



THE JOURNEY OF
GROWTH



33RD ANNUAL MEETING
MARCH 10, 2022 | 5:30PM | VIRTUAL EVENT

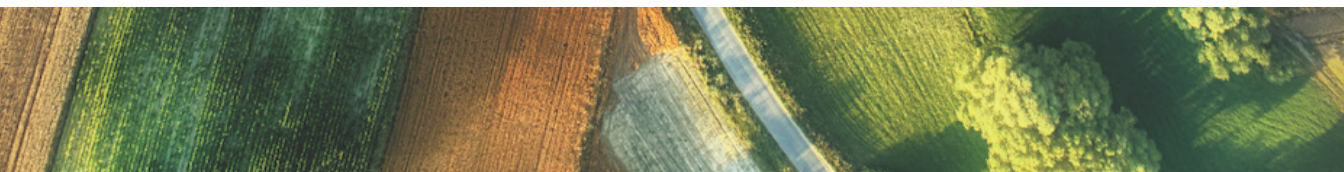


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WHAT IS OUR MISSION?

IMPROVING
THE QUALITY OF LIFE
THE COOPERATIVE WAY.



TEAM WORK



RESPECT



INTEGRITY



INNOVATION






GROWTH



SAFETY

NOTICE OF ANNUAL MEETING

Notice is hereby given that the annual meeting of members of EJ Water Cooperative, Inc., an Illinois Not-For-Profit Corporation, will be held virtually via Zoom at www.ejwatercoop.com/2022-ejannualmeeting on March 10, 2022 at 5:30 p.m. for the purpose of electing three directors, and for the transaction of such other business as may come before the meeting. The nominating committee met on January 17, 2022 and nominated the following members for election to the Board of Directors of EJ Water Cooperative, Inc. to be elected at the annual meeting.

-  **DISTRICT 1, FOR A 3-YEAR TERM, DIANE AHERIN**
-  **DISTRICT 2, FOR A 3-YEAR TERM, JASON WARFEL**
-  **DISTRICT 3, FOR A 3-YEAR TERM, CHUCK SMEDLEY**

It is hoped that each member can attend. If, for any reason you are unable, or it is doubtful that you can, please execute and return the enclosed proxy.

Chris Hartke, President
EJ Water Cooperative, Inc.

Dated this 17th day of January, 2022

GIVEAWAYS!

10

LUCKY MEMBERS
WILL HAVE THE CHANCE TO WIN

FREE WATER

FOR A YEAR!*

*BASED ON AVERAGE WATER BILL WHICH WOULD CREDIT YOUR ACCOUNT \$50/MONTH. BALANCE, IF ANY, AFTER CREDIT IS APPLIED WILL STILL NEED TO BE PAID BY MEMBER.

JOIN US ON ZOOM ON
MARCH 10, 2022 AT 5:30PM!

STEP BY STEP INSTRUCTIONS
FOR VIRTUAL EVENT

HOW TO JOIN:

VIDEO CALL:

Visit Meeting Link at:

www.ejwatercoop.com/2022-ejannualmeeting

CALLING IN:

Phone: +1-312-626-6799

Meeting ID: 814 6810 7921

Password: 856550

STILL CAN'T ACCESS THE MEETING? TRY:

Go to www.zoom.us

Click on "Join" in the top right hand corner

Enter the Meeting ID & Password listed above

You're in!

CHAT WITH US!

If you need further assistance, chat with us at
www.ejcoop.com

VIRTUAL EVENT

FEATURING EJ'S CEO & COO



BILL TEICHMILLER, CEO | DAVID ST. PIERRE, COO

Learn directly from our CEO & COO, EJ's strategy in order to ensure long term, affordable rates for the Co-Op.

LEARN ABOUT:



How is EJ growing and diversifying revenue to maintain affordable, long-term rates?

How are rates structured?



Why is EJ partnering with multiple communities?



The 2022 PROGRESS REPORT

BILL TEICHMILLER, CEO

Isn't it amazing how fast time seemingly flies by? This year is of no exception as I recently finished my 20th year of serving your Board of Directors and Co-op and it's been the greatest ride of my life.

The simple idea the first Board of Directors and its founders had to just serve a small area in Western Jasper and Eastern Effingham County water service to now being a Co-Op that serves more than 70,000 people and expands throughout 15 counties, shows just how far our dreams have grown. As we continue to tell our story of growth over the years, it's not only incredible we were able to make this happen, but it's also remarkable to see our local cities and villages come together to join their rural counterparts in a non-for-profit cooperative. This story – our story – is truly more about sacrifice, service, and a lot of execution.

Our nation finished 2021 in a disheartening manner as all of us have felt the impact of inflation on our personal finances – which is something most of us haven't experienced in decades. While we've experienced a lot of challenges to say the least, your Co-Op continues to proudly meet these challenges head on to deliver the best water/wastewater service to our members across South Central Illinois.

As discussed over the last several years, we continue to see our industry consolidate and ultimately provide opportunities to advance our mission of "Improving the Quality of Life the Cooperative Way".

It's not only our mission, but the true defining factor behind what we do each day. Last year, we acquired a record 8 (5 water and 3 wastewater) utilities across our service area. For those new members, we welcome you to the family and thank you for joining our crusade of impacting our rural areas with a Cooperative spirit of partnership and cooperation.

Furthermore, the Co-Op has initiated a new branding program under the simple idea of "EJ Water, EJ Wastewater, and EJ Co-Op +". The latter is simply our contract service program we've operated over the last 18-years to diversify our revenue stream, so the Co-Op is not 100% reliant on the ups and downs of water service revenue. Our continued plan is to minimize water rate impacts based upon increasing operating and compliance costs.

We've completed a few more distribution Capital Projects this year and later this Spring a new 3rd water supply via United Regional Water Cooperative (URWC) will be commissioned to serve our members in the most northern portions of our service area. URWC is a great new step in a direction of partnering with numerous area villages by building a state-of-the-art water treatment facility that individually no one could afford to build. By partnering together, this dream can become a reality and bring a great new water supply to areas Northwest, West, and Southwest of Decatur. It's a true testament to how great partnerships can build stronger communities.

In 2022, we're planning on constructing a 100-day raw water supply side channel reservoir next to EJ's Delbert D. Mundt Water Treatment Facility. This important project will strengthen our resiliency against future droughts and bring a substantial new level of reliability to our members.

In looking forward, the Co-Op continues to attract the best talent in our area. Our teamwork and creative problem-solving skills as well as our commitment to excellence is truly what separates us from other utilities. Many people talk about their team members but very few organizations invest in the training and resources for their people. Our simple belief is that as we invest in our team, our team takes even better care of our member/customers, and ultimately that brings growth and opportunities to the Cooperative.



2021
YEAR
IN REVIEW

1,616

NEW MEMBERS
SERVED

8

WATER/WASTEWATER
ACQUISITIONS

14

COMMUNITY
CONTRACT SERVICE
PARTNERSHIPS

6

NEW TEAM
MEMBERS

MEMBER GROWTH

We're grateful to have had such an incredible amount of growth in members & communities served the last few years! Ultimately, the more members we serve, the more we are able to keep rates affordable due to economies of scale.

34%
MEMBERSHIP
GROWTH

IN THE LAST 5 YEARS

Based on served members.

TOTAL MEMBERS

 **13,847**



SERVED MEMBERS

13,378



UNSERVED MEMBERS

469

TOP SOURCES OF MEMBERSHIP GROWTH IN 2021:



ACQUISITIONS
(WATER & WASTEWATER METERS)

1,283
METERS



NEW SERVICE
CONNECTIONS

159
METERS



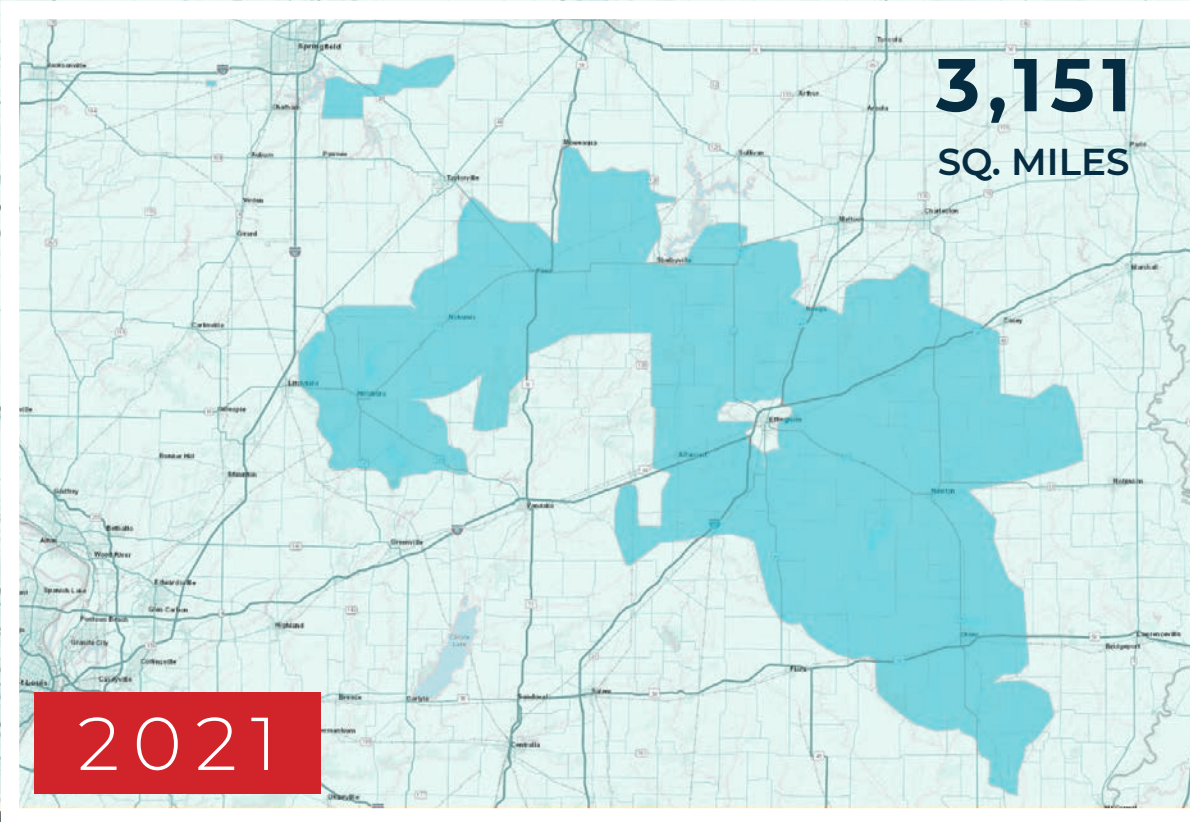
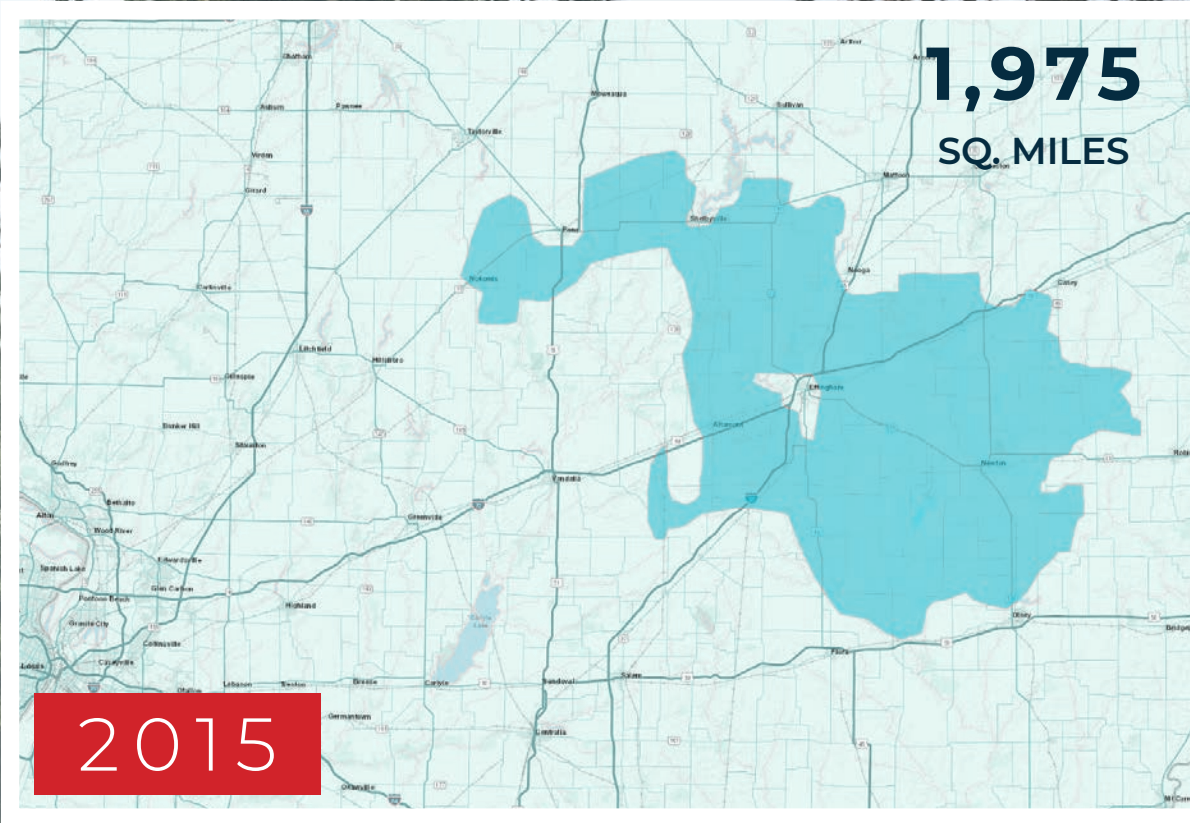
PHASES

47
METERS

59.5%
GROWTH SINCE
2015

SERVICE AREA

GROWTH



PROJECTS/ PHASES

COMPLETED PHASES

- Phase 45 | Flat Branch Twp, Shelby County: Water main is installed and cleanup will take place this Spring.
- Phase 53 | Mt. Auburn Twp, Christian County: Water main is installed and cleanup will take place this Spring.

ACTIVE PHASES

- Phase 57 | Northwest System Improvements, Christian, Jasper & Shelby Counties: Project has been bid and awarded to contractors.
- Phase 48 | Reservoir: 250 million gallon reservoir providing 100 days of raw water storage at the Delbert Water Treatment Plant, that prepares us for any droughts that may come.
- Phase 62: 34 mile transmission main with two 150,000 gallon water towers to bring water to Montgomery County Water Co-op.



LOAN REPAYMENT

Our Board & Team is excited to share that we have officially paid off five loans that were taken on in order to serve some of our earliest members.

Thank you to our local banks of Dieterich Bank, Peoples State Bank of Newton, Clay County State Bank, Beecher City State Bank, and Midland States Bank that believed in EJ in the 90s and helped us obtain these loans to serve our rural communities.

What a true testament to the power of community and partnerships!

PHASE 14-1 LOAN:

Served Clay, Cumberland, Effingham and Jasper Counties
- Paid off 10 years early

PHASE 5:

Served Effingham County, Banner Township
- Paid off 8 years early

PHASE 9:

Served Grandville Township Jasper County and Crooked Creek Township in Cumberland County
- Paid off 8 years early

PHASE 11:

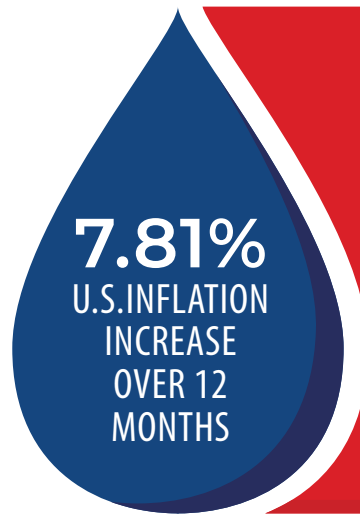
Wade Township in Jasper County
- Paid off 7 years early



2022 ANNUAL RATE INCREASE

The Board adopted a strategy many years ago that would implement small, annual rate changes to keep water rate adjustments to a minimum. This would prevent very large rate increases down the road for our members.

However, everyone in our country is currently experiencing the impact of the significant inflation changes in 2021. In fact, the Co-Op is seeing our operating costs increasing at nearly 8.0% - which is the worst in our 32-year history. Thankfully, your Co-Op continues to diversify its revenue and the Board was able to only pass a **6.9% increase for 2022**. Although this year's increase is 6.9%, as everyone continues to use less water each year, the Co-op will likely only see a 4-5% increase in payments due to less gallons of water being used.



According to the U.S. Bureau of Labor Statistics, overall CPI for our relevant sector* has increased to 7.81%, making it the largest 12 month increase since June 1982.



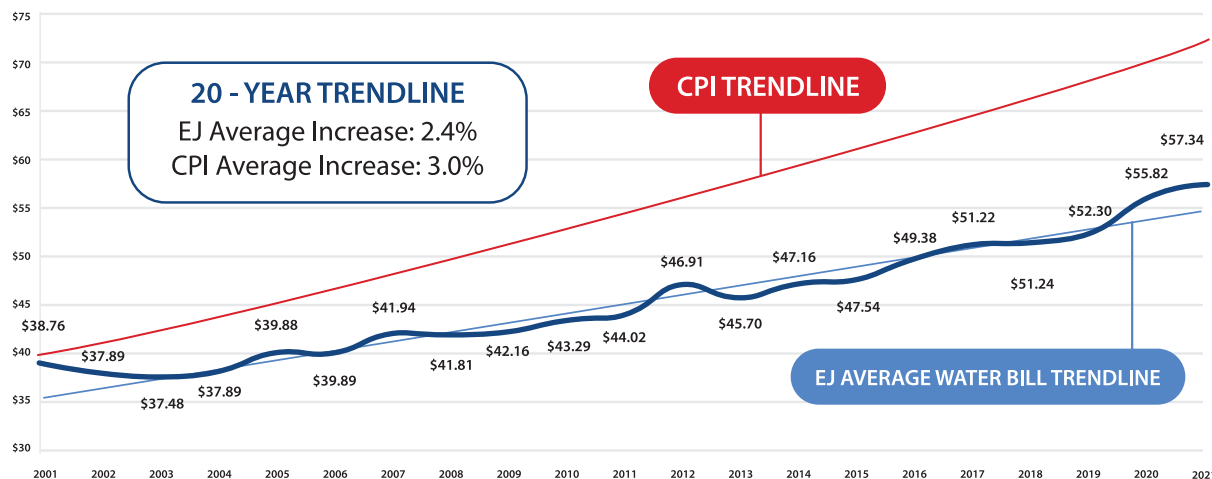
While all of our homes and businesses are being affected by inflation, our Co-Op's day-to-day operational expenses are also being impacted, and therefore the rate increase will reflect the overall increase in costs we are all experiencing.

*Source: U.S. Bureau of Labor Statistics, CPI for Urban Wage Earners and Clerical Workers

THROUGH THE YEARS

As you can see in the graph below, the Co-Op is proud to have our historical rate increases be below the CPI (inflation) rate and uphold our commitment to maintain affordable rates for our Members. However, this is the first year we will be doing a rate increase as high as the CPI index due to the U.S. CPI being at a record high over the last 30 years.

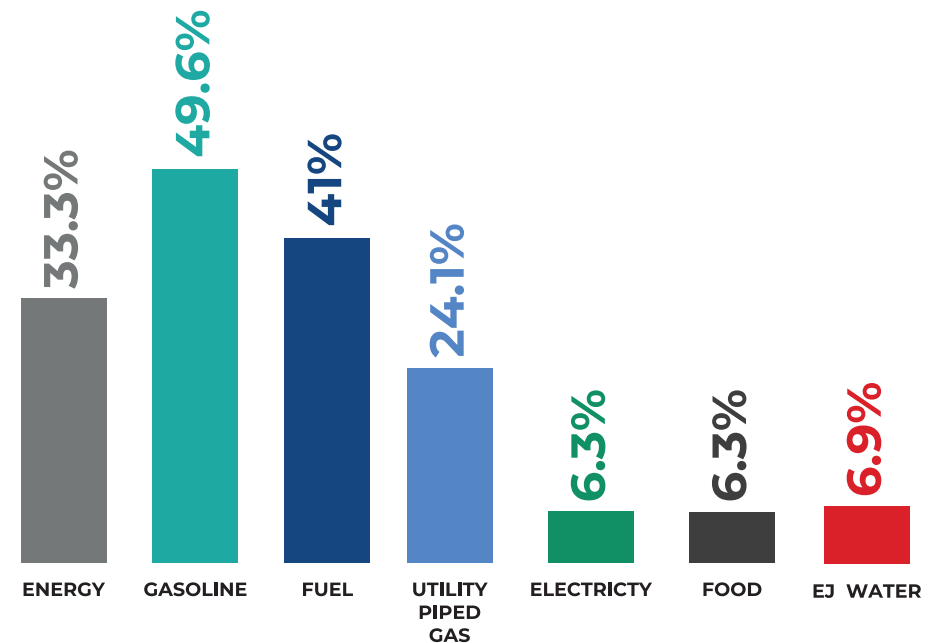
CPI (INFLATION) VS AVERAGE EJ WATER BILL



ON THE RISE

Other industries, like energy which does not have diversified income, have seen an average 33.3% increase, based on the U.S. Bureau of Labor Statistics. Thanks to our diversified income, we are able to implement a significantly lesser increase compared to the fuel and energy industries.

CPI Increases (Last 12 Months)



Source: <https://www.bls.gov/news.release/pdf/cpi.pdf>

HOW WE MAINTAIN LONG-TERM AFFORDABLE RATES

EJ'S DIVERSIFIED INCOME

Over the past few years, we have worked hard to diversify our income and bring in other sources of revenue besides water sales. This effort was primarily spurred by the continuous decrease in member water consumption/sales (shown to the right), and will now also provide a powerful benefit to our members during this historic, nation-wide increase in inflation. Without our diversified income, the Co-Op's rate increase would've been much higher this year.

Each year costs continue to rise, while water consumption declines due to smart technology and energy efficient homes, which required the Co-op to adjust its strategy and diversify income to make up the gap in water sales.

Questions?

Chat with us at www.ejwatercoop.com or by calling 217-925-5566.



EXAMPLES OF WHY WE USE LESS WATER:



SMART SHOWER HEADS

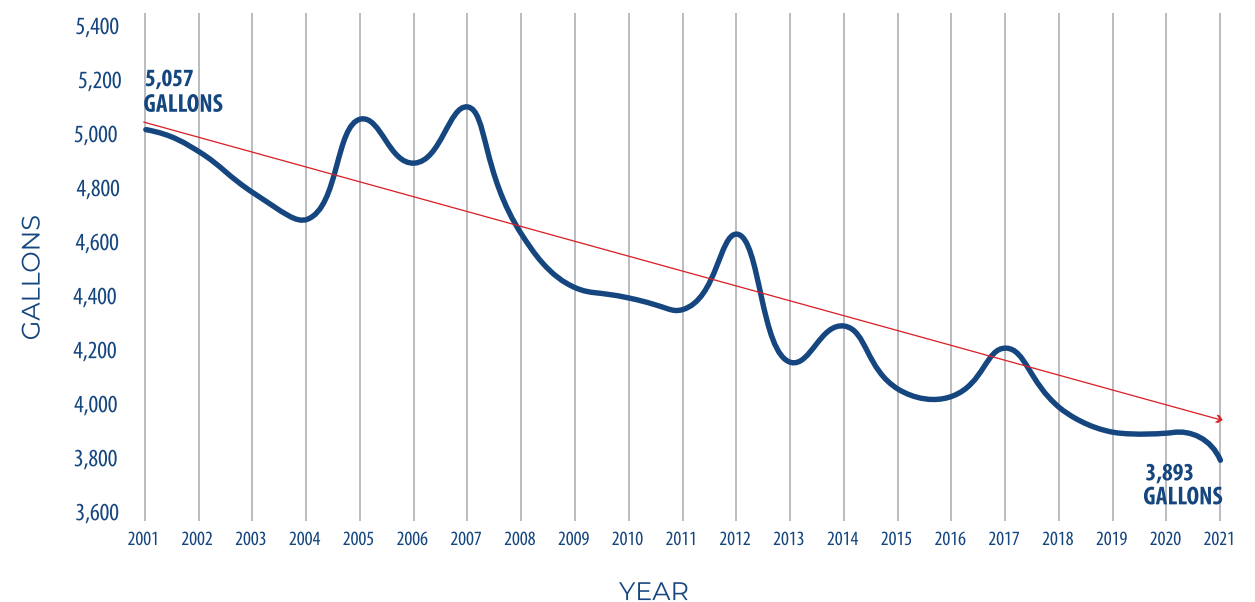


SMART WASHING MACHINES



SMART METERS

EJ'S 20 YEAR WATER CONSUMPTION TRENDLINE



A DROP IN THE BUCKET

Use Water. Pay Bill. Repeat.

However, did you know there are *thousands* of points of contacts made in order to serve you water?

From operations at our water plant, water mains, service calls, smart meters, to customer service, software, and much more – paying your water bill is more than paying for the tangible water you receive every month.

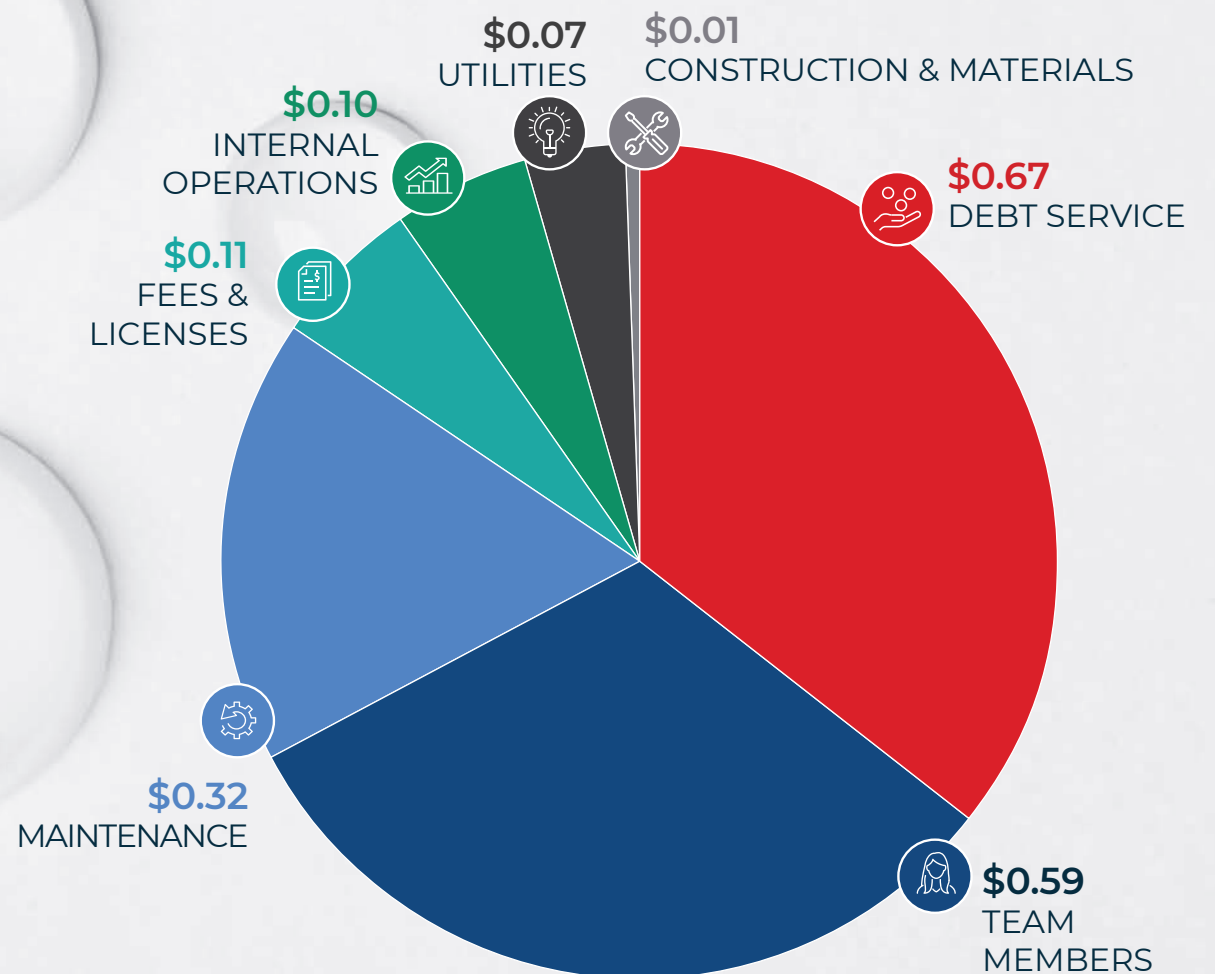
Paying your water bill is also paying for the construction, materials, and engineering costs it took to get water to you.

As shown in the visual in the next page, more than half of your water bill is used to pay off the debt EJ assumed in order to serve water to you and your neighbors. On average, EJ has 4 members per mile and it costs about \$50,000 per mile just for infrastructure. Therefore, most of your water bill goes back to paying back the debt. Compared to in-town utilities that have 100+ members per mile, and it costs about \$50,000 per mile to establish infrastructure to serve water.

Paying your water bill is broken up into multiple categories that allow us to keep serving you. Check it out on the next page!

AVERAGE WATER USAGE COSTS MEMBERS

\$1.87 PER DAY*



*This is based on the average monthly water bill.

EJCO-OP+

SERVICES

Easements / Right of Way

Water Lab

Licensed Water Operator

Licensed Wastewater Operator

Construction

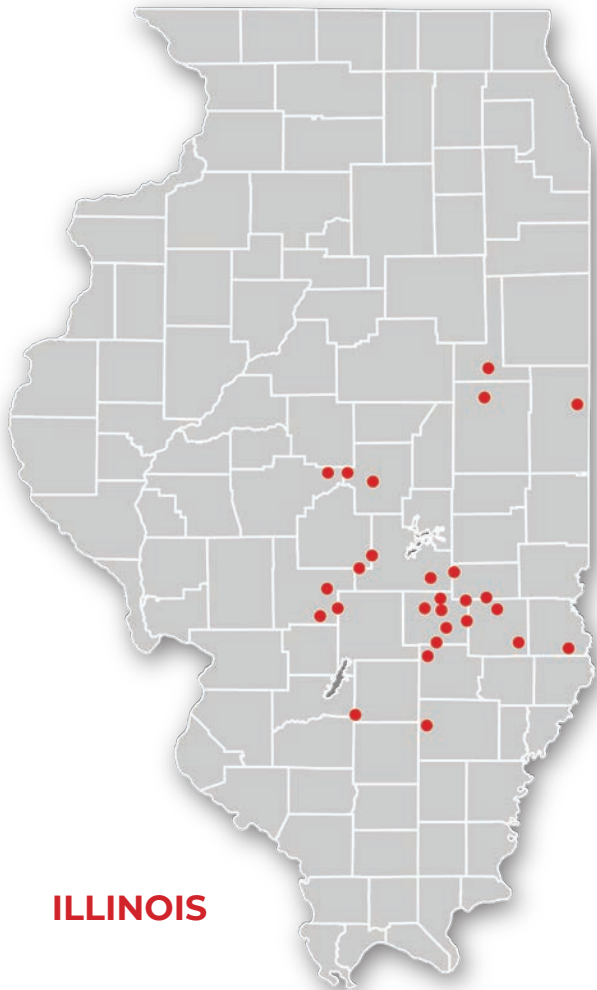
Field Service

Customer Service / Billing

Accounting / Bookkeeping

Marketing

Mapping / GIS



ILLINOIS



OHIO



OVER 3,000 MILES
OF WATER MAIN



13 BILLING
CUSTOMERS



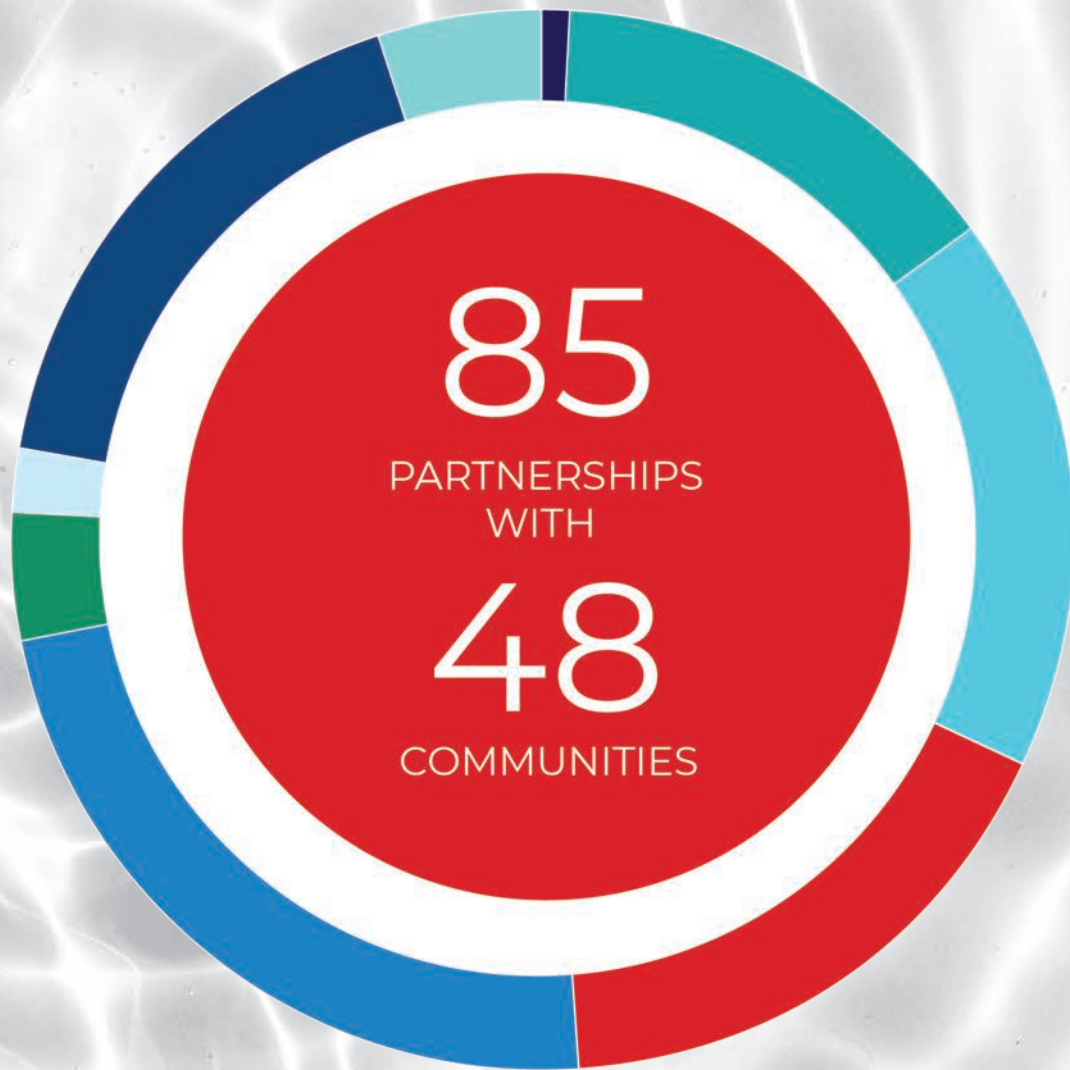
11 LICENSED
WATER OPERATOR
PARTNERSHIPS



13 LICENSED
WASTEWATER
OPERATOR
PARTNERSHIPS

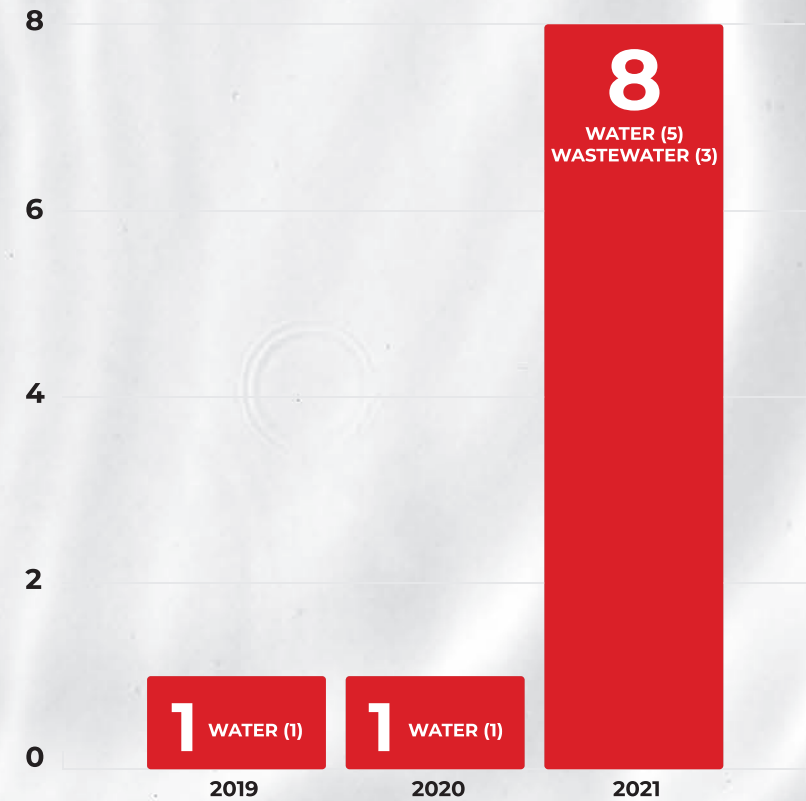


EJ Co-Op + is EJ Water's contract services company that helps communities & other utilities outsource at a minimal cost. This allows the communities/utilities to be more efficient, save on full time employee costs, and have access to cutting-edge technology that would be otherwise too costly to implement on their own. Additionally, this helps off-set rising costs and decreased consumption for EJ Water members ensuring long-term affordable rates.



- WATER OPERATOR
- WASTEWATER OPERATOR
- WHOLESALE
- WATER ACQUISITION
- WASTEWATER ACQUISITION
- METERING/BILLING
- BILLING
- MARKETING
- ACCOUNTING

TOTAL WATER & WASTEWATER ACQUISITIONS: YEAR IN REVIEW



2021 ACQUISITIONS



WATER

DEWEY, OWANECO, COALTON, MONTROSE, & WATSON



WASTEWATER

COALTON, MONTROSE, & WATSON



2021

COMMUNITY ACQUISITIONS

GREAT PARTNERSHIPS CREATE STRONGER COMMUNITIES



Welcome

TO THE EJ FAMILY



MAY 2021



MAY 2021



JUNE 2021



OCTOBER 2021



DECEMBER 2021

TOTAL NEW MEMBERS ADDED TO CO-OP FROM 2021 ACQUISITION PARTNERSHIPS



731

HOW DO ACQUISITIONS BENEFIT EJ MEMBERS?



As a community-focused cooperative, we help communities reduce their costs, become sustainable, and grow.



Spread the Co-Op's increasing costs through economies of scale within a larger membership base.



Ensure long-term sustainable rates for EJ members through increased revenue.

WHY PARTNER?

These partnerships are a way to fulfill EJ's mission of "Improving the Quality of Life, the Cooperative Way" by helping rural communities grow through long-term sustainability while simultaneously increasing the resiliency of the Co-Op.

Previously, we focused on creating phases to serve communities and increase our membership base. However, due to reduced funds and grants available, that approach unfortunately became extremely costly for the Co-Op. Currently, EJ averages about four meters per mile. On the contrary, the acquisitions EJ completed in 2021 alone averaged 50 meters per mile. Therefore, this increases the overall revenue for the Co-Op and it helps off-set the financial challenges from inflation (CPI), rising costs, and loss of revenue from declining water consumption.

Simultaneously, the community is able to benefit from the economies of scale we can provide as well as access to our top-of-the line resources, 30+ years of experience, technology, member benefits, and much more. This has helped all of the communities save thousands of dollars on costs and therefore, be able to maintain affordable rates in their community, improve their water quality, and have more opportunities to grow their community.



Pictured: Village of Montrose Board on Asset Transfer Signing Day with EJ Water Cooperative



After serving many communities in the past 10+ years with a wastewater operator, EJ has formally expanded services and added EJ Wastewater in order to help communities with their wastewater needs. Since wastewater is one of the most expensive systems to maintain and operate, EJ found this as an opportunity to serve communities and utilize economies of scale to spread the high costs while still having access to operating a top-of-the-line wastewater system.



**UNITED REGIONAL
WATER COOPERATIVE**

EJ Water is proud to be a member of United Regional Water Cooperative (URWC) along with Latham, Niantic, Illiopolis, Harristown, & Mt. Auburn. Construction for the NEW water treatment plant has been underway and is expected to be finalized Spring of 2022 . Once finalized, This will also greatly improve the **water pressure** for EJ members in this area of our system.

Through partnering on this water treatment plant, EJ was able to save on large capital improvement costs, help neighboring communities, and ultimately solve water quality and pressure issues for members.

HELPING PEOPLE CONNECT

WHY FIBER INTERNET?

EJ is proud to have partnered in 2018 with Wabash Communications to create Illinois Fiber Connect, a joint-venture, which brings Fiber-to-the-Home (FTTH) technology to residents around the Midwest. In this unique partnership, water and fiber lines are laid in the same trench. This allows large cost savings and the prospect of fiber internet to most of EJ Water's members. This fiber technology gives customers access services, including ultra-fast internet with speeds to homes and businesses up to 1 Gbps.



Sign Up at www.illinoisfiberconnect.com



MEMBER

BENEFITS



AIR EVAC



HOW IT WORKS:



Sign Up for Air Evac membership and automatically pay the \$5 fee with your water bill.



In the event you are flown by Air Evac Lifeteam for a life or limb-threatening emergency, they will work with your benefits provider to secure payment for your flight. Whatever your benefits provider pays will be considered payment in full.



Never worry about receiving life-saving emergency care when you need it.

**DISCOUNTED RATE
FOR EJ MEMBERS:**

**\$5/MO
PER HOUSEHOLD**

**MONTHLY MEMBERSHIP FEES ADDED TO YOUR
EJ WATER COOPERATIVE BILL:**

\$5.00 per household

OR

ANNUAL MEMBERSHIP FEES:

One time annual payment submitted directly to AEL.

\$55 per household



**Your membership is also valid in over
200 service locations in 28 states!**

TEXT UPDATES

Whether you are currently receiving an e-bill, paper bill, or are enrolled in an automatic payment option, you can stay up-to-date on your water service notifications via text.

Texting updates on your water bill account includes:

- Notification when your bill is ready to be viewed.
- Reminder when payment is due if it hasn't been paid.
- Notification when your bill has been paid.
- Notification of outages (Ex. Boil Order, service interruption, etc.)

Ready to stay in the loop with your water bill?
Sign up at: www.bit.ly/ejwtext

STRESS-FREE BILL PAYMENT OPTION!

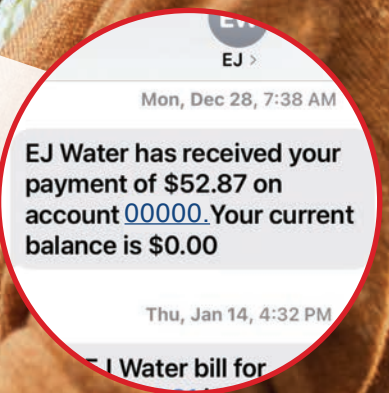
ACH (AUTOMATIC CLEARING HOUSE) PAYMENT



WHY SIGN UP?

- Never worry about late fees with guaranteed on-time payments.
- No credit/debit card processing fee
- Security: ACH payment is the most secure way to pay your water bill due to the PCI compliant environment.
- Go paperless and help our environment to reduce waste!
- Automate monthly payments and have one less thing on your to-do list.

SIGN UP: www.ejwatercoop.com/ach



CHAT WITH US.

HAVE A QUESTION?

YOU CAN CHAT WITH US ON OUR WEBSITE!

In an effort to continuously improve our customer service availability to members, you can now reach our local customer service team on our website!

Simply use the “Chat With Us” button on the bottom right corner of our website to get the conversation started.

Chat Soon!

GET WATER

Buying property and wondering if EJ Water service is available there? You can now look it up on our website!

HOW IT WORKS:

1. Visit www.ejwatercoop.com/getwater
2. Type in the address
3. Instantly know if EJ Water service is available!

WATER SERVICE LINE PROTECTION PROGRAM

EJ Water Cooperative is excited to be offering a new member-exclusive service that provides members with water loss coverage. Through our Water Service Line Protection Program, members have access to water line repair or replacement coverage due to normal wear and tear of a leaking, low pressure or permanently blocked exterior water line from the meter to the home, which is currently the members sole responsibility.

Enrollment: All members can expect to be enrolled in the program within the next 6-12 months. You will receive direct communication via email and mail when it's your turn to be enrolled.

Opt-out: To ensure all members have access to the protection this program offers, we will be automatically enrolling members. However, members can opt-out at any time on the www.ejwatercoop.com/wslpp-ej link.

If you need assistance with opting out, you can chat with us on our website or call our office.

WHAT IS COVERED?

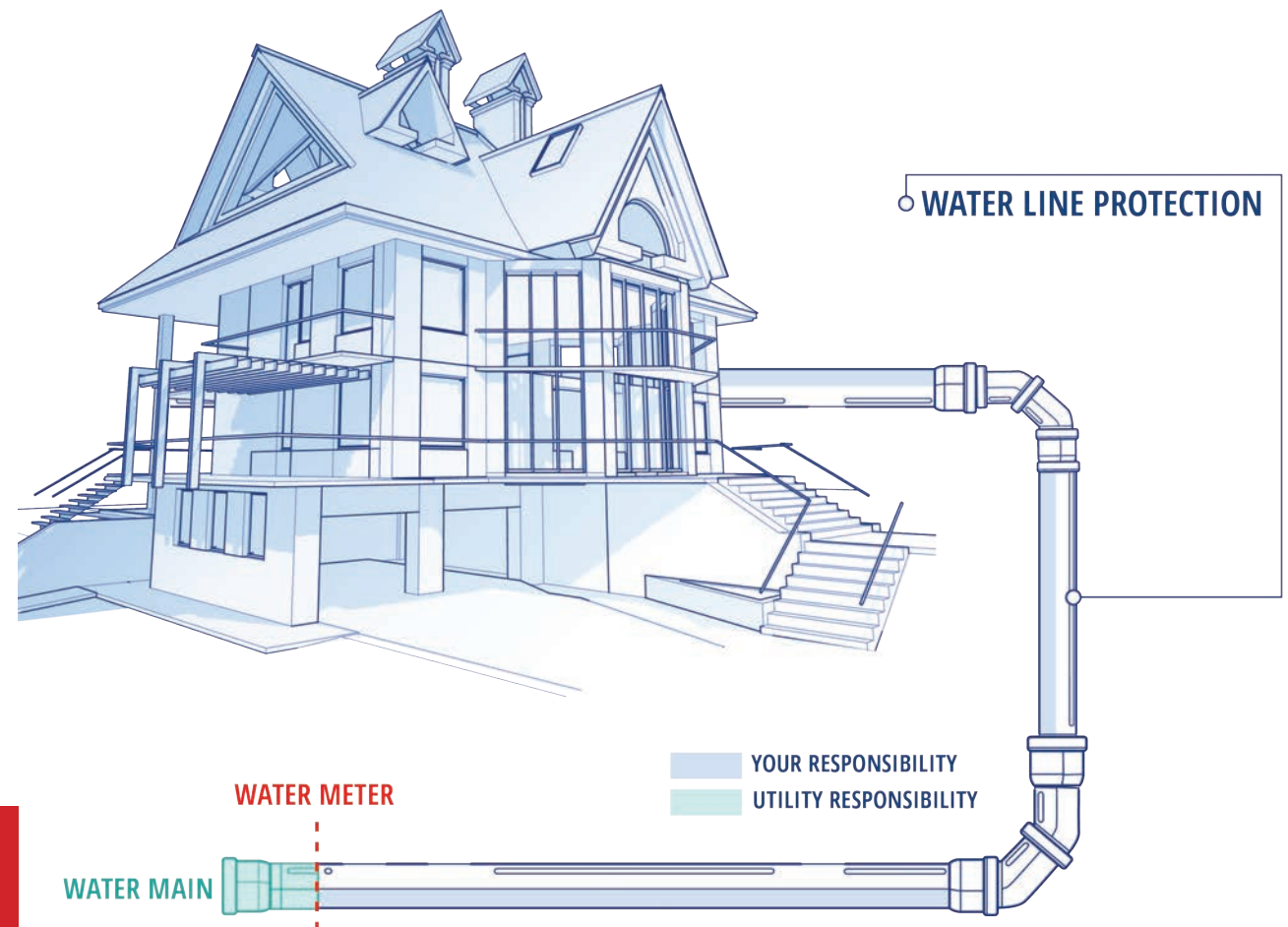
- 💧 Cost of Water Loss due to a leak
- 💧 Leak Coverage
- 💧 Repair or replacement
- 💧 Leaks Up To an Outside Hydrant
- 💧 Leak at the Foundation

FOR FULL DETAILS ON THE PROGRAM AND/OR TO OPT-OUT, VISIT:
www.ejwatercoop.com/wslpp-ej

PROGRAM EXCLUSIVE TO EJ MEMBERS

\$3.95/MO

PEACE OF MIND & PROTECTION.





EJ Water Cooperative, Inc. REPORT OF NOMINATING COMMITTEE

The Nominating Committee of EJ Water Cooperative, Inc. met on January 17, 2022 at 5:30 p.m. at the offices of EJ Water Cooperative, Inc. in Dieterich, Illinois. In attendance at the meeting were the following members of the Nominating Committee:

Randy Brooks	Absent was:
Brian Ochs	Vincent Keck
William Weber*	Bill Jansen
Louise Lee*	Scott Wohltman
Brad Shull*	Dean McWard

* Attended by Zoom conference

Upon a motion by Brian Ochs, seconded by Randy Brooks, Randy Brooks was elected Chairman of the meeting. Upon a motion by Randy Brooks, seconded by William Weber, Brian Ochs was elected Secretary of the meeting.

The members of the Committee were advised that it was their duty to present a slate of nominees for the three Board of Director positions to be voted on at the annual meeting of members to be held on March 10, 2022, at 5:30 p.m.

Upon a motion by Louise Lee, seconded by Brian Ochs, the Committee, by a vote of 5-0, nominated Diane Aherin as the District 1 representative for a three-year term.

Upon a motion by Brad Shull, seconded by William Weber, the Committee, by a vote of 5-0, nominated Jason Warfel as the District 2 representative for a three-year term.

Upon a motion by Brian Ochs, seconded by Brad Shull, the Committee, by a vote of 5-0, nominated Chuck Smedley as the District 3 representative for a three-year term.

Upon a motion by Louise Lee, seconded by Brad Shull, the meeting was adjourned at approximately 5:40 p.m.

Dated this 17th day of January, 2022.

Respectfully submitted,

BRIAN OCHS, SECRETARY
Nominating Committee



EJ WATER'S

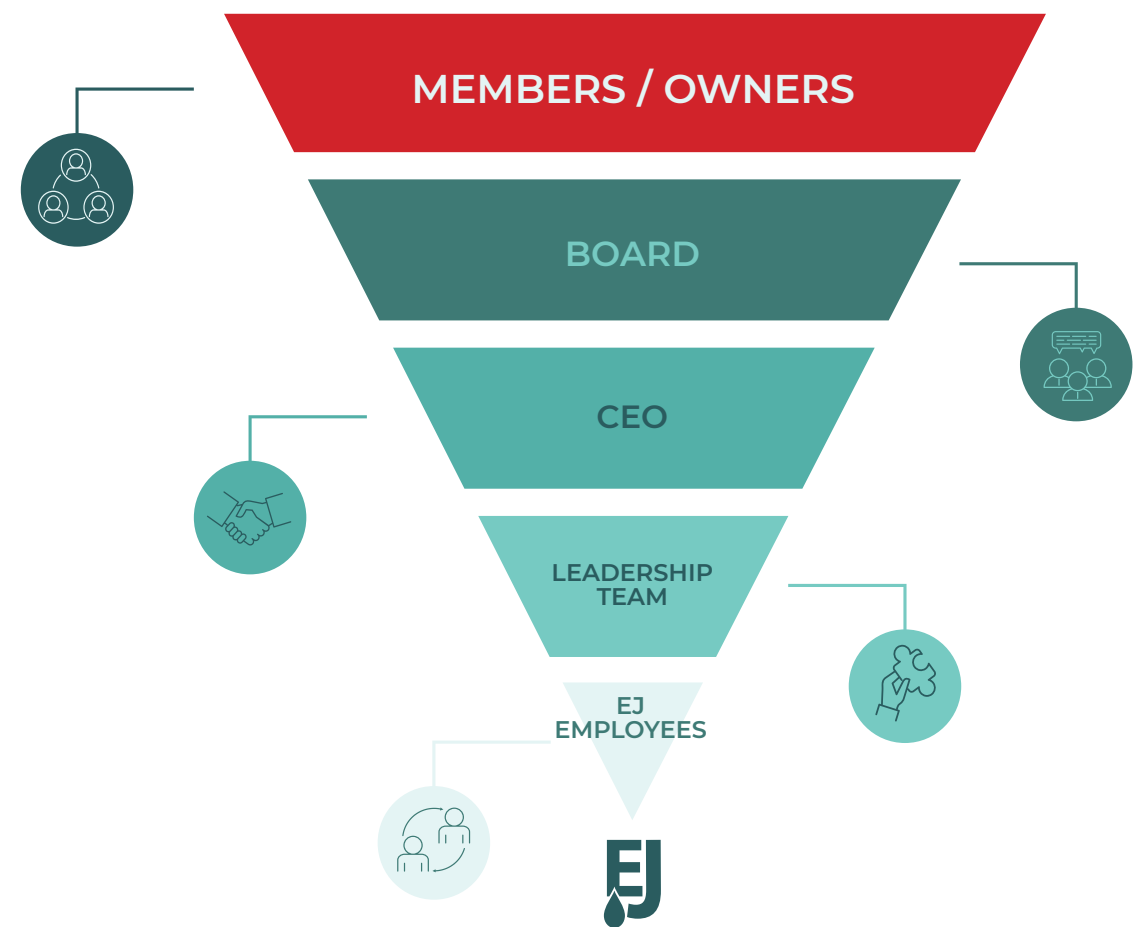
ORGANIZATIONAL STRUCTURE

EJ Water is proud to be a member-owned Cooperative. In this model, the members are the owners of the Co-Op, which requires a higher level of accountability and reduces politicization of an essential resource.



The ultimate decision makers are the EJ Water Board, which is comprised of EJ Water members that are elected to the board. Every year, there is an annual meeting in which members get to vote on who represents them, vote on upcoming changes, and receive updates on existing projects and the overall direction of the co-op. Leaving the ownership on the members allows for a higher level of accountability.

EJ WATER'S COOPERATIVE BREAKDOWN





DISTRICT 1

EFFINGHAM & CUMBERLAND COUNTY



DIANE AHERIN
TREASURER



CHRIS HARTKE
PRESIDENT



GAIL GARBE
SECRETARY

DISTRICT 2

CLAY, JASPER, RICHLAND, & EDWARDS COUNTIES



MIKE HALL
DIRECTOR



JASON WARFEL
DIRECTOR



P.B. FINLEY
DIRECTOR

DISTRICT 3

CHRISTIAN, COLES, CRAWFORD, FAYETTE, MONTGOMERY, MOULTRIE, SANGAMON, & SHELBY COUNTIES



JIMMY AYERS
VICE PRESIDENT



CHUCK SMEDLEY
DIRECTOR



GARRY MORRISON
DIRECTOR

EJ WATER'S OPERATIONS



EJ Water has two state-of-the-art water treatment plants. The Delbert Mundt Plant is an award-winning, surface water treatment plant that serves the West side of the system. Our Gila ground water plant serves the East side of our system and it's wells are along the Embarras River.

EJ Water has invested in SCADA technology which allows the co-op to save on long-term costs and be able to partner with more communities by remotely managing all water towers.

EJ Water is in the process of building it's third water treatment plant - where construction is underway and is expected to be finalized Spring of 2022. It will be a 1.5MGD ground water plant with 25 miles of water main. This project will bring water to over 6,000 people in the Sangamon and Christian Counties. These communities are all underserved and struggling with providing quality drinking water to their residents.



EJ WATER COOPERATIVE, INC.

MINUTES OF ANNUAL MEETING

The 32nd Annual Meeting of EJ Water Cooperative, Inc. was held virtually on March 11, 2021 at 5:30 p.m. at the EJ Water office. President Mike Hall called the meeting to order followed by the Pledge of Allegiance led by Brayden Hahn and Wyatt Fuesting.

Presentation of Reports

Mike Hall then recognized veterans for their service and commitment to our country and safety. He stated a special video was prepared to share with the members this year.

Bill Teichmiller then took time to explain how to navigate through the meeting using Zoom. He also informed the membership, to register for the meeting using a link provided in the chat box of the meeting.

CEO Report

Bill Teichmiller began by welcoming everyone to the 32nd Annual Meeting. He also thanked our members and customers by believing in EJ Water and allowing EJ to serve them. The pandemic accelerated EJ's contract services and mergers & acquisitions portions of the business model as EJ continues to provide greater economic margins that allow the Coop to keep average water bills well below monetary inflation. This work will continue to drive down costs allowing your Coop greater economic security and sustainability in the long-term. Your Coop stands ready to assist its rural friends in their time of need. The EJ Water in-house lab was also launched this past year for water testing.

Early last year, EJ acquired Montgomery County Water Company, a neighboring Water Coop and its roughly 1,000 members, allowing the Coop to continue its Strategic Plan in becoming a long-term sustainable utility thereby keeping rates affordable to its members.

The Joint Venture launched in 2018 with Wabash Telephone Coop, Illinois Fiber Connect LLC, closed its 2nd year of business having a positive cash flow and is serving over 1,600 customers. Bill thanked the Wabash Board of Directors and team that has allowed IFC to bring fiber to the home broadband services to underserved areas in the Coop service area at a much faster rate than if EJ had done this independently. This effort celebrates partnerships that work for the greater good for EJ Water members.

With great sadness, Bill noted the loss of EJ Water founder Delbert Mundt, who had the vision and passion to start EJ Water 31 years ago and faithfully volunteered over 10 years of this time on a full-time basis. These volunteered hours created the foundation of what we all enjoy today. Bill encouraged everyone to invest into the future by serving in communities you live. Like Delbert, planted seeds of today can yield enormous benefits for future generations.

Another positive action that took place this year was two mortgages, guaranteed loans with Rural Development, were paid off 8-9 years early. Bill then thanked the Board of Directors and team members, financial partners, and key vendors who have come together in navigating one of the most difficult times in history. The team is dedicated to EJ's mission and even in trying times has kept focus on serving EJ's members.

President's Report

President Mike Hall opened by sharing 2020 was one of the most challenging years many have faced. At the meeting last year, the world was just learning of COVID-19 and had no idea we'd be here one year later and still working to get the virus under control. While COVID has had plenty of negative impacts on life, he thanked the Board of Directors and staff for their willingness to adapt and quick responses to adjustments during this pandemic.

EJ's staff did an outstanding job to continue to deliver services to the members with minimal interruption. Not only did the co-op sustain services, but also continued to help other communities with contract services.

Mike then noted that from 2019-2020, EJ experienced a 9% increase in retail customers compared to a 2% increase in 2019. This was largely due to the assumption of Montgomery County Water members. In 2020, EJ also partnered with four more clients on contract services. By continuing to increase the services offered, not only is EJ fulfilling its mission of "Improving the Quality of Life the Cooperative Way," but the additional revenue from contract services allows EJ to keep rates more affordable to its members.

He concluded by stating "that one lesson 2020 taught us what that although we cannot expect the unexpected, we do have the ability to adapt, survive and even thrive in unexpected situations."

Treasurer's Report

Treasurer Chris Hartke presented the Treasurer's Report for the year ending September 30, 2020.

Keynote Speaker

Bill introduced Dr. Rick Workman, this year's Keynote Speaker. Dr. Workman practiced dentistry for nearly 20 years. Realizing there had to be a better way to balance the clinical and business sides of the field, he assembled a team that would grow to provide support to more than 1,000 offices nationwide. Today, Dr. Workman serves as the company's Executive Chairman. An advocate for professional development, he devotes time to providing leadership advice through various speaking engagements. Dr. Workman is a graduate of the SUI Edwardsville School of Dental Medicine.

Bill and Rick went through a question/answer period. Rick stated that there's a great opportunity for EJ to spread what it knows to other communities. He also noted that when there is a need for what you do, be comfortable with what you do and be certain what you do is needed. Rick also remarked that to execute your ideas and do the right thing, you build yourself, build your team, and they'll build the business. He also said it's better to lead versus manage. Work hard, work smart and work together.

Nominating Committee Report and Election of Directors

Bill introduced Secretary Gail Garbe who reported that a total of 280 members were present in person via Zoom, in addition to 127 proxies, exceeding the bylaws requirement for a quorum.

Gail then read the Proof of Mailing Notice for the 32nd Annual Meeting. She then reminded the members present to register for the meeting to be entered for the giveaway of free water for a year.

Attorney Tracy Willenborg then presided over the reading of the 2020 minutes. Tracy requested a motion to dispense with the reading of the minutes. Upon a motion by Darrel Berry, seconded by April Parkhurst, the membership unanimously voted to dispense with reading the 2020 annual meeting minutes.

Tracy Willenborg presided over the election of directors. In lieu of reading the Nominating Committee minutes, Tracy requested approve to dispense with the reading of the Nominating Committee meeting minutes. Upon a motion by Jessica Closson, seconded by Cathy Wells, the membership unanimously voted to dispense with the reading of the Nominating Committee minutes. Nominations for the board of directors may be made from the floor. She then asked if there were nominations, hearing none, a motion was made by Cathy Gosnell, seconded by Robert Dedrick to close nominations. The nominees designated were: District 1, Chris Hartke; District 2, Michael S. Hall; District 3, Garry Morrison. Tracy requested a motion that the nominees be elected by acclamation and the Secretary be instructed to cast a unanimous ballot for said three nominees. Upon a motion by Ron Shambaugh, seconded by Diana Dedrick, the membership voted unanimously to elect the three nominees by acclamation. Bill then introduced the newly elected directors and Diane Aherin and Gail Garbe, also representing District 1; Jason Warfel and P.B. Finley also representing District 2; and Chuck Smedley and Jimmy Ayers also representing District 3.

Presentation of Awards

Bill then introduced the board and presented service awards to the following employees:

- Virginia Koeberlein, 25 years
- Jared Runde, 15 years (not present)
- Mike Lidy, 10 years

Bill then noted that free water for a year will be given to 10 members. Members should have registered for prizes at the link provided at the beginning of and throughout the meeting. The link was closed to ensure only meeting participants registered. Winners of the giveaway will be contacted tomorrow and announced on both social media and EJ Water's website.

Upon a motion by Jessica Closson, seconded by Jodi Locey, the membership voted unanimously to adjourn the meeting at 6:30 p.m.

HOW TO FILL OUT A PROXY.

YOU ONLY NEED TO FILL OUT THE PROXY IF YOU ARE UNABLE TO ATTEND THE VIRTUAL ANNUAL MEETING.

To fill out the proxy appropriately, please appoint two members or board members who will be attending the annual meeting to vote for you in the event that a vote would take place. Check one box to vote For, Against or Abstain from voting for each candidate or issue up for vote. Then date, sign your name on the bottom of the proxy card which has your name and address printed on the back and return it to our office.

If you do not list another member or board member to vote for you, do not check the boxes to vote, and/or if you do not sign or date the proxy, it becomes invalid and is not able to be used. Please be sure to double check and make sure you have it filled out correctly.

Please Note: Each board member has a maximum of 3 votes. Therefore, if you know someone else (another member) who will be attending the meeting you may write down their name also. If you have any questions regarding your proxy and how to fill it out correctly, please feel free to call our office at **217-925-5566**.

YOU WILL BE ENTERED TO WIN WATER FOR A YEAR* IF YOU FILL OUT THE PROXY CORRECTLY AND RETURN IT TO OUR OFFICE BY MARCH 9TH.

Invalid proxies will not be eligible to enter the giveaway. 3 proxy submission winners will be chosen to win.

PROXY

EJ WATER COOPERATIVE, INC.,
AN ILLINOIS NOT-FOR-PROFIT CORPORATION

The undersigned member of EJ WATER COOPERATIVE, INC. (hereinafter called the "Cooperative") hereby constitutes and appoints _____ and _____, or either of them, as the attorney-in-proxy of the undersigned, with the full power of substitution, for and in the name and stead of the undersigned to attend the Annual Meeting of Members to be held virtually via Zoom at www.ejwatercoop.com/2022-ejannualmeeting on March 10, 2022 at 5:30 p.m. and any adjournment or postponement thereof and thereat to vote all shares of stock of the Cooperative held by the undersigned which the undersigned would be entitled to vote if personally present with respect to the matters set forth below.

This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned. If no direction is made, the share(s) will be voted "FOR" the election of the listed nominees for board of director and "FOR" the Adoption of the Amendments to of the Bylaws of EJ Water Cooperative, an Illinois not-for-profit Corporation. This Proxy also delegates discretionary authority to vote with respect to any other business which may properly come before the meeting or any adjournment or postponement thereof.

1. Election of Three (3) Directors:

A. To re-elect Diane Aherin (District 1) to the Board of Directors:

FOR	AGAINST	ABSTAIN

B. To re-elect Jason Warfel (District 2) to the Board of Directors:

FOR	AGAINST	ABSTAIN

C. To re-elect Chuck Smedley (District 3) to the Board of Directors:

FOR	AGAINST	ABSTAIN

THE UNDERSIGNED HEREBY ACKNOWLEDGES RECEIPT OF THE NOTICE OF SPECIAL MEETING AND PROXY STATEMENT.

Dated: _____

*PLEASE SIGN, DATE AND RETURN THIS PROXY. Note: Please sign exactly as name(s) appear in address. When signing as attorney-in-fact, executor, administrator, trustee, or guardian, please add your titles as such. If the member is a corporation, please sign in full corporate name by duly authorized officer(s) and affix the corporate seal.

EJ Water Cooperative, Inc.
PO Box 8
Dieterich, IL 62424

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U S POSTAGE
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