



# Clinton County Connection

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## Clinton County Electric Cooperative, Inc. Annual Meeting Held Thursday, March 17, 2016

Members in attendance at Clinton County Electric Cooperative's 78th Annual Meeting, held Thursday, March 17, at Central Community High School in Breese, re-elected three members of the board of trustees by acclamation, approved proposed Bylaw changes by acclamation, and heard the 2015 accomplishments as well as the financial results of CCECI. Members in attendance also had the opportunity to hear about Southern Illinois Power Cooperative, Prairie State Generating Campus, and future rate strategies at Clinton County Electric Cooperative. Every registered member received a \$10 bill credit and the evening closed with three attendance prizes being awarded.

Upon motion by Bill Guile, seconded and a vote taken thereon, Trustees Cary Dickinson from District 1, Joe Voss from District 2, and Steve Kalmer from District 3 were re-elected by acclamation. Upon motion by Ron Zurliene, seconded and a vote taken thereon the proposed revisions to Article I of the Bylaws were approved by acclamation. Upon motion by Jim Tebbe, seconded and a vote taken thereon

the proposed revisions to Article V of the Bylaws were also approved by acclamation.

Vernon Mohesky, recently elected Chairman of the Board, began his speech by talking about CCECI's accomplishments in 2015. Mohesky went on to explain CCECI has not had a lost time accident since April of 2009 which is almost 270,000 hours worked without an accident. He then focused on reliability, and said "One of our main initiatives at Clinton County Electric is reliability. Our goal is to have no more than 1 hour of outage per member per year. Two thousand fourteen was the first year we were able to attain that goal. For 2015 we ended up slightly over that goal at 1.29 member outage hours. The main culprit for not making our goal was a substation transformer failure at the Keyesport Substation in March of 2015." While on the topic of reliability, Mohesky touched briefly on the widespread outage that affected almost our entire service territory on the evening of January 26, 2016 and he attributed the outage to a failure on Ameren's 69,000 volt transmission system.

The next topic on Chairman Mohesky's agenda was capital credits. Mohesky stated "At our regular November, 2015 Board Meeting, the Board of Trustees approved a \$200,000 one-time refund of revenue back to the membership which was applied to their December electric bill. The average account received between a \$25 and \$30 bill credit. The board felt it was best to return those dollars to the membership in 2015 rather than returning those funds as future patronage retirements." He also mentioned the approximate \$200,000 of retired patronage that was paid to those who were members in 1990 and 1991. Chairman Mohesky spoke briefly about strategic planning and

**Continued on 16b ▶**



*Mike Johnson*

## Annual Meeting continued from 16a

concluded his speech by reviewing a couple of the core Cooperative Principles.

Recently elected Treasurer Timothy Hanke came to the podium and reported that 2015 was a financially successful year for Clinton County Electric. He centered his speech on sources and uses of cash. Treasurer Hanke stated the Cooperative collected a little over \$18.2 million last year, with the largest source of cash, \$16.5 million, having come from member payments. The second largest source of cash, 1.3 million, came from long and short term loans from our national cooperative bank. Fifty-nine percent of the total cash spent by Clinton County in 2015 went to SIPC for the payment of purchased power. The remaining cash was spent on wages/benefits, distribution system support, principal and interest payments, capital improvements, contractors, capital credits, and corporate governance.

Treasurer Hanke concluded his portion of the speech by saying “Within the cooperative business model there are two short term sources of funds, the member and the bank. The board understands to help ensure a reliable source of power for you the member, we need to borrow money. If we didn’t borrow money for the investments into the system, we would only have two alternatives, raise rates or let reliability subside.”

Next Don Gulley, President/CEO at Southern Illinois Power Cooperative (SIPC), which is the source of power for Clinton County Electric, stated the generation and transmission (G&T) cooperative is working towards stability for the future. One area is reliability. SIPC owns one of the highest performing plants in the country. Mr. Gulley said, “Our forced outage rate is less than 2 percent. Whenever we ask them (the plants) to run, they run



*During their 78th Annual Meeting, members of Clinton County Electric Cooperative re-elected the following Trustees by acclamation: (left) Steve Kalmer of New Baden; Joe Voss of Carlyle (middle); and Cary Dickinson of Hofmann (right).*

and that’s a testament to the experienced and seasoned staff we have at SIPC.” Keeping those employees safe is paramount to SIPC, and its commitment is paying off. Safety is at an all-time high, with zero lost time accidents at the plant since September 2014.

Holding down costs has also been a major priority. New coal contracts and good management of fuel, additives and trucking are helping to reduce costs for SIPC, and ultimately, its distribution cooperatives and their member/owners.

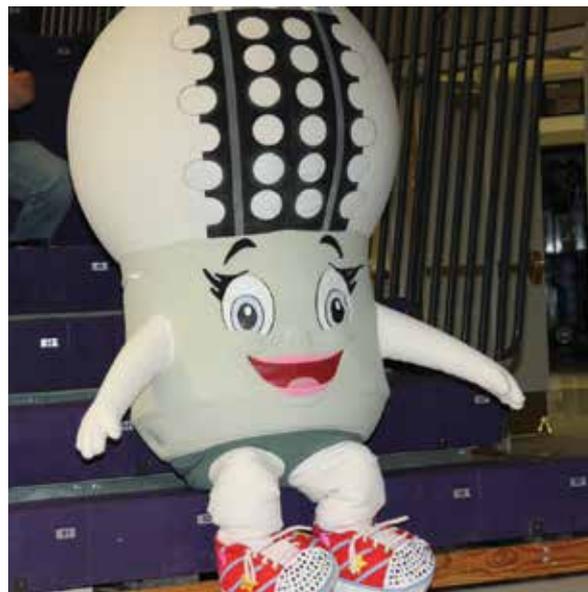
Mr. Gulley reported Prairie State Generating Campus (PSGC) in Marissa, in which SIPC is part-owner, is continuing to improve reliability. “Prairie State is maintaining a good trajectory. We started in 2015, with setting a record number of days of continuous operation.” In 2015, PSGC had the lowest cost per megawatt hour since its inception, which has helped reduce rates by nine percent.

Environmental regulations continues to be a serious challenge for coal-burning power plants across the country. Mr. Gulley said, “SIPC

is committed to reducing the amount of sulfur dioxide and nitrous oxide emitted into the air. We invested in technology a long time ago that is helping to meet those new requirements.”

Then President/COO Mike Johnson came to the podium and detailed the cooperative’s rate strategy. Since 2012, the cooperative has been working to create a fair and reasonable rate structure. He said, “Rate making is not done in a vacuum; it is the culmination of everything the cooperative does. Whether it’s building distribution line, reading a meter, providing customer service, processing a payment; all of these activities are eventually reflected in members’ rates.”

The cooperative had a cost of service study conducted through the Association of Illinois Electric Cooperatives, which has provided information and guidance for each component on member electric bills. Johnson said, “Based on the results of the cost of service study, there will be some rate adjustments within rate classes that could slightly raise or lower members’ bills. Generally,



the facility charge will increase and the energy charge will decrease. Once the new rates are determined, they will be phased in over a three year period commencing in April of 2017.”

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

President Johnson gave an update concerning the employees of Clinton County Electric. Brenda Knolhoff has completed five years of dedicated service; Doug Vonder

Haar twenty-five years of dedicated service, and Harry Buller forty years of dedicated service. He reported Gary “Goober” Albers, retired in March of 2016 with over forty three years of dedicated service. With the retirement of Goober the Cooperative hired Kyle Wiegmann as an Apprentice Lineman in March of 2016. Dale Nordike retired in 2015 and the Cooperative hired Mike Korte as the Field Services Technician to replace Dale.

The meeting drew to a close with President Johnson giving an update on the trustees. Steve Kalmer

was recognized for completing five years of dedicated services; Vernon Mohesky for ten years of dedicated service; Randy Renth for twenty years of dedicated service; and Ron Becker for twenty-five years of dedicated service.

There being no further business to come before the 78th Annual Meeting of Members of the Clinton County Electric Cooperative, Inc., upon motion by Bob Dumstorff, seconded and a vote taken thereon, the meeting was adjourned by Chairman Mohesky.

**Continued on 16d ►**

### Annual Meeting continued from 16c

Following adjournment, four cash prizes were awarded. The winners were: Gerald Innes, \$100; Stanley Detmer, \$50; Virgil Hemker, \$50; and Nick Gundlach, \$50.

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](mailto:Johnson@cceci.com).



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## Assignment of margins

Assignment of 2015 margins to members doing business with Clinton County Electric Cooperative has been calculated. A total of \$1,113,861.42 in margins has been allocated as capital credits for the year 2015. Of this amount, \$472,446.42 was Cooperative capital credits and \$641,451.00 was allocated as SIPC capital credits. The Cooperative has calculated each member's share of the total margins and credited that amount to your capital credit account.

Allocation notices will be sent to each member who received service during 2015. These notices will inform you of your share of the total margins. This amount is only an accounting credit. It cannot be claimed at the present time nor can it be applied against your current electric bill.

The Board of Trustees reviews the financial condition of the Cooperative before determining when and how much capital credits can be returned to the members. In March, 2016 the Cooperative

paid the remaining capital credits for 1990 and a portion of 1991. If you were a member in the year 1990 or 1991 and have not received a check, please call 618-526-7282 Monday thru Friday, 7 a.m.-4 p.m. The return of power supplier capital credits is on a different cycle than the Cooperative capital credits. Those allocated capital credits will be returned to the membership when Clinton County Electric Cooperative receives cash patronage from SIPC.

Please remember, you must be a member and have service in your name to have capital credits assigned. If you are receiving electric service in someone else's membership or the service is in the name of a deceased person, you will not receive capital credits. The capital credit check will always be issued to the person on the membership or the estate of a deceased member.

If you ever move off Cooperative lines, please provide us with your new address so we can send your future capital credit checks.



## Mark your calendar

**The Cooperative office will be CLOSED on Monday, May 30, 2016 in observance of Memorial Day and Monday, July 4, 2016 in observance of Independence Day.**