



Clinton County Connection

Your Touchstone Energy® Partner 

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Mike Johnson

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Your 2011 Annual Membership Meeting

Wow, what a beautiful evening we had for Clinton County's 73rd Annual Meeting. This month's article will give recap of the Annual Meeting that was held at Breese Central High School on March 17, 2011. To those that attended the meeting, this might be a tad repetitive or redundant.

The evening started with Duane Grapperhaus entertaining members during the registration process. The crowd surely enjoyed his musical abilities.

Cary Dickinson, Chairman of Clinton County Electric, informed the audience that just as in the past, each member in attendance would receive a \$10 bill credit on their April electric bill. Each member also received a Clinton County umbrella and each person in attendance received a CFL light bulb and a Clinton County soda can koozie.

Mr. Dickinson informed everyone that 2010 was a good year financially for Clinton County. The main reason for this success was the weather; it was a cold winter and a hot summer. Both of these conditions caused electric sales to be more than expected, which generated more margins than expected.

Mr. Dickinson spent most of his time discussing our wholesale power supplier, Southern Illinois Power Cooperative (or SIPC) and the rate implications to Clinton County and its members.

He explained SIPC has implemented many cost reduction programs over the past couple of years and we are starting to see



Tim Hanke, Kevin Kampwerth, and Randy Renth were re-elected to the Clinton County Electric Board of Directors at the Annual Meeting on March 17. Pictured above are (l-r) Trustees John White, Hanke, Vernon Mohesky, Kampwerth, Joe Voss, Cary Dickinson, Steve Kalmer, Renth, and Ron Becker.

some real benefits to those programs. For example, SIPC implemented a fuel plan that has achieved a 10 percent reduction of power costs; those cost reductions have flowed through to Clinton County members.

Mr. Dickinson went on to state that we have discussed the following with the membership before; the first unit of Prairie State Generating Station will be coming on line in late 2011 or early 2012, with the second unit coming online sometime in the summer of 2012. SIPC owns about 8 percent of Prairie States. When these units come on line, SIPC will have to raise its rates to cover those new expenses. When SIPC raises its rate to Clinton County Electric we will no doubt have to raise our rates to our membership. To

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summarize, we know a rate increase is on the horizon. We just don't have a definite effective date or amount of the increase. Mr. Dickinson encouraged the membership to please come to the 2011 Area Meetings that will be held in the fall, and we should have some definite information for you at that time concerning a probable rate increase.

Secretary-Treasurer Ron Becker took the podium next to present details of the 2011 financial report. He stated Clinton County Electric had Operating Margins of approximately \$895,000. Margins were larger than normal due to the extreme weather we experienced in 2010. Revenues in 2010 exceeded \$13.9 million dollars. Mr. Becker described in detail where a dollar of revenue is spent, with 65 cents of it going to cover the purchase of power costs; by far the largest expense. Mr. Becker stated that Clinton County returned \$200,000 in capital credit retirements during 2010. Clinton County Electric has proudly returned \$6,261,570 to the membership since its inception. The Board of Trustees feels that returning capital credits back to the membership is the "Cooperative Way" of doing business. Lastly, Mr. Becker discussed the extreme costs of environmental compliance at SIPC. He reported SIPC spent about \$25 million in 2010 on environmental compliance, or in other words about \$49 for every minute in

2010.

Next on stage was President/COO Mike Johnson. President Johnson proceeded to do a short recap of the two speeches ahead of him to make sure everyone understood some of the important issues that were already discussed. Again, the upcoming rate increase was mentioned, but the date and amount is unknown at this time. Mr. Johnson's speech centered on the operations of Clinton County Electric; he discussed two initiatives that were put in place upon his arrival some 20 months ago. He first discussed Infrastructure Improvement Initiative, which basically means making the system stronger, therefore increasing reliability, now and in the future. The first project discussed to accomplish this goal was the complete physical inventory of the entire electrical distribution system, which is now in process. This project should be complete by late summer of 2011. This will produce an electronic map that will be loaded onto laptops for the crews which will enable quicker restoration in the event of an outage.

The cooperative re-implemented its meter testing program in 2010. The plan is to test around 1,800 meters per year. Testing meters is simply an issue of fairness. Everyone should have to pay only for what they consume, no more and no less.

Mr. Johnson informed the membership about a new program implemented in 2010 called the "4-Year

Cut" program. He described the historical practice was annually trimming the trees and limbs that were interfering with the power lines. With the new program, a contractor goes out and cuts the trees and limbs back so that under

normal growth conditions, the trees and limbs will not interfere with the power lines for the next four years; hence, the name of the program – "4-Year Cut" program.

Mr. Johnson informed the membership that Clinton County Electric is continuing its Pole inspection/Pole replacement program that began in late 2009. The goal is to test around 5,000 poles each year. He stated, "As I have mentioned before, pole inspections validate the safety, integrity and reliability of an electric pole." So far the cooperative has experienced an 8 percent failure rate, which means 8 percent of the poles are, frankly, rotten and need to be replaced. That 8 percent failure rate translates to replacing 750 poles over a two-year period, which is a huge commitment for a small cooperative like Clinton County Electric.

Mr. Johnson brought attention to the ice/wind storm that passed through our area on Feb. 1 and 2. He asked for a show of hands for members who lost power during those two days. About one third of the audience raised their hands. Mr. Johnson made the statement that 25 percent of the meters were out of power during that storm and the largest continuous outage was a little longer than 27 hours. He also made the comment that had it not been for the Infrastructure Improvement Initiative, the outages would have been more extensive and definitely prolonged. The system will be even stronger after the next three years when all our programs are fully deployed. Our basic goal is to increase reliability or, in other words, be able to withstand what Mother Nature has to throw at us.

Mr. Johnson then introduced the second initiative that was implemented some 20 months ago, "Enhancing Member Communications". In the spring of 2010 Clinton County Electric was given a gift-like program, HomE. HomE is a state-sponsored stimulus program relating to rebates for energy efficiency investments made by cooperative members to their homes.



Clinton County has or soon will rebate our \$71,000 to the membership for the investments made by our members.

To further enhance membership communications, the Board of Trustees and employees hosted an open house at the Cooperative's headquarters on Saturday, July 17, 2010 and re-implemented Area Meetings in the fall of 2010. The events were well orchestrated but attendance was a tad disappointing at these member-focused events. Mr. Johnson asked the members to watch for the dates of the 2011 Area Meetings. He stated the potential rate increase will certainly be the topic of conversation.

On or about Labor Day of 2010 the cooperative implemented its E-Business Solution according to President Johnson. He explained this solution allows the membership to review their bills, consumption history, or make payments 24 hours a day, 7 days a week. Simply go to www.cceci.com and the E-Business Solution button is on the upper left corner. Now you can conduct business with us whenever you, our member, wants to versus whenever the cooperative is open.

Mr. Johnson stated the cooperative began to use a new after-hours call center on or about November 1 of 2010. The new after-hours call center is located in Austin, MN and is called Cooperative Response Center or CRC for short. CRC provides call center excellence to over 200 cooperatives in America. Mr. Johnson acknowledged there were phone issues during the February ice storm. He assured the membership the cooperative is working on a solution and also informed the membership that most of the phone issues were local in nature.

Lastly, Mr. Johnson discussed the largest "Member Communication" program is the magazine you are reading right now, the Illinois Country Living Magazine. Members of Clinton County Electric started to receive this magazine in May, 2010.

He reinforced that the magazine will be our main tool of communication with the membership.

"Member Communications is a responsibility we take very seriously. As an owner of your cooperative you are entitled to be informed and we are committed to communicating that entitlement to you effectively and efficiently" said Mr. Johnson. Please remember, all initiatives we embark upon always have our members' best interest in mind.

Politics became the next topic of conversation. Mr. Johnson thanked the membership for their engagement in the "Our Energy, Our Future" card campaign. He believes the campaign was successful this past year concerning the defeat of potential legislation. He asked the membership to continue their support of the program.

Mr. Johnson then introduced a new campaign. He explained this one will be communicated through emails from himself to the membership. During the registration process at the meeting, members were asked to provide email addresses so events that impact electric rates can be reported to them via email. He assured members these emails will only deal with facts, not opinions, and will not be political in nature or partisan in any way. Mr. Johnson went on to state, "I stole this phrase from a former boss of mine and I believe it is true – Politics gave birth to the REA program and politics will be the death of the REA program." He asked the membership to become engaged to prevent that death.

Mr. Johnson informed the membership about the employee activity. He asked Sue Laux to stand in order to be recognized for 31 ½ years of service to membership. Sue retired from the cooperative in January of 2011. In anticipation of Sue's departure, the cooperative hired Brenda Knolhoff in September. Brenda stood so that the membership would be able to match a face with a name.

The reports of the Chairman, Treasurer and President were

accepted by the membership.

Treasurer Becker conducted the election process. He informed the membership that the Election and Credentials Committee met via conference call on Feb. 1, 2011 to certify the candidates for election. The candidates for election were Tim Hanke from District 1, Kevin Kampwerth from District 2, and Randy Renth from District 3. Since there were no contested elections, the candidates were re-elected by acclamation.

Board service awards were then presented to Ron Becker for 20 years of service to the membership, Cary Dickinson for 15 years and Randy Renth for 15 years of service, all Trustees of the Cooperative Board of Directors.

No old business came before the meeting.

Cash prizes were awarded next with Dennis & Jeanette Horstmann winning \$100, John & Judith Stack winning \$50, Miriam Huelsmann winning \$50 and Jerome & Anita Peters winning \$50.

The meeting concluded at 8:28 p.m.

To hear this type of information first hand, collect attendance prizes and to have the opportunity to win cash prizes, consider attending this fall's area meetings and next year's annual meeting. As a member, you are an owner of this cooperative and deserve to be well informed about all of our activities.

This is not my normal President's letter, but I felt it was my obligation to inform those members who were unable to attend the Clinton County Electric 73rd Annual Meeting.

Please take the opportunity to visit our website at www.cceci.com and sign up for E-Business. Providing our members with affordable, reliable electricity while providing excellent service will continue to be our goal. As always, if you have any comments or suggestions, please don't hesitate to contact me at johnson@cceci.com.

Spotlight on Bob Kroeger

Bob grew up on a family farm located north of Hoyleton. After graduating from Kaskaskia College in 1990 with an Associates Degree in Electronics Technology, he transferred to Southern Illinois University-Carbondale, graduating in 1992 with a Bachelor's Degree in Electrical Engineering Technology. Bob began his career in the utility business in August 1993 at Egyptian Electric Cooperative in Murphysboro, IL as a staking engineer and was promoted to Assistant Engineer in 1996. In 2001, Bob began his career at Clinton County Electric as our cooperative Engineer. Bob and his wife Joni reside in Hoyleton with their two children; Mitchell, age



Bob Kroeger

13 and Madylin, age 10. When not at the cooperative, Bob spends his time working around the farm, attending the kids' activities and spending time with family.

Mark your calendar



Memorial Day

*In observance of Memorial Day,
the office will be CLOSED on Monday, May 30th.*

Independence Day

*In observance of Independence Day,
the office will be CLOSED on Monday July, 4th.*

Did you get your Capital Credit check?

If you were a member of Clinton County Electric in 1989, you probably received a Capital Credit check. This year's checks were distributed at Clinton County Electric's 73rd Annual Meeting on March 17. Those checks not picked up at the meeting were mailed on April 1, 2011. You should have yours by now. If you haven't received your check, please call the office or email us at billing@cceci.com.