckhorn, Lee,
Missouri and Pea
Ridge

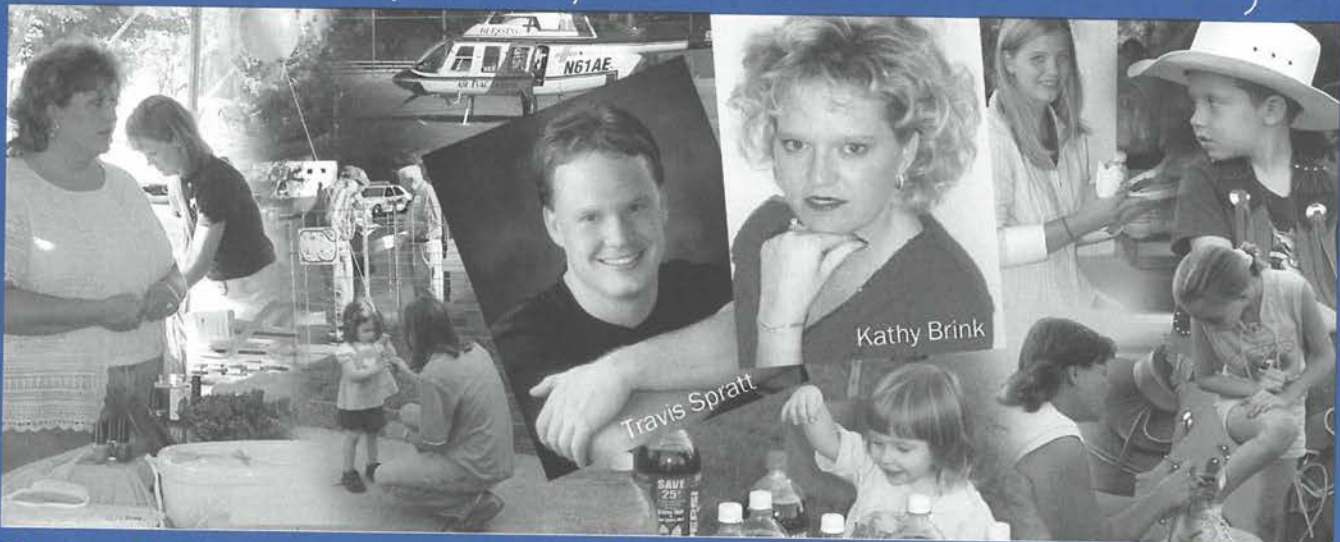


District 9

(Adams County)
Camp Point,
Clayton,
Concord,
Honey Creek
and McKee



Entertainment for Everyone at the 2005 Annual Meeting!



**Musical Guests: Travis Spratt & Kathy Brink ~ Lots of Door Prizes ~ Face Painting
~ Watch The Air Evac Helicopter Land ~ Free Safety Stickers for the Little Ones ~
Ring Toss ~ Moonwalk ~ Visit Numerous Vendor Booths ~ Free Meal ~ Pony Rides**

Absentee Ballots

Pursuant to the Bylaws, Members may vote for Directors and resolutions being considered at the Annual Meeting of Members by casting an absentee ballot during regular business hours at the headquarters office at Adams Electric Cooperative.

Regular business hours are 7:30 a.m. - 5:00 p.m. Monday through Friday.

Absentee ballots can be cast from August 29, 2005 through September 7, 2005 at 3:00 p.m.

Director Candidate Profiles



District (4)

Consisting of Mt. Sterling, Elkhorn, Ripley, Cooperstown and Versailles townships of Brown County.



Robert Willis of Mt. Sterling

- He and his wife, Debbie, have one daughter, Amber.
- Owner of Willis Insurance Agency in Mt. Sterling and Versailles, Certified Insurance Counselor (CIC)
- Vietnam Veteran, 4th Infantry Division
- Elder at Chambersburg Christian Church
- Member of Mt. Sterling VFW and American Legion Post 374
- Past Adams Telephone Co-Operative Board Member
- Served nine years on AEC Board of Directors and Past President
- Continental Cooperative Services Director
- Soyland Director, currently Vice President
- Completed NRECA's Credentialed Director Certificate



District (5)

Consisting of St. Mary township of Hancock County; Birmingham, Camden, Huntsville and Brooklyn townships of Schuyler County; Bethel and LaMoine townships of McDonough County.



Richard King of Huntsville

- He and his wife, Linda, have three children, Derek King, Kristina Haines, and Darin King (deceased).
- Grain farmer
- Linda is a Program Technician for Schuyler County Farm Service Agency
- 1966 graduate of Augusta High School
- Attended WIU for four years
- Huntsville Township Trustee
- Past Schuyler County Farm Bureau Board Member
- Past Two Rivers FS Board Member
- Active Member of Huntsville Methodist Church
- Served six years on AEC Board of Directors, currently Treasurer
- Completed NRECA's Credentialed Director Certificate & the Board Leadership Certificate
- Enjoys hunting, fishing, attending car races and tractor pulls



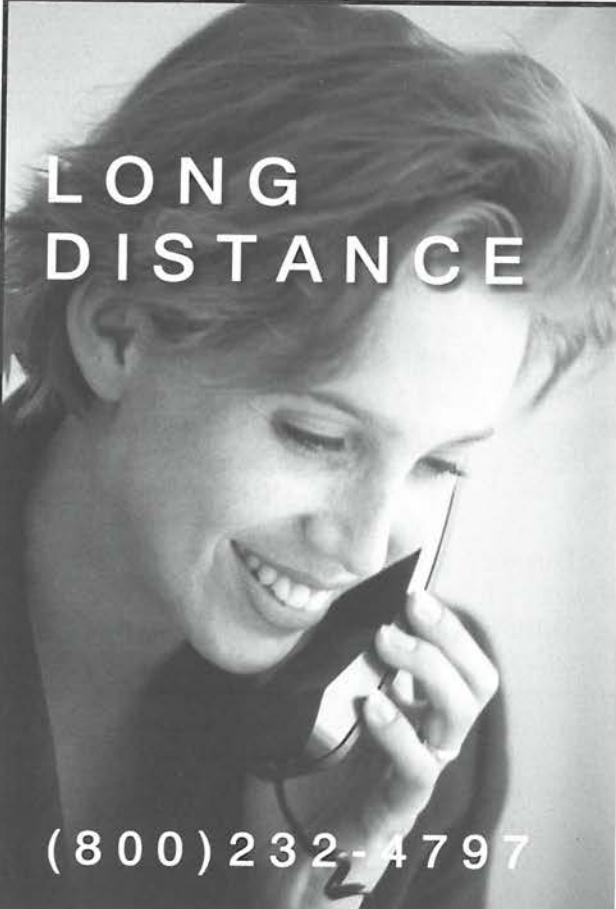
District (6)

Consisting of Melrose, Fall Creek, Payson, Richfield and Beverly townships of Adams County; Kinderhook, Barry, Fairmount and Hadley townships of Pike County.



John Kestner of Payson

- He and his wife, Linda, have four children and 11 grandchildren.
- Grain and livestock farmer
- Half owner of Oak Hill Seed Farm
- Linda is a Probate Court Clerk in Hannibal
- Graduate of Central High School
- Member of St. John's Lutheran Church, Hannibal
- Board of Trustees, St. John's Lutheran Church
- Past Board Member and President of West Pike School Board
- Past member Board of Trustees of Levee and Fall Creek township
- Member of Adams County Farm Bureau
- Member and Past President Hull Lions Club
- Member Hannibal Elks Lodge
- Director of Adams County Old Tyme Association
- Past AEC Advisory Committee Member
- Served nine years on AEC's Board of Directors
- Completed NRECA's Credentialed Director Certificate & the Board Leadership Certificate



**LONG
DISTANCE**

(800) 232-4797

**No monthly minimum.
No hidden fees.
No rounding up to the nearest minute.
No extra charge to connect.
No catch.
Just...**

4.5¢ /min. for all
calls in Illinois!

4.9¢ /min. for all
state-to-state calls

Adams Home Services

a division of Adams Electric Cooperative through PowerNet
Global Communications utilizing Qwest Long Distance
Network the nation's 4th largest carrier.



 SCRANTON
HEATING & COOLING

ROUTE 24 EAST MT. STERLING, IL 62353

ESTABLISHED 1985



— 24 HOUR, SAME
DAY, EMERGENCY
SERVICE

— FINANCING
AVAILABLE WITH
APPROVED CREDIT

**ARE YOU BUILDING YOUR DREAM HOME THIS
YEAR OR THINKING OF UPGRADING YOUR
HEATING AND COOLING SYSTEM?
IF SO, BE SURE TO MAKE AN INFORMED
DECISION. FOR A FREE LIST OF WEBSITES
PACKED FULL OF HELPFUL INFORMATION,**



**CALL NOW TO
SCHEDULE YOUR
FREE COMFORT
CONSULTATION OR
TO LEARN MORE
ABOUT OUR
OUTSTANDING
SERVICE.**

- * GEOTHERMAL
- * HEAT PUMPS
- * FURNACES
- * A/C
- * CENTRAL
- * VACUUMS
- * ELECTRICAL
- * ENTRANCES
- * FIREPLACES

CALL
THE COMFORTMAN
(217) 773-2626

**WE CAN
HELP
YOU!!**

www.comfortman.com

Minutes of 2004 Annual Meeting

Minutes of 2004 Annual Meeting

September 8, 2004

The 65th Annual Meeting of Members of Adams Electric Cooperative was held in Bailey Park in Camp Point, Illinois on Wednesday, September 8, 2004 beginning at 7:06 p.m., CDST.

The meeting was called to order by President Michael Tenhouse and a quorum declared of 680 Members present. Pastor Thomas Kamprath of St Peters Lutheran Church of Coatsburg gave the invocation.

Robbie O'Donnell and Shawn Parker of Boy Scout Troop #19, Clayton, led the pledge of allegiance. Troop Leader Bob O'Donnell supervised the scouts.

President Tenhouse introduced each Director by their respective district along with Charles Burton, Cooperative Attorney, and Jim Thompson, General Manager.

President Tenhouse announced the meeting would follow the agenda as printed, follow Robert's Rules of Order and each person's discussion during the business meeting would be limited to a reasonable amount of time.

President Tenhouse appointed the election tellers and credentials committee; namely Lois Begeman, Janet Ingram and Betty McNeff. A motion was made, seconded and carried to accept the appointed election tellers and credentials committee. Charles Burton was appointed Parliamentarian and Kay Simpson was appointed Recording Secretary.

Secretary Alan Acheson read the Official Meeting Notice that had been mailed to the Membership in the Annual Report. President Tenhouse referred to the minutes of the September 3, 2003 Annual Meeting that had also been mailed

to the Membership in the Annual Report. A motion was made, seconded and carried to approve the minutes as printed.

General Manager Jim Thompson acknowledged the honored guests. Manager Thompson also thanked the many exhibitors for their participation.

Attorney Charles Burton presided over the election of directors. Attorney Burton explained there are two methods for nominations: 1) the Nominating Committee and 2) by petition. Bill Kraemer, Secretary of the 2004 Nominating Committee, gave the Nominating Committee report. This committee met May 4, 2004 and nominated the following candidates for director:

District #1: Alan Acheson

District #2: Lyle Waner

District #3: George Schneider

There were no nominations by petition submitted for director candidates.

Attorney Burton introduced the three candidates for election. He then explained that as this was not a contested election, he would accept a motion to elect the slate of Directors by acclamation. A motion was made, seconded and carried that a unanimous ballot be cast to elect from District #1 – Alan Acheson; District #2 – Lyle Waner; and District #3 – George Schneider by acclamation.

Attorney Burton then called for the election of the Nominating Committee for 2005. The following persons were nominated for District #4: Jim Blaesing and James Cox. A motion was made, seconded and carried that nominations cease, a unanimous

ballot be cast and that Jim Blaesing and James Cox be elected by acclamation to represent District #4. Jack Kelly and Dave Blackburn were nominated for District #5. A motion was made, seconded and carried that nominations cease, a unanimous ballot be cast and that Jack Kelly and Dave Blackburn be elected by acclamation to represent District #5. Arsenius Flesner and Roger Boone were nominated for District #6. A motion was made, seconded and carried that nominations cease, a unanimous ballot be cast and that Arsenius Flesner and Roger Boone be elected by acclamation to represent District #6. Vern Lubker was nominated for Member-at-Large. A motion was made, seconded and carried that nominations cease, a unanimous ballot be cast and that Vern Lubker be elected by acclamation to represent the Membership-at-Large.

Members elected to serve on the 2005 Nominating Committee are:

District #4: Jim Blaesing
and James Cox

District #5: Jack Kelly
and Dave Blackburn

District #6: Arsenius Flesner and
Roger Boone

Member-at-Large: Vern Lubker

President Tenhouse introduced Bill Stalder, Manager of Marketing/Member Services. Bill recognized and asked the eighteen couples who serve as the Cooperative Advisory Committee to stand and thanked them for their participation. Bill announced that Natalie Johnson of Quincy and Lynnea Rosendale of Augusta were the winners of the 2004 Youth-to-Washington contest. This year the contest format was changed from an essay

to a question and answer form. Natalie and Lynnea shared their experiences on the Youth Tour trip and thanked the Membership for allowing them the opportunity of a lifetime. Their experiences gained and friendships made will be cherished forever. They also thanked the Board of Directors and the Staff for making this trip possible.

Bill then introduced Advisory Committee Members Crystal Clair, and Rick and Kris Barry. Together they reviewed a "fundraising program" the Cooperative is considering in which Members' electric bills are rounded up each month. The small change that is collected each month would be awarded through fundraising committees to charities and nonprofit community organizations located in or near the Cooperative service area. Attorney Burton returned to the podium and explained the voting procedures for the fundraising program – vote yes if you are in favor of the program, vote no if you are opposed to the program. Election tellers and Manager of Finance Steve Jennings collected and counted the ballots.

Treasurer Richard "Rick" King gave the Treasurer's Report for the year ending December 31, 2003. President Tenhouse called for a motion to approve the Treasurer's report, it was seconded and carried.

President Tenhouse reported that this is the Cooperative's 65th Annual Meeting. A lot has changed from the early days of setting poles by hand and electricity being brought to the rural area to the current day. He discussed the challenge the Directors have with making the Cooperative a success. All decisions are made with the Member-Owners in mind. President Tenhouse then discussed the process the Board of Directors went through of hiring a new General Manager this spring. Douglas Aeilts, former

General Manager, became General Manager of Northeast Missouri Power Electric Cooperative in May. President Tenhouse thanked the employees and management for their dedicated teamwork and introduced Jim Thompson as the new General Manager of the Cooperative.

General Manager Thompson shared his philosophies on his leadership style and how it relates to the Membership. He reviewed his ten guidelines necessary for taking the Cooperative into the future. They include: Member Focused, Safety, Continuous Improvement, Communication, Character, Teamwork, Creativity, Tolerance for Stress, Enthusiasm and Empowerment. Approximately 4,000 poles are tested and treated yearly. The five-year cycle of trimming and spraying vegetation helps to minimize the electric blinks and insures more reliable electric service. Manager Thompson praised the employees for their dedication in their ability to get the lights back on when they do go out. The Cooperative and employees are committed to the community evident by their volunteer work. The Automatic Meter Reading system will be completed for the residential Member's by the end of 2004 and three-phase Member's in 2005. The SCADA system monitors the distribution system to make sure it is running efficiently. Adams Electric led the CCS/Soyland cooperatives in 2003 with a 3.4 percent increase in electric purchases compared to an average decrease of -0.4 percent. Electric heat is still the popular source of heat in new homes. The Cooperative had its 600th geothermal system installed this year. The St. Anthony substation was completed last year and is providing quality service to the Quincy area. The Rushville Appliance Center closed its doors December 30, 2003. The Camp Point Appliance Center continues

to offer the latest Maytag, GE and Amana appliances with an excellent service department. Economic Development is important to the Cooperative evident by the Dollar General store locating in the Camp Point Business Park and the Spec building at the airport. The Cooperative has a stable wholesale power contract with Ameren through 2008 and is analyzing its options beyond 2008. Manager Thompson concluded his report committed to improving the quality of life for those living in Adams, Brown and Schuyler counties. His report was illustrated with a Power Point presentation.

Attorney Burton announced the fundraising results as follows: Consideration of the Cooperative implementing a fundraising program by rounding-up the Members' electric bill passed by a narrow margin. The program is to be implemented April 2005.

President Tenhouse called for unfinished business. President Tenhouse called for any questions. There being no unfinished business or questions, a motion was made to adjourn the meeting at 8:26 p.m., CDST.

An informal drawing of names continued for prizes donated by Adams Electric Cooperative, vendors and eight (8) \$25 electric bill credits. Grand prizes, an upright freezer donated by Maytag/Amana was awarded to Nick Dietrich of Quincy and a General Electric microwave was awarded to Charles Koch of Mount Sterling.

Travis Spratt and Kathy Brink provided musical entertainment from 5:15 to 6:30 p.m. A rib eye sandwich meal with hot dogs was enjoyed by all.



Kay Simpson, Recording Secretary

Lots and Lots of **DOOR PRIZES**



You could win...

- Magazine Rack from Slumberland
- Oil Change and Filter from Gem City Ford
- Mr. Coffee Iced Tea Maker from Walmart
- Harley-Davidson Live to Ride Edition Monopoly Game from TNT Action Sports
- \$25 Gift Certificate from Mike's Place in Liberty
- Decorative Bird House from Dunlap Place

Plus several other items from businesses proudly served by Adams Electric Cooperative.

VENDOR DOOR PRIZES INCLUDE:

Ball caps

from Martin & Kroenke Imp.

\$50 Applebee's Gift Certificate

from Scranton Heating & Cooling

Broom & Dustpan

from Stanley Home Products

1-Year Membership to Air Evac

from Air Evac Lifeteam

Assorted Photo Mounting Paper

from Creative Memories

Gift Certificate to Heavenly Bodies

from Heavenly Bodies

Certificate for 50 Tree Seedlings

from Adams County Soil
& Water Conservation

...And More!

MUST BE PRESENT TO WIN

Member Advisory Committee

Members of the Advisory Committee are selected by the Directors and meet four times per year. The present committee consists of eighteen couples.

The main purpose of the Advisory Committee is to discuss Cooperative programs and operations, while providing valuable feedback.

District 1	Charles & Judy Dupoy Rushville	Fred & Cindy Elmore Rushville
District 2	Todd & Sharon Knorr Golden	Fred & Norma Bennett Golden
District 3	Michael & Renea Kurfman Liberty	David & Carla Siebers Camp Point
District 4	Jim & Lila Lerch Mt. Sterling	Louis Hammer Mt. Sterling
District 5	Bob & Emily Teel La Prairie	Roger & Teresa Kerr Huntsville
District 6	Roger & Rosalyn Boone Plainville	Daniel & Janice Ellwood Quincy
District 7	John & Lois Begeman Quincy	Jerry & Shirley Daggett Quincy
District 8	Roger & Betty Lynn McNeff Timewell	Ed & Brenda Goett Timewell
District 9	Dean & Dorothy Moore Camp Point	Steve & Candy Reilly Coatsburg



Saving Lives Since 1985

Are You A Member?

1-800-793-0010 • www.lifeteam.net



Mary Ellen Owens
Customer Representative

(217) 455-2265

Parties, Fundraisers, Business Opportunities

mello1@adams.net

www.shoponline.com



"Love Your Home"



**Kitchen Cabinets, Bathroom Cabinets,
Custom Made Furniture & More**

Greg Daggett
Phone: (217) 894-6507
Cell Phone: (217) 257-7905

1274 E. 2575th St.
Clayton, IL 62324
FAX: (217) 894-7064

book@travelhouseofquincy.com

Travel House of Quincy

3011 Maine Street, Ste 4
Quincy, IL 62301
www.travelhouseofquincy.com

Tel: (217) 222-0515
(800) 747-0521
Fax: (217) 222-0585

Employees of Adams Electric Cooperative



Jim Thompson PE
General Manager
10 Years

Over the years, you've come to know the employees at Adams Electric Cooperative. Several employees have been here for quite some time. Many of us are your neighbors. You are the Members and owners of Adams Electric Cooperative. We work for you.



Bill Alexander
Journeyman
Lineman
42 Years



Lyle Forsythe
Forester
37 Years



Abe Lashbrook
Design &
Construction
Supervisor
37 Years



Donnie Ward
Part-Time Laborer
36 Years



Jim Kerr
Design &
Construction
Supervisor
32 Years



Butch Passley
Meter Technician
31 Years



Pat Boylen
Line Foreman
31 Years



Butch Likes
Engineering &
Operations
Field Assistant
30 Years



Joan Mixer
Staff Secretary
27 Years



Joyce Bockhold
Engineering &
Operations Office
Technician
24 Years



Charlie Rossiter
Design &
Construction
Supervisor
23 Years



Ed Covey
Line Foreman
22 Years



Norm Boone
Mechanic
21 Years



Steve Fanning
Maintenance
Supervisor
20 Years



Judie Flesner
Billing Assistant
16 Years



Kristi Ihrig
Financial Assistant
16 Years



Brian Anderson
Journeyman
Lineman
15 Years



Randy Rigg
Lead Technician
15 Years



Mike DeWitt
Line Foreman
14 Years



Kevin Knight
Journeyman
Lineman
11 Years



Mary Aden
Billing Assistant
11 Years



Debbie Rhea
Administrative
Assistant
10 Years



Gary Nelson
Warehouseman
10 Years



Joyce Hibbert
Custodian
9 Years



Mike Olson
Journeyman
Lineman
9 Years



Julia Barry
Billing Assistant
8 Years



Steve Jennings
Manager of
Finance
8 Years



Tara Neisen
Bookkeeper/
Computer Operator
5 Years



Kraig Street
Forestry Assistant
5 Years



Larry Long
Technician
5 Years



Roger Stegeman, Jr.
Apprentice
Lineman
4 Years



Brad Smith
Apprentice
Lineman
4 Years



Buzz Shrader
Part-Time Laborer
4 Years



Laura Dotson
Communications
Coordinator
3 Years



Chad Reische
Apprentice
Lineman
2 Years



Anthony Jarboe
Apprentice
Lineman
2 Years



Peggy Koettters
Engineering &
Operations Clerical
Assistant
2 Years



Bill Stalder
Manager of
Marketing/Member
Services
2 Years



Tim Brecht
Manager of
Engineering &
Operations
New Hire

Annual Meeting Written Report



Mike Tenhouse
President



Jim Thompson
General Manager

It is our pleasure to invite you to the 66th Annual Meeting of Adams Electric Cooperative to be held on Wednesday, September 7, 2005 at Bailey Park in Camp Point. The annual meeting is a time for members to celebrate the Cooperative way of doing business with each other, enjoy good food and entertainment and conduct the important business of the Cooperative. Travis Spratt and Kathy Brink will provide an enjoyable evening of music and entertainment starting at 5:15 p.m.

An annual meeting is an important event for every Cooperative because it illustrates democracy in action. Adams Electric Cooperative Members will elect three Directors for three year terms and seven Members will be elected to the 2006 Nominating Committee. Attendance prizes will be given away and you should be on your way home by 8:30 p.m.

Cooperative Principles

When the Cooperative was organized 66 years ago, it was based on seven cooperative principles that still guide us today. The seven principles are: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training, and information; cooperation among co-ops; and concern for community.

The last principle is very important to us. This is our home and our roots run deep in our communities. We are committed to building a better quality of life for our members.

One of the major differences between us and other utilities is that our first priority is our members not shareholders. We answer only to you. Our directors and employees are your neighbors, people you know and trust. We stand next to you at ball games and cheer for your children as loudly as our own. We sit next to you in church and strike up conversations with you at the grocery store. At Christmas time, you may wave at cooperative employees as they hang decorations throughout the town. In the spring, you may see employees in a bucket truck replacing lights at your local ball field. If you are in the hospital it just may be a cooperative employee helping direct your family to the proper room.

Board members and employees do not just work in your community; we live there. We are invested in your quality of life as surely as you are. Many employees volunteer in local fire departments and help with girl and boy scout troops. We can be counted on to help if you have a flat tire or to help get a car out of the ditch on a cold winter morning. We do it not because we have to, but because you are our neighbors.

Our dedication to community service includes not just our immediate surroundings, but our extended cooperative communities too. Electricity is an essential part of life for all people. When others were left without electricity due to the devastating hurricanes, Ivan and Dennis, your Cooperative responded by sending crews and equipment putting aside our own needs because we knew it was the right thing to do. We knew it was what our members would want us to do. Someday we may have to call on them to help us restore power from a devastating ice storm. This philosophy is what it is all about, people helping people.

Penny Power

At last year's annual meeting, the membership voted to implement a charitable program to help people in our area. The Penny Power program has been implemented and funds are now available for distribution to approved applications. This is another example of the membership reaching out to help improve the quality of life in west central Illinois.

Member Survey

One way the Cooperative benchmarks how it is performing is through a customer satisfaction survey. On the last member survey, the Cooperative scored very high marks and was number one in the state in many different areas. Some of the questions in the survey were used to receive an American Customer Satisfaction Index (ACSI) score. This score allowed AEC to compare itself to other electric utilities around the United States including both investor owned utilities and cooperatives. AEC received a score of 81 which was one of the highest in the state and was nine points higher than the national average for utilities. These surveys provide us valuable information on how we are performing and where we can improve to provide even better member service.

Reliability

One area that is extremely important to the board and employees is reliability. We take this very seriously

and we do not like anyone to experience an outage. Unfortunately, some outages are inevitable due to the large exposure of the lines to the elements. The Cooperative tracks all the causes of outages on the distribution system and analyzes them to make changes to improve reliability. All employees take pride in keeping the lights on for our members. The Cooperative continues an aggressive Right-of-Way maintenance program. The Cooperative trims and sprays all of our circuits on a five year cycle. The Cooperative also inspects and/or treats approximately 4000 poles a year to make sure they are in good condition and to extend their life.

If the lights do go out, you can be assured the Cooperative will have a dedicated employee waiting to restore your power. We do everything in our "power" to get the lights back on. As a result of this commitment, the Cooperative's average outage time for all members was only 1.44 hours with the removal of outages caused by our power supplier for all of 2004 or a reliability factor of 99.99%!

New Technologies

The Cooperative strives to implement technologies to improve the service we offer members and improve the way we do business at the Cooperative. As far as electric utilities, we are on the cutting edge of technology.

The Automatic Meter Reading (AMR) project for all single-phase members was completed in February 2005. All three-phase members will have this technology by the end of the year. This technology will help the Cooperative provide better service to our membership.

The Cooperative is also working on a distribution automation project where two switches will monitor the status of a line and will automatically switch between each other without any human intervention. Just think of the future possible impact on service restoration with this technology!

The Cooperative is well positioned for the future and providing superior member service with the technology we utilize. The following is a snapshot of some of the technologies: load control, automatic meter reading, supervisor control and data acquisition, customer information, engineering planning software, distribution automation system. Technology provides us the ability to more efficiently operate your distribution system for the benefit of the members.

Renewable Energy Certificates: Environment-friendly

It is important for the Cooperative to be a steward of the environment. The Cooperative wanted to provide the membership an opportunity to take an active role in promoting renewable energy.

The huge blades at the Crescent Ridge Wind Farm in Bureau County started turning in late January 2005, creating electricity that flows into the transmission grid in northern Illinois. Since energy from the 33 wind turbines will replace coal- and gas-generated electricity, air pollution will be reduced along with emissions of carbon dioxide.

AEC members can support this renewable energy project through a new program called EcoEnergy®. For as little as \$6.00 a month for a 200-kilowatt hour (kWh) block, members can purchase Renewable Energy Certificates from the Crescent Ridge project. This amount of renewable energy has the same annual positive environmental effect as planting more than 160 trees or driving your car 2,000 miles less each year.

Companies around the world have been buying and selling environmental credits for years to reduce pollution. Renewable Energy Certificates give all AEC members an opportunity to participate in Illinois renewable energy projects. We are also utilizing ethanol and bio-diesel in all of its utility fleet. This is just one more way to help lessen our dependence on foreign oil.

Wholesale Power Costs and Purchase Power Agreement with Franklin County Power Project

Purchasing power for the membership is the Cooperative's largest annual cost. The Cooperative has a contract with Ameren through 2008 that will provide stable wholesale rates. The Cooperative needs to continually analyze this component of our business since it is the major driver in our rates. The Cooperative is in good shape through this time period and is pursuing options beyond 2008.

Recently, eleven Soyland cooperatives, including AEC, signed a Purchase Power Agreement to purchase 100 megawatts of power per year from the new Franklin County Power plant when it goes online in 2009. AEC's share of the plant is 17 megawatts. AEC will not own any of the Franklin County Power Plant and is not responsible for any ownership costs. AEC has only agreed to purchase a portion of the power generated.

The 550-megawatt, circulating fluidized bed coal fired power plant will use approximately two million tons of newly mined Illinois coal and one million ton of coal waste per year. The Illinois Environmental Protection Agency issued Franklin County Power Plant their air permit on July 3, 2001. The base load plant is scheduled for commercial operation in 2009.

Our future power supply will come from a variety of sources. The new Purchased Power Agreement with Franklin County Power Plant is a big step in keeping your cooperative's rates stable for years to come.

Financial Position

At this year's strategic planning meeting in February, an equity management plan was developed for the Cooperative. Over the years, the Cooperative's equity has continued to slowly decline. The board wanted to develop a financial plan to grow equity, cut costs, and start repaying capital credits.

A goal was developed to raise our equity over the next four years from just below thirty percent to around forty percent by the end of 2008. Forty percent equity is about the average for an electric utility and is more desired by lending institutions. In fact, once the Cooperative reaches this level, we will receive a 25 basis point reduction (0.25%) in our total loan portfolio.

In order to grow our equity the Cooperative needed to lower its operating costs and produce more margins. No one wanted to raise rates to accomplish this objective. As we scrutinized our expenses and developed our strategies, we felt like we had an opportunity to do this over the next four years.

Some tough decisions had to be made. One decision was to close the Appliance Department. Over the years we have tried to make changes to this business function, but could not make it profitable.

We also scrutinized becoming a partial owner in a generation facility to secure base load power for the future. It was decided not to pursue this option, but to purchase the output of a generation facility through a purchase power agreement. This option would allow us not to invest upfront money over the next four years towards a power plant.

In 2006, the Cooperative's wholesale power cost will decline for two years because our stranded cost portion of our bill will be paid off. Stranded costs are money owed on assets from which we receive no benefit (Clinton Nuclear Power Plant).

The Cooperative also continues to scrutinize its internal costs and work processes. The number of full time employees and accounts payable has been reduced.

I am pleased to say that even with the pressure of ever increasing healthcare, fuel and material costs, the Cooperative should without any major unforeseen circumstances be able to meet all of its objectives by the end of 2008.

What does this mean for the members? Stable rates through the end of 2008 and some future capital credit retirements.

Continued Load Growth

The Cooperative continues to see positive load growth. The Cooperative's energy purchases were up 1.7% for the year while the average for all the Illinois Continental Cooperative Services – Member Cooperatives was 0.4%.

The Cooperative installed 212 new electric services and upgraded 39 electric services in 2004. Some of these new services are the Ley Bauer Properties (Tool & Die Shop), Ward Brothers (Grain Complex), Ambiance (Reception Hall), Bear Creek Genetics (Upgrade for Hog Facility), Jasson Gardner (HVAC Service Business), O'Neal Rock Quarry, Illinois Labor Training (New Dormitory and Recreation Facility), fifteen new services at Lake Ridge Development (Joe Churchill's Cluster Homes) and three subdivisions – Timberline's Third Addition, Bonita Point Expansion, and the new Stone Point subdivision. Total utility plant increased 4.0% over 2004.

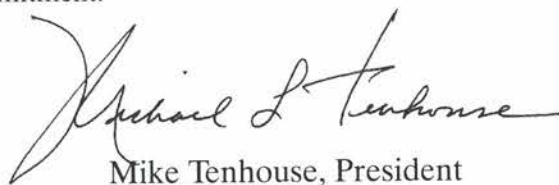
The Cooperative continues to have a high number of members installing electric heat. Of the new homes built in 2004, 75% have installed electric heat. Fortunately, the Cooperative has developed good working relationships with the building contractors and heating, ventilation and air condition (HVAC) contractors in our area. They help market our electric heat programs. Incentive rates undoubtedly play an important role in a new homeowners' decision as to whether or not to install electric heat. The incentive rate program is also popular among current homeowners looking at ways to reduce their heating and cooling costs.

Safety

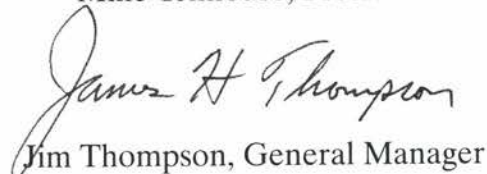
The Cooperative continues to emphasize safety and provides the required education and training. The first responsibility for safety rests with each employee. The Cooperative had zero lost time accidents in 2003 and 2004. The Cooperative was recognized by the Association of Illinois Electric Cooperatives (AIEC) for the best lost time accident record among Illinois Electric Cooperatives in 2003 and 2004.

Join Us – Member Owned & Controlled

Please come and join the Board of Directors, employees and members at the annual meeting. It is an opportunity for all of us to come together and enjoy an evening with each other. We are your local electric Cooperative. Member ownership and participation are what set us apart from other utilities. Come join us and be involved with your electric Cooperative. Our mission is to exceed the expectations of those we serve. Help us continue this commitment.



Mike Tenhouse, President



Jim Thompson, General Manager

Is it the
end of
the road
for your
air
conditioner?



Replace it with
an all-electric
geothermal
heating and
cooling system
from GeoComfort
and save up to
60 percent on
your energy costs.

To enjoy clean, safe, reliable
and quiet heating and cooling
all year long, call your local
GeoComfort dealer.

GeoComfort
Geothermal Heating • Cooling • Hot Water

www.enertechinc.com or
call us at (618) 664-4584



HEATING

STEVEN'S

AIR CONDITIONING

Lifetime Loop Warranty With Every Installation

301 S. 7th • Quincy, Illinois
217-222-5220 • 800-688-9556
www.stevensquincy.com

Beat the High Price of Natural Gas!



WaterFurnace



- Quiet, Safe & Clean Operation
- No Unsightly Outdoor Unit
- Best Warranty in the Industry
- Virtually Maintenance Free
- Economical Water Heating
- Environmentally Friendly (burns no fossil fuels)

**Peters is the #1 Waterfurnace
dealer in the nation!**

Natural gas prices are going
to be high again this year!
The cost to heat your home is going up!

A Waterfurnace geothermal heating
and cooling system is three to four times
more efficient than the most efficient
ordinary system...and that means
you save money!



4520 Broadway • Quincy, IL • (217) 222-1368
1975 Keokuk St. • Hamilton, IL • (217) 847-2777

**Get a Free Energy Evaluation -
Call Peters!**

Other locations in Kirksville and Hannibal, Missouri
Pittsfield, Illinois

www.petersheatingandair.com

Treasurer's Report



Richard King,
Treasurer

The financial statements in the annual report are based upon a complete and independent audit of the Cooperative's books and records by Bennett and Middendorf, Ltd. Certified Public Accountants of Quincy, Illinois. The audit report indicated that the records of your Cooperative were maintained in accordance with Generally Accepted Accounting Practices and Government Auditing Standards. A copy of the audit report is available for your inspection at the Cooperative office.

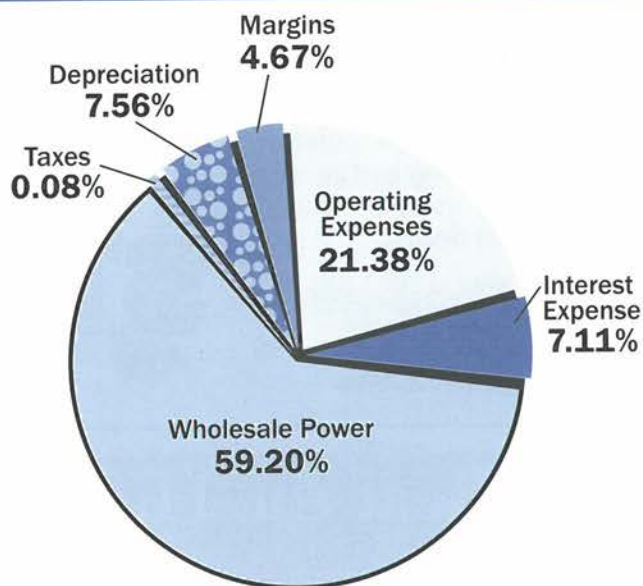
During 2004, \$1,354,000 was invested in the electric system to meet the growth in new services and ordinary replacements. Due to mild weather, especially during the summer of 2004, kilowatt-hour sales increased by only 1.2 percent over the previous record sales of 2003. Revenue from sales increased 1.1 percent while the total cost of electric service decreased 1.4 percent. During 2004, the Cooperative loaned out over \$54,000 to members under our EnergyWyse Loan Program.

The Cooperative established a \$450,000 reserve for debt related to its investment in Alert Security. Adams Electric and three other cooperatives formed a subsidiary in 2001 to provide security systems throughout Central Illinois. This business venture has not met projections to become profitable within three years so the Cooperative began taking action in 2004 to exit the business. When the sale or liquidation of the business is complete, there may be additional income to partially offset the losses.

You will note from the statement of revenue and expenses that the Cooperative's operating margin for the year was \$628,764 with a non-operating loss of (\$320,768). This combined total resulted in a net margin of \$307,996.

Richard H. King
Richard King, Treasurer

How Dollars Were Divided in 2004



Summary of Long Term Debt

	Amount Borrowed	Principal Repaid	Net Still Owed
Borrowed from Rural Utilities Cooperative Finance Corporation:	\$23,553,881	\$4,439,545	\$19,114,336

Adams Co-op FACTS

2003

2004

Miles of Line	2176	2,184
Members Connected	7,829	7,947
Members per Mile of Line	3.60	3.64
kWh Purchased	134,866,678	137,144,936
kWh Delivered	124,771,949	126,210,494
Percent Loss	7.21%	7.70%
Average Monthly kWh Used per Member*	997	981
Average Cost per kWh per Member*	0.1186	.1192
Average Bill per Member per Month*	\$118.27	\$116.96
Investment per Member	\$4,381	\$4,486
Equity	\$8,588,766	\$8,889,739

Balance Sheet (as of December 31)**2003****2004****Assets**

Cash in the Bank	\$127,577	\$113,017
Investments and Fund Accounts	2,595,537	2,622,537
Accounts Receivable	1,630,709	1,279,076
Material and Supplies	424,007	423,642
Prepaid Insurance and Deferred Expense	64,959	93,324
Total Cost of System	34,298,142	35,652,037
Less Depreciation	(9,303,876)	(9,860,641)
Net Value of System	<u>\$24,994,266</u>	<u>\$25,791,396</u>
Total Assets	<u>\$29,837,055</u>	<u>\$30,322,992</u>

Liabilities

Long-term Debt - NRUCFC	\$17,375,400	\$19,114,336
Long-term Debt - Other	-	-
Accounts Payable	2,716,136	1,235,306
Meter Deposits	101,219	108,394
Member Prepayments and Deferred Credits	1,055,533	975,217
Membership Fees and Other Capital	588,140	595,982
Members' Capital Credits	8,000,627	8,293,757
Total Liabilities and Capital	<u>\$29,837,055</u>	<u>\$30,322,992</u>

Statement of Revenue and Expenses**2003****2004****Receipts**

Total Receipts for Electric Service	\$13,266,850	\$13,452,923
-------------------------------------	--------------	--------------

Expenses

Electric Wholesale Power Cost	\$8,396,793	\$7,963,530
Expenses for Operating and Maintaining System	2,734,613	2,876,918
System Depreciation	899,253	1,016,430
Taxes Expensed	10,489	10,762
Other Interest Expense	16,830	17,911
Interest to CFC	944,792	938,608
Total Expenses	<u>\$13,002,770</u>	<u>\$12,824,159</u>
Net Operating Margin for the Year	<u>\$264,080</u>	<u>\$628,764</u>

Non-Operating Margins

Interest Income	\$68,647	\$78,505
Net Income From Appliances, Material and Other	(45,238)	(510,933)
Capital Credit - Other Cooperatives	<u>87,594</u>	<u>111,660</u>

Net Margin

	<u>\$375,083</u>	<u>\$307,996</u>
--	------------------	------------------

Taxes Paid**2003****2004**

Property Taxes	\$31,422	\$36,214
Energy Taxes	382,882	389,281
Social Security Taxes	148,029	156,706
Sales/USE/SOT Taxes	51,144	23,814
State Unemployment Tax	2,575	3,876
Federal Unemployment Tax	2,745	2,505
Illinois Gross Revenue Tax	10,613	10,762
Total Taxes	<u>\$629,410</u>	<u>\$623,158</u>



All electric? Get a second meter.

**You won't know
what to do with all the
money you'll save.**

All electric heating, cooling & water heating
usage can be calculated separately
at only **4.6¢** /kWh, saving you money!



Adams Electric Cooperative

Your Touchstone Energy® Cooperative

Ask for details. Call 1-800-232-4797

**Providing superior
telecommunications services,
when you need it, where you need it.**



ADAMS®
Telephone Co-Operative

internet • cellular phone • telephone • long distance • video • business systems

(877) 696-4611 • www.adams.net

Visit us at the Adams Electric Cooperative Annual Meeting.

7 Cooperative Principles

- Voluntary and Open Membership
- Democratic Member Control
- Members' Economic Participation
 - Autonomy and Independence
- Education, Training and Information
- Cooperation Among Cooperatives
- Concern for Community



IT'LL BE A COLD DAY BEFORE YOU PAY FOR AN AIR CONDITIONER



Ask about Bryant's newest air conditioners with Puron – the environmentally sound refrigerant that saves you money and the earth at the same time. Pay nothing – **6 months Interest Free** – no money down on selected models if you qualify. Keep your cool cash all summer. **Whatever it takes**



Heating & Cooling Systems

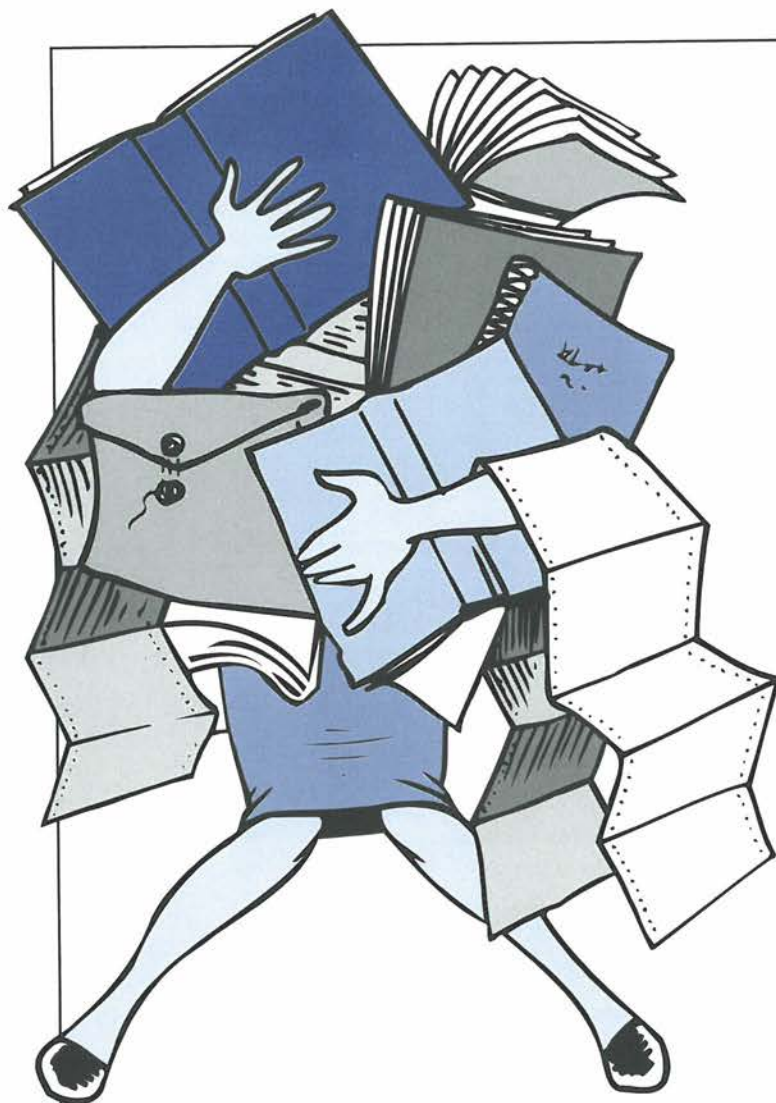


No interest and no payments for 6 months to qualified customers on the Bryant Comfort Credit Card. 19.50% APR may vary. Minimum finance charge \$.50.

Lowest Prices of the Season!



Mendon • 936-2764
Quincy • 224-2665 (COOL)
or 224-4328 (HEAT)
www.brueningheating.com



We've
Got
Stuff
For
You.

Just Ask!

Looking for more information on one of our services. Complete the card below and send it in with your electric bill. Or, mail it to: Member Services, Adams Electric Cooperative, P.O. Box 247, Camp Point, IL 62320. We'll be in touch with you soon!

I'm interested in:

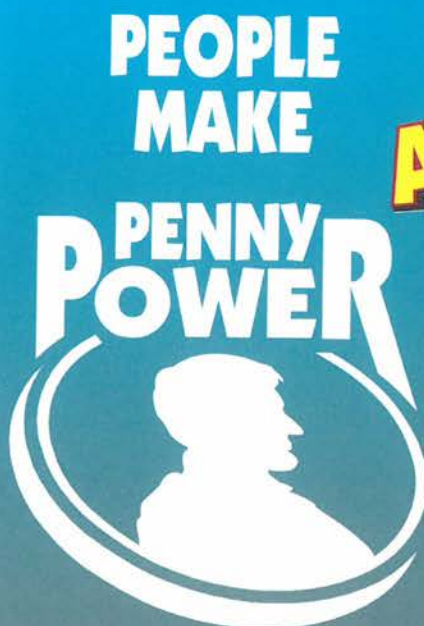
- | | |
|--|--|
| ☐ Security Light Rental | ☐ Rebate for geothermal, air-to-air heat pumps and other primary electric heating systems |
| ☐ Home Weatherization | ☐ Rebate for a new electric water heater |
| ☐ Surge Suppression | ☐ Reduced rates for electric heating, cooling and water heating |
| ☐ EcoEnergy® Program | ☐ EnergyWyse Loan Program |
| ☐ Co-op Power Plus™ Visa | |
| ☐ Long Distance Calling Plan | |
| ☐ Penny Power | |
| ☐ Youth to Washington Contest | |
| ☐ IEC Scholarship | |
| ☐ Other: _____ | |

Member Name: _____

Daytime Phone #: _____

Mailing Address: _____

Comments: _____



**Grant
Applications
NOW
AVAILABLE**

Thanks to the generosity of our members and an overwhelming level of participation (over 70%), Adams Electric Cooperative is pleased to announce that funds are now available through the Penny Power Grant Program.

Applicants must be charitable in nature and be working to meet a need in our area. Local groups and organizations located within the counties served by Adams Electric Cooperative can apply for grants through the Penny Power Program.

**For more information or to apply for a grant,
call (217) 593-7701 or (800) 232-4797**



**Adams Electric
Cooperative**

® Your Touchstone Energy® Cooperative 

P.O. Box 247, Camp Point, Illinois
www.adamselectric.coop

**Bring this Annual Report
& Registration Card**

GRAND PRIZE

Six months FREE electricity up to \$500!

66th Annual Meeting • Wednesday, September 7, 2005

Annual Meeting • Wed., September 7 • Bailey Park • Camp Point, Illinois



Bring This Registration Card