



Clinton County Connection

Your Touchstone Energy® Partner 

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Mike Johnson

IEC Memorial Scholarship Program

Applications are still being accepted for the 2013-2014 IEC Memorial Scholarship Program. For an application and other information visit www.cceci.com/youth-programs. The deadline to apply is December 31, 2013.

2014 Clinton County Electric Cooperative Annual Meeting

Thursday, March 20, 2014 – Be sure to mark your calendar!

It is never too early to plan for your upcoming annual meeting.

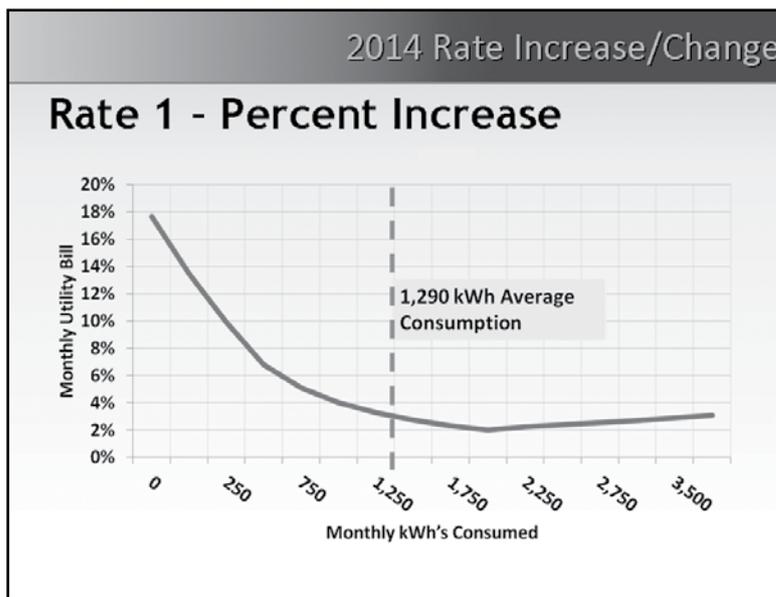
On behalf of the Board of Trustees and the employees of Clinton County Electric Cooperative, I would like to wish you and your family a joyous and wonderful holiday season. Last month, I laid out our schedule for review of Clinton County Electric's 2014 Rate Plan. We had a meeting with the Clinton County Electric Cooperative Advisory Committee on October 16, 2013 and presented our recommendations to them as a group. We received some excellent feedback from that group of members. We then had a Special Board Meeting on October 22,

2013 to debate the details of the 2014 Rate Plan. At their regular board meeting, which was held on October 29, 2013, the Board of Trustees approved our 2014 Rate Plan. We don't have the room to go into much detail, but this will be the main topic of my article in the January 2014 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 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 7:00am to 4:00pm, Monday through Friday. Also, we have implemented the ability to text outages. The first step is to call the office (526-7282 during normal office hours and 1-800-526-7282 after hours) to make sure we have your cell phone numbers on record. Then go to our website to register for texting (www.cceci.com) - it will only take you a matter of minutes to complete the enrollment process. Once completed, you can conveniently text your power outage to the number provided during the enrollment process.



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.

Minutes from the 75th Annual Meeting of Members

Clinton County Electric Cooperative, Inc.
THURSDAY, MARCH 21st, 2013

The 75th 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 21, 2013, beginning at 7:32 PM.

The meeting was called to order by Cary Dickinson, chairman of the Cooperative, at 7:32 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 played 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 Todd Gallenbach, SIPC Power Production Manager. Employees of Association of Illinois Electric Cooperative who were present and recognized included: Duane Noland, AIEC President/CEO, Lisa Brammer, Legal and Government Relations, Valerie Cheetham, Assistant Editor Illinois Country Living Magazine, Rick Polley, Manager of Field Services and Norman Conrad, AIEC General Counsel. Also introduced were past directors, Marcellus Huelsmann and Jim Tebbe. Retired employees present were Gene Edwards and Josie Timmerman.

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 Bill Guile, seconded and a vote taken thereon, the minutes of the 74th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc. were approved as they appeared in the December 2012 issue of the Cooperative newsletter inserted in the Illinois Country Living Magazine.

Chairman Dickinson then addressed the membership thanking everyone for attending the 2013 Annual Meeting of Members. He announced each member in attendance would receive a \$10.00 bill credit, a rechargeable flashlight for their car, 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 1989 were distributed. Chairman Dickinson informed the membership of the financial condition of the Cooperative stating we experienced an operating loss in 2012 and Mr. Becker will go into more detail later. He also mentioned that in 2012 the Board of Trustees approved a rate change for 2013 and Mike Johnson will talk more about that later.

Chairman Dickinson then went on to discuss past and future activities at Southern Illinois Power Cooperative, our wholesale power provider. He indicated fuel costs are the largest single expense for SIPC. Coal prices saw virtually no change from 2011 to 2012. He went on to say the Marion plant performed well in 2012 in which Unit 123 had an availability factor of 90%, whereas Unit 4 had an availability factor of 83%. Both units are in the upper ¼ of their peer units nationally. Dickinson then explain that we are now receiving energy from wind thanks to SIPC's investment of 10 megawatts of generations from the Pioneer Trail Wind Power Project. He reported Prairie State Generating Campus located in Lively Grove is complete and there are two generating units that have a little more than 1600 megawatt of generating capacity. Paying for this generating campus is one of the driving factors for SIPC's rate increase of 2012. Dickinson admitted the cost escalated from the original budget due to delayed start caused by lawsuits from environmental groups, escalation in price of concrete, steel, copper and labor, and efficiency issues regarding construction management. Chairman Dickinson stated Prairie States continue to have issues such as disappointing availability factors. However, he believes that when both units are operating efficiently, PSGS will provide reliable and reasonably priced energy for many years to come. Next Chairman Dickinson talked about legislation entitled "Cap and Trade," the "Warm Water Discharge" rule, the "Mercury and Air Toxics" rule, the "New Clean Water Act" and coal ash/residuals which can all increase the price of doing business.

In summing up, Chairman Dickinson thanked the

Advisory Committee along with the members of the cooperative for their continued support.

Secretary-Treasurer Ron Becker then presented the annual financial report ending December 31, 2012. Becker reported the cooperative had a negative Operating Margin of \$315,000, indicating we did not collect quite enough money from our members to pay all the bills the Cooperative incurred during 2012. Becker then went on to explain, the negative Operating Margins were not a surprise to the Cooperative. It was planned for 2012 and again for 2013. He reported the largest expense was the cost of paying for the electricity which we bought and distributed, amounting to \$.73 of every dollar brought in. He then referenced CCECI shaving sold 3 million less Kwh's in 2012 but yet the cost to the Co-op was \$1.7 million higher than the year before. Becker reported Clinton County Electric is continuing the practice of returning capital credits to its members and announced to date \$6,775,815 has been returned since 1939. He explained the Board of Trustees feels returning positive margins is the "cooperative way of doing business" but is not required by law and many cooperatives do not pay back these dollars. Becker then informed the members that SIPC spent about \$25.5 million dollars in 2012 on environmental compliance, which computed to \$50.00 for every minute of the year. The cooperative is valued at \$22.8 Million and the cooperative's equity has dropped 7 percentage points to 38.72%. He also reported the cooperative's long term debt is \$11.6 Million. Becker informed the members in attendance that three of the cooperative's biggest financial threats include: the weather, government imposed rules and regulations concerning climate change and different energy sources; and stricter environmental regulations from both federal and state environmental protection agencies. In conclusion, Becker assured the members that "it continues to be the job and responsibility of the trustees and management of CCECI to do their absolute best to make intelligent financial decisions on behalf of your cooperative."

Chairman Dickinson then introduced the President/COO of the Cooperative, Mike Johnson. Johnson concentrated on two things in his address to the membership. First, some operational changes and second, the rate change which took place effective the January 2012 consumption.

Concerning operational changes, Johnson reported the cooperative implemented the ability for members to text in an outage. He reminded them of the new office hours, 7AM to 4PM, were effective January 1, 2012 as well as the implementation of an E-Business solution and the "match up" feature on the phone system. Johnson then moved on to discuss outside operational changed one of which included the reliability program. The reliability program focuses on rebuilding the Ferrin substation, which is the first project in our capital improvement program for the south-eastern side of our service territory. His hopes are that by the end of 2015 we will have a strong tie between our Ferrin and Shattuc substations. The estimated cost for this upgrade over a four year period is 2,000,000. Pole inspection/pole replacement was the next topic on Johnson's list. Over the last four years CCECI replaced 1,750 poles. He hopes that enhancing our pole inspection program by treating those poles that are starting to show decay or rot will extend the life of these poles, ultimately saving money. Johnson proceeded with talk of our aggressive four year cut program stating the estimated annual cost for that project hovers around 175,000. Mr. Johnson then indicated that Mother Nature had been kind to us in 2012, as far as storms, until the last weekend when 3 or 4 inches of heavy wet snow caused many outages across our service territory.

Next, President Johnson made it perfectly clear that the recent rate change was just that a change and not an increase. Overall revenues coming into CCECI will not increase. This change was based on two fundamentals, fair and reasonable. Johnson followed with stating the long range goal with this change is to increase the facility charge while flattening the energy charge. There was then a breakdown of CCECI's 2 most popular rate schedule. Rate 1, single phase residential and farm rate, the facility charge increased to \$34.00 from \$28.00. However, the energy charges decreased. Since our average member on that rate consumes 1284 kWh per month, they will receive \$1.20 monthly decrease. Rate 10, seasonal, the facility charge increased from \$36.00 to \$42.00 per month and as with Rate 1 the energy charges decreased.

Johnson explained that the average usage on this rate is only 245 kWh per month and will likely see an increase of \$4.63. He wrapped up this topic by explaining that until we are at the point where all of the fixed costs are recovered, through the facilities charge, Rate 10's facility charge will always be greater than Rate 1. No overall increase to membership, predictable rates, increased fixed revenues, rate remain understandable and no one is dramatically affected are the accomplishments Mr. Johnson feel have been obtained with this recent rate change.

Mr. Johnson's expects to see stabilizing rates from SIPC, but warned that if PSGC continues to perform poorly, a Power Cost Adjustment may have to be made sometime this summer. CCECI stands firm on continuing the long term rate strategy of increasing facility charges while reducing energy charges, all part of a plan to prevent more years ending with negative Operating Margins.

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 Arowsmith, 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, 2012. He then called upon Ron Becker, Secretary of the Cooperative, to give the report of the Election and Credentials Committee.

Becker reported that the Election & Credentials Committee met on February 5, 2013 at the Cooperative Headquarters. He informed the members attending that, 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 Terry Cryder, seconded and a vote taken thereon, the following trustees were elected by acclamation: Cary Dickinson from District #1; Joseph Voss from District #2; and Stephen Kalmer from District #3.

At this time Chairman Dickinson asked President Mike Johnson to give an update on the employees of Clinton County Electric. Gary "Goober" Albers was recognized for 40 years of dedicated service. Cathy Markus was also recognized for 40 years of service and also announced her retirement. In anticipation of Cathy's retirement, Clinton County Electric's newest employee, Carrie Trame was hired.

Duane Noland, President/CEO of the Association of Illinois Electric Cooperative presented the "Best Three Year Safety Award" to the employees for going three years without a lost-time accident. There being no further business to come before the 75th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc., upon motion by Norman Conrad, seconded and a vote taken thereon, the meeting was adjourned at 8:38 PM by Chairman Dickinson.

Following adjournment, four cash prizes were awarded: Thomas Langenhorst, \$100; Matthew Benhoff, \$50; Robert Gerdes, \$50; and Shomaker Trucking, \$50.

Ronald L. Becker, Secretary

APPROVED:

Cary Dickinson, Chairman

Ronald L. Becker, Secretary

APPROVED:

Cary Dickinson, Chairman



The cooperative office will be closed on Tuesday, December 24 & Wednesday, December 25 in observance of Christmas and on Tuesday, December 31 & Wednesday, 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.

Applications are being accepted for 2014 Youth Day and Youth Tour

Clinton County Electric Cooperative and the Association of Illinois Electric Cooperatives, will again sponsor up to 12 area sophomores or juniors to attend Youth Day in Springfield to be held on April 2, 2014. Of these 12, two will be selected to go to Washington DC from June 13-20, 2014 for an all-expense paid tour.

WHO MAY ENTER?

Youth Day in Springfield and Youth Tour to Washington DC are open to high school sophomores and juniors that are children of Clinton County Electric Cooperative members. (Children of Clinton County Electric Cooperative board of directors or employees may attend at their own expense.)

YOUTH TO SPRINGFIELD.

A panel of judges will choose up to 12 students who will participate with more than 125 other youths from other Illinois electric cooperatives in Illinois Rural Electric Youth Day in Springfield set for Wednesday, April 2, 2014. The day's activities in Springfield will include touring the State Capitol complex, visiting with legislators and a luncheon. Transportation to Youth Day in Springfield will be provided by the Cooperative.

WASHINGTON TOUR.

Of the 12 students attending Youth Day in Springfield, two will have the opportunity to participate in the Washington DC Youth Tour. The two local winners will join about 70 other Illinois students who are winners of

similar contests sponsored by other Illinois electric cooperatives. They will travel on air-conditioned buses, leaving on June 13 and returning June 20. While in Washington DC, they will visit such attractions as the White House, U.S. Capitol, Smithsonian Institution, Arlington National Cemetery, Lincoln Monument and many other national monuments and places of interest.

Applications are available at www.cceci.com/youth-programs. Completed applications need to be returned to the cooperative office no later than February 28, 2014. Feel free to contact Carrie Trame at Trame@cceci.com with any additional questions.

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



Brian Taylor



Carrie Trame



Doug Vonder Haar