



Clinton County Connection

Your Touchstone Energy® Partner 

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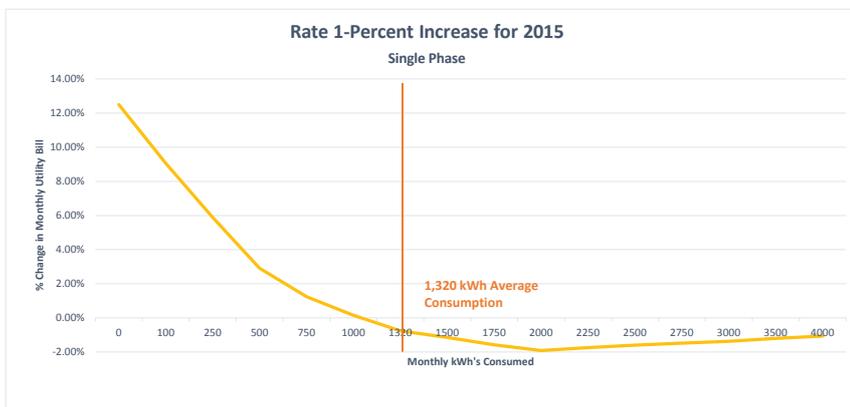
On behalf of the Board of Trustees and the Employees of Clinton County Electric Cooperative, I would like to wish you and your family a joyous and wonderful holiday season. Last month, I laid out our schedule for review of Clinton County Electric's 2015 Rate Plan. We had a meeting with the Clinton County Electric Cooperative Advisory Committee on October 14, 2014 and presented our rate change options to them as a group. We received some excellent feedback from that group of members. We then had a Special Board Meeting on October 23, 2014 to debate the details of the 2015 Rate Plan. At their regular board meeting, which was held on October 28, 2014, the Board of Trustees approved our 2015 Rate Plan. We don't have the room to go into much detail, but this will be the main topic of conversation in the January 2015 Illinois Country Living magazine. However, if

you want to see the impact the new rates will have on your account, simply go online to www.cceci.com and select the "Clinton County Electric Cooperative Rate Calculator." All you will need is a billing statement to see how our new rates will affect your bill. The graph below shows the percent increase for those members served on Rate 01. Almost 80% of the membership is served on Rate 01.

Just a reminder, our normal office hours are 7:00 am to 4:00 pm, Monday through Friday. Also, we are in desperate need of all your phone numbers; this will greatly assist you and the cooperative with any future business dealings. There are 3 ways to communicate your phone numbers to us: (1) if you find yourself near the cooperative office, stop in and pass along the information to one of our CSRs, (2) simply call (618)526-7282 any time of the day and give the correct/additional information to the CSR, or (3) go

to our website (www.cceci.com) and sign into E-Business Solutions. Once signed in to your account, click "service my account," select the account to which the change is to be made, then click "change mailing address or phone number," enter the correct/additional phone number and click submit. While signed in to E-Business Solutions you can also review your consumption history and pay your electric bill. If you need assistance with this process call the office during regular business hours.

Please remember, all initiatives we embark upon always have our members' best interest in mind. Providing our members with safe, reliable, reasonably priced electricity while providing excellent service will continue to be our goal. As always, if you have any comments or questions, please don't hesitate to contact me at Johnson@cceci.com.



Mike Johnson

Minutes from the 76th Annual Meeting of Members

Clinton County Electric Cooperative, Inc.
THURSDAY, MARCH 20th, 2014

The 76th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc. was held at the Central High School gymnasium, Route 50 West, Breese, Illinois on Thursday, March 20, 2014, beginning at 7:30 PM.

The meeting was called to order by Cary Dickinson, chairman of the Cooperative, at 7:30 PM.

Ronald L. Becker, Secretary-Treasurer of the Cooperative, acted as secretary and kept the minutes thereof.

Chairman Dickinson reported there was a quorum present.

The invocation was given by Vernon Mohesky, a trustee from District No. 2.

All present were then asked to stand as Duane Grapperhaus & Kelly Perez led the crowd in the National Anthem.

As in the past, Robert's Rules of Order governed the meeting.

Chairman Dickinson then introduced the Clinton County Electric Board of Trustees and special guests present including Don Gulley, SIPC President/CEO. Employees of Association of Illinois Electric Cooperative who were present and recognized included: Duane Noland, AIEC President/CEO, Brian Adams, Vice President of Engineering, Steve Davis, Manager of Regulatory Compliance, Paul Dow, Coordinator of Video Productions, Rick Polley, Manager of Field Services, Lisa Rigoni, Public Relations/Business Development Manager, and Norman Conrad, AIEC General Counsel. Also introduced were past director Jim Tebbe. Retired employee present was Gene Edwards. Nate Wheeler from Senator McCarter's office was also in attendance.

Secretary-Treasurer Becker read the official notice of the meeting and informed the members that proof of mailing of the meeting notices and number of members is evidenced by receipt of mailing from the U.S. Postal Service.

Upon motion by Norman Conrad, seconded and a vote taken thereon, the minutes of the 75th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc. were approved as they appeared in the December 2013 issue of the Cooperative newsletter inserted in the Illinois Country Living Magazine.

Chairman Dickinson then addressed the membership thanking everyone for attending the 2014 Annual Meeting of Members.

He announced each member in attendance would receive a \$10.00 bill credit, a four pack of glasses commemorating CCECI's 75th Anniversary, along with the chance to win one of 4 cash prizes including 1-\$100 bill and 3-\$50 bills. Also capital credit checks for attendees who were members in 1990 were distributed. Chairman Dickinson gave a brief overview of the trials and tribulations of getting the cooperative established. Mr. Dickinson also spoke about how far the cooperative has come in 75 years and stated that he believes every decision that has been made at Clinton County Electric has been made "to enhance the quality of life for our members" and believes this to be the goal today.

The balance of Mr. Dickinson's report focused on the past, present, and future activities of Southern Illinois Power Company (SIPC), the performance of the Prairie States Generating Station (PSGS), and the Legislative/Environmental threats we may be faced with in the near future. He stated the single largest annual expense facing any distribution cooperative is the cost of its wholesale power. Next Mr. Dickinson spoke about 2013 being a year of transition and strategic planning for SIPC. In December of 2013, the Board hired Don Gulley as SIPC's CEO. The second major strategic transition made by SIPC's Board during 2013 was to divest SIPC's financial interests in two mining resources, Fidelity and Delta mines. The third strategic step implemented in 2013 was the SIPC's Board self-evaluation process.

On the operational level, SIPC's generation has performed flawlessly during the severe cold spell that recently occurred in December and January. Even with the bitter cold weather, SIPC made sure the units were available when needed. SIPC hit new system peaks in January of 2014 and then again the first week of February, 2014, surpassing the old marks by more than 10%; setting a new all time high system peak of 568 megawatts.

Mr. Dickinson then turned his speech to one of the most critical issues facing SIPC and that is the Obama Administration's "War on Coal." The current Environmental Protection Agency (EPA), under the direction of President Obama, is hoping to bypass Congress and in January issued proposed rules which would virtually eliminate coal from our nation's energy strategy. Mr. Dickinson stressed this is not an issue for just SIPC. In fact, over 40% of the nation's electricity comes from coal-fired power plants and the elimination of coal from the energy strategy will affect all of us, as well as our nation's economy. Mr. Dickinson then asked the members to fill out the cards they were given and the cooperative would enter that information into Action.coop on their behalf. He stressed that this message will be sent to the Environmental Protection Agency asking them to maintain the "All of the Above" energy strategy.

In summing up, Chairman Dickinson thanked the Advisory Committee along with the members of the cooperative for their continued support.

Secretary-Treasurer Ron Becker took the podium next to explain

details of the 2013 financial report, which included Clinton County Electric Cooperative's "Top Ten Financial Statistics" for 2013.

Some of those statistics included CCECI's net worth in 2013 was \$24.7 million, CCECI borrowed \$2.1 million, and CCECI's long term debt at the end of 2013 was \$13.3 million; an increase of \$1.7 million from a 2012. During 2013 the cooperative paid \$389,438 in principle, and \$560,000 in interest. Mr. Becker's next statistic focused on how CCECI spent each \$1.00 of member revenue. Seventy cents is by far the greatest expense and was used to purchase electricity from SIPC. Ten cents was used for operation and maintenance of CCECI's electrical system, 6¢ went to administrative and general expenses, another 6¢ for depreciation & amortization, 4¢ on interest charges, 3¢ consumer account, customer service and sales expense, and finally 1¢ (just 1% of the every dollar) represents CCECI's Operating Margin. Mr. Becker finished the 2013 Top Ten list with the net Operating Margin was \$167,800, our equity percentage was 37.2%, CCECI paid back \$200,000 in general retirement of capital credits and an additional \$43,835 was returned to estates. Since CCECI was formed in 1939, there has been a total of \$7,019,585 worth of capital credits returned to the members. The Clinton County Electric Board of Trustees believes that returning capital credits back to the membership is the "Cooperative Way" of doing business.

Mr. Becker closed with touching on SIPC's cost for being environmentally compliant. "For 2013 these rules added 21% to their cost to generate electricity and in dollars that added \$31,000,000 EXTRA to their expenses. And if you break down \$31,000,000 it's almost \$60 per minute. That means it's really, really close now to \$1.00 per second for every second of the entire year for them to remain environmentally compliant. Sometime during 2014 we plan to start showing on your individual electric bill just how much of your charges were necessary because of required environmental compliance rules."

Chairman Dickinson then introduced the President/COO of the Cooperative, Mike Johnson. Johnson talked briefly about CCECI's 75th Anniversary. He then explained that his speech would concentrate on two things, some operational changes and updates at Clinton County Electric, and a detailed presentation of the 2014 rates.

Concerning operational changes, Johnson reported the cooperative implemented the ability for members to text in an outage. He then spoke about the implementation of an E-Business solution and the "screen pop" feature on the phone system.

Johnson then moved on to discuss outside operational changes one of which included the reliability program. CCECI's biggest undertaking in 2013 was starting to construct the tie-line between Ferrin and Shattuck substations. The entire project will take 3 years to complete. He explained how during the summer of this year contract crews will be seen along Hwy 161, rebuilding the line that was first put into service in 1947. The remaining two projects will be completed in 2014 & 2015. The total 4 year cost of upgrading the south eastern side of territory will approach \$2,000,000. Pole inspection/pole replacement was the next topic on Johnson's list. 2012 was the last year of our 4-year pole inspection program. In 2013 CCECI began Phase 2 of the program. Our contractor inspected poles served by the Beckemeyer Substation. These poles were first inspected in 2009. The failure rate fell from 8.5% to 1.5%. In 2013 CCECI also started to treat the poles that showed signs of rotting. This treatment is designed to extend a pole's useful life by 10 years. The treatment costs about \$50 per pole which is a drop in bucket when compared to the \$2,000 it costs to replace a pole.

During 2013 we continued our aggressive 4-year cut program. 2013 was the fourth year of the 4-year cut program. Our annual budget for the vegetation management program generally hovers around \$175,000.

The final operations item President Johnson touched on was "mother nature". We had some almost unbearable weather days in December 2013/January 2014. These storms produced very few outages. This tells us that are Pole Inspection/Pole Replacement Program, as well as our 4 year cut program are working and are working well.

President Johnson then moved on to the 2014 Rates. The 2014 Rates include a slight increase and a rate change. There are three reasons for the slight rate increase. First, we increased rates in 2012 which was primarily driven by increased power supply costs from SIPC. Our expectation was that rates would go down quite a bit in 2013. Rates did go down, but not as much as expected. Therefore, that left CCECI with a revenue shortfall. Secondly, we have invested significant dollars into the distribution system over the past years. Since 2007 we have invested over \$11,000,000 in plant and service. Every dollar invested in plant causes increasing depreciation expense and interest expense since we borrowed most of the funds needed for that construction. Finally, SIPC is budgeting a small increase in 2014, which will amount to about \$200,000 to Clinton County Electric. When you roll all three of those reasons together the total increase to Clinton County members will be less

than \$600,000 or an overall increase of less than 4%.

President Johnson went further and talked specifically about our 2 most popular rate schedules, Rate 1 and Rate 10. Under Rate 1 the facility charge increased to \$40 per meter per month from \$34. The average member on Rate 1 consumes 1290 kWh per month. That average member will see an increase of slightly less than 3.5%. President Johnson acknowledges that since 2009 the Facility Charge has increased over 80%, but at the same time the energy charges have actually decreased. Since 2009, the average member on this rate experienced an 8.5% increase or 1.5% annually.

The Rate 10 members saw an increase in facility charge from \$42 to \$44. However, as with Rate 1 we lowered the energy charges on this rate. President Johnson then reiterated the goal with this rate change is to be "fair while being reasonable." The average member on this rate will see a monthly increase of less than 3%. Until we are at the point where all of the fixed costs are recovered through the facility charge, Rate 10's facility charge will always be greater than Rate 1. However, at this time we believe in 2015 or 2016 the facility charges will be exactly the same on Rate 1 & Rate 10.

The accomplishments met with the 2014 Rates are: small overall increase to membership less than 4%; ensures long term financial success; predictable rates (keep the same rate structures); increase fixed revenues (facility charges); and no one is dramatically affected. In closing, Mr. Johnson reminded everyone that they are entitled to be informed and the two main sources of getting the needed information are the ICL and our website. Lastly, President Johnson recognized the Clinton County Electric Cooperative employees, thanking them for their dedication to the members of the cooperative.

Upon motion by Nelson Arrowsmith, seconded and a vote taken thereon, all of the reports given by the officers and president thus far were accepted.

Next, Chairman Dickinson informed the members that per Article 4, Section 4.06 of the Cooperative ByLaws, an Election and Credentials Committee was appointed by the Board of Trustees at their regular monthly board meeting in November, 2013. He then called upon Norman Conrad, Legal Counsel of the Cooperative, to give the report of the Election and Credentials Committee.

Mr. Conrad reported that the Election & Credentials Committee met on February 3, 2014 at the Cooperative Headquarters. He informed the members attending, since there were no contests for trustees in any of the districts, those trustees nominated may be elected by acclamation, if desired.

Upon motion by Mae Speiser, seconded and a vote taken thereon, the following trustees were elected by acclamation: Tim Hanke from District #1; Kevin Kampwerth from District #2; and Randy Renth from District #3.

At this time Chairman Dickinson asked President Mike Johnson to give an update on the employees of Clinton County Electric. Cathy Markus retired after 40 years of service. Allen Deiters was recognized for 25 years of dedicated service, Ron Deien and Craig Benhoff for five years of service. Carrie Trame, Jacob Haselhorst, and Justin Hubert were all hired in 2014.

Chairman Dickinson then recognized Trustee Kevin Kampwerth for completing 15 years of service.

At this time, Duane Noland, President/CEO of the Association of Illinois Electric Cooperative and Steve Davis, Manager of Regulatory Compliance, presented the Rural Electric Safety Achievement Program award (RESAP) to CCECI.

State Representatives Charles Meier and John Caveletto offered a resolution to the Illinois House that was adopted on March 5, 2014. The resolution congratulates Clinton County Electric for its 75th Anniversary. Due to travel commitments neither representative was able to attend the meeting so Chairman Dickinson read the resolution to those members in attendance. Don Gulley, SIPC's new CEO took the floor next and briefly talked about his new endeavors at SIPC. No old business came before the meeting.

There being no further business to come before the 76th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc., upon motion by Bill Guile, seconded and a vote taken thereon, the meeting was adjourned by Chairman Dickinson.

Following adjournment, four cash prizes were awarded: St. Mary's Holy Name Society, \$100; Ivan Eby, \$50; Ron Dust, \$50; and Raymond Brown, \$50.

Ronald L. Becker, Secretary

APPROVED:

Cary Dickinson, Chairman



The cooperative office will be closed on Wednesday, December 24 & Thursday, December 25 in observance of Christmas and on Wednesday, December 31 & Thursday, January 1 in observance of New Year's.

Bylaws specify nomination procedure

Section 4.06. Nominations. It shall be the duty of the Board of Trustees to appoint, more than ninety (90) days before the date of a meeting of the members at which Board trustees are to be elected, a committee on election and credentials consisting of not less than five (5) nor more than nine (9) members with at least one (1) member from each district from which a trustee is to be elected. No employee, trustee, Officer, known candidate, or close relative (as hereinafter defined) of any of the above may serve on such committee. The purpose of the committee is to review the qualifications of petitioning nominees and to conduct the election of trustees. To be nominated by petition, a candidate for trustee must file a petition for nomination signed by at least twenty-five (25) members, but not more than fifty (50) members. Signatures may come from the entire Cooperative membership. A joint membership constitutes only one member. Nominations by petition must be picked up and filed not more than ninety (90) days or less than forty-five (45) days before the date of a meeting of the members at which trustees are to be elected. The Election and Credentials Committee, or subcommittee of same must meet to determine if the candidates meet the qualifications for trustee. Upon establishment of the fact that a nominee for trustee lacks eligibility under these Bylaws, it shall be the duty of the Election and Credentials Committee to disqualify such nominee. If there are no nominations by Petition for trustee in any district in which a trustee is to be elected, it is the duty of the Board of trustees to appoint a member to serve in that position.

At least thirty (30) days prior to the meeting of members, the Election and Credentials Committee shall certify a list of nominees for trustee to the secretary. The secretary shall then post at the principal office of the Cooperative, at least thirty (30) days prior to the meeting of members, a list of the nominations for trustee to be elected, listing separately the nominee(s) for each trustee district. The secretary shall also be responsible for mailing, with the Notice of Meeting or separately, but at least five (5) days before the date of the meeting, a statement of the number of Board members to be elected and the names and addresses of the nominees. No nominations may be made from the floor. Nominees' names from the same district may be rotated on the ballot so that each nominee's name is on the ballot in the same position as equal number of times as possible. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of trustee. The Election and Credentials Committee shall elect its own chairman and secretary at its initial meeting. It shall be the responsibility of the committee to establish or approve the manner of conducting any ballot or other voting, to pass upon all questions that may arise with respect to registration of members in person, to count all ballots or other votes cast in any election or in any other manner, to rule upon the effect of any ballots or other votes irregularly or indecisively marked or cast, to rule upon all questions that may arise relating to member voting in the election of trustees and to pass

upon any protest filed with respect to election or to conduct affecting the result of the election. In exercising the responsibility, the committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed not more than three (3) business days following the adjournment of the meeting in which the voting is conducted. The committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set aside. The committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. The committee may not affirmatively act on any matter unless a majority of the committee is present.

For a list of Election and Credentials Committee members, date of meeting, a petition or any other information concerning the nominations procedure, please contact: Mike Johnson, President, Clinton County Electric Cooperative, Inc., 475 N. Main Street, Breese, IL 62230, (618) 526-7282.

New team member Katy Singler

We are happy to announce the newest addition to the Clinton County Electric Cooperative Inc. team, Katy Singler. Katy comes to us with 4 years of experience in the credit union industry. She and her boyfriend Kerry have a 6 year old daughter Kora and they live in Germantown. Katy has an eye for design and enjoys spending time with family and friends in her free time. She has a green-thumb and also likes to bake. We extend our sincere welcome to Katy and couldn't be more excited to have her as part of the cooperative team!

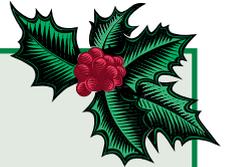
2015 Clinton County
Electric Cooperative
Annual Meeting
Thursday, March 19,
2015 – Be sure to
mark your calendar!
It is never too early to
plan for your upcoming
annual meeting

2015 Youth Day and Youth Tour

Clinton County Electric will again sponsor up to 12 area sophomores or juniors to attend Youth Day in Springfield to be held on March 25, 2015, sponsored by the cooperative and the Association of Illinois Electric Cooperatives. Two will be selected to go to Washington DC from June 12-19, 2015 for an all-expense paid tour. See our January 2015 issue for more details!



The Trustees and Employees of Clinton County Electric wish everyone a very Merry Christmas and a Happy and Prosperous New Year.



Ronald Becker



Cary Dickinson



Tim Hanke



Stephen
Kalmer



Kevin Kampwerth



Randy Renth



Vernon Mohesky



Joseph Voss



John White



Gary Albers



Craig Benhoff



Harry Buller



Ron Deien



Allan Deiters



Mike Faust



Jacob
Haselhorst



Justin Hubert



Mike
Johnson



Brenda
Knolhoff



Bob Kroeger



Ralph Kuhl



Ahren
Langhauser



Dale Nordike



Mary Jane
Richter



Katy Singler



Brian Taylor



Carrie Trame



Doug
Vonder Haar