Clinton County Connection

Your Touchstone Energy® Partner

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Mike Johnson

Applications are still being accepted for the 2012-2013 IEC Memorial Scholarship Program. For an application and other information visit www.cceci.com/youthprograms. The deadline to apply is December 31, 2012.

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 2013 Rate Plan. We had a meeting with the Clinton County Electric Cooperative Advisory Committee on October 10, 2012 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, 2012 to debate the details of the 2013 Rate Plan. At their regular board meeting, which was held on October 23, 2012, the Board of Trustees approved our 2013 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 2013 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 that you will need is a billing statement to see how our new rates will affect your bill.

Just a reminder, our normal office hours are 7:00 am to 4:00 pm, 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 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 on always have our members' best interest in mind. Providing our members with affordable electricity and excellent service will continue to be our goal in the future. As always, if you have any questions or comments, please don't hesitate to contact me at Johnson@cceci.com.

Visit our website at www.cceci.com

Visit our website – **www.cceci.com.** While you are there, consider enrolling in our online bill payment process by clicking on the E-Business Solutions tab. You can conveniently pay your bill with debit card, credit card or by e-check. Also, sign up for the convenience of Outage Texting.

2013 Clinton County Electric Cooperative Annual Meeting

Thursday, March 21, 2013 –
Be sure to mark your calendar!
It is never too early to plan for your upcoming annual meeting

HAPPY HOLIDAYS

The cooperative office will be closed on Monday, December 24 & Tuesday, December 25 in observance of Christmas and on Monday, December 31 & Tuesday, 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 irregu1arly 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.

Minutes from the 74th Annual Meeting of Members

Clinton County Electric Cooperative, Inc.
Breese, Illinois held Thursday, March 15th, 2012

The 74th 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 15th, 2012, 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 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 Scott Ramsey, SIPC President and General Manager and Rick Liefer, Chairman of Southern Illinois Power Cooperative Board of Directors. Employees of Association of Illinois Electric Cooperative who were present and recognized included: Duane Noland, AIEC President/CEO, Norman Conrad, AIEC General Counsel, John Lowery, Vice President of Communications, John Frietag, Vice President of Operations, Rick Polley, Manager of Field Services, Paul Dow, Coordinator of Video Productions, Ambyr Crawford, Engineering Technician, and Jennifer Sours, Executive Assistant at AIEC. Also introduced were past directors and retired employees present at the meeting and Jim Riddle, former employee and current General Manager of Egyptian Electric Cooperative.

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 Jim Huelsmann, seconded and a vote taken thereon, the minutes of the 73rd Annual Meeting of Members of the Clinton County Electric Cooperative, Inc. were approved as they appeared in the December 2011 issue of the Cooperative newsletter inserted in the Illinois Country Living Magazine.

Chairman Dickinson then addressed the membership thanking everyone for attending the 2012 Annual Meeting of Members. He announced each membership represented in attendance at the annual meeting would receive a $10.00 bill credit, a nightlight/flashlight, 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 had a very good year financially, but had to address the difficult process of a rate increase during this past summer. The financial impact of a probable 20% increase in wholesale power costs was the cause for a needed rate increase. He stated the rate design in place with Clinton County Electric Cooperative was analyzed and two guiding principles took place during their discussions – fair and reasonable rates. To protect the long term financial condition of the cooperative, and to help absorb the $2,200,000 increase in wholesale power costs, the Clinton County Electric Cooperative Board of Directors approved a rate increase in the amount of $1,214,000. He indicated this was not an easy decision for the board and no one likes rate increases.

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 have increased slightly towards the end of 2011, and this is also a concern for SIPC. He went on to say the Marion plant performed well in 2011 and broke the all-time generation record by producing over 194,000 mega-watt hours in July of 2011. He reported Prairie State Generating Campus located in Lively Grove is the largest project in Southern Illinois Power Cooperative's horizon. He went on to say when this generating campus is complete, it will house two – 800 megawatt generating turbines and a mining operation that is capable of supplying all of the coal needed for the generating station. One of the main drivers in Southern Illinois Power Cooperative's need for a rate increase was the need to pay for this generating campus. SIPC owns slightly less than 8% of Prairie States. The total final cost for the generating campus is very close to $4,000,000,000 for the power plant with the mine and transmission assets adding another $1,000,000,000. Chairman Dickinson stated PSGS will provide reliable and reasonably priced energy for many years to come, translating to stable energy prices in the future.

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, 2011. Becker reported the cooperative had a positive operating margin of $354,000, indicating the board and management constantly review the financials of the cooperative to meet its financial and operational goals. Becker then went on to explain how the cooperative used their 13.7 million of revenue for the year of 2011. He reported the largest expense was the cost of paying for the electricity which we bought and distributed, amounting to $.65 of every dollar brought in. He said in comparison to 2011, it will take nearly $.73 to buy electricity in 2012 based on the 2012 budget estimates. Becker reported Clinton County Electric is continuing the practice of returning capital credits to its members and announced to date $6,510,672 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 informed the members the cooperative is valued at $20 Million and their cooperative has equity of 46%, higher than many cooperatives are able to maintain and certainly a desirable financial position to be in. He also reported the cooperative's long term debt is $8,600,000 and has increased $500,000 from a year ago. 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 increase which took place effective the January 2012 consumption.

Concerning operational changes, Johnson reported the cooperative implemented a new call routine for members experiencing power outages. During the "Groundhog Day" ice storm that took place on Feb. 1 & 2 of 2011, many of our members experienced difficulty reaching our after-hours answering service. To remedy this problem, we introduced the 1-800-526-7282 phone number as our 24 hour outage number. Next, President Johnson reported the cooperative office hours were changed from 7:00 AM to 4:00 AM on January 3, 2012. He indicated our after-hours answering service is always available to check account balances or accept payments when the office is closed.

Next, President Johnson addressed the question, "Why the rate increase?" He re-iterated the cost incurred by Southern Illinois Power Cooperative for the building of Prairie States Generating Campus and the continuing cost of regulatory compliance which Chairman Dickinson and Treasurer Becker discussed earlier. He said in order to protect the long-term condition of the cooperative, it was necessary to raise rates. He next discussed the rate design and the need to recover fixed expenses through fixed charges (monthly Facility charges). He said a Cost of Service Study will be completed in the next few years which will help us to determine the "fair" facility charge per meter/per month.

Next President Johnson discussed the energy charge. Currently Clinton County Electric Cooperative uses a declining block rate design. He mentioned the board discussed an inverted rate design during rate increase discussions. This would be a dramatic change for our members, so our new rate design took the first step in moving this direction. Eventually we plan to implement a straight or flat charge, meaning all kWh will be priced the same.

In closing, President Johnson told the members present that we are expecting to see stabilized rates from Southern Illinois Power Cooperative in the future, so no rate increase is expected in 2013, but facility charges may be increased. He said, "The point is, for every additional dollar of revenue we receive in facility charges, that equals one less dollar of revenue needed from energy charges." He went on to explain membership communication is important to the cooperative and discussed various ways the rate increase was communicated to the members. Lastly, President Johnson recognized the Clinton County Electric Cooperative employees, thanking them for their dedication to the members of the cooperative.

Upon motion by Dan Ribbing, 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, 2011. 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 January 31, 2012 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 Dennis Horstmann, seconded and a vote taken thereon, the following trustees were elected by acclamation to serve three year terms beginning on March 15th, 2012: John White from District #1; Vernon Mohesky from District #2; and Ronald Becker from District #3.

At this time Chairman Dickinson recognized the following employees who received service awards at the Annual Employee Christmas Party/Safety Dinner: Mike Faust for 10 years of service, Bob Kroeger for 10 years of service and Brian Taylor for 15 years of service. There being no further business to come before the 74th 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 8:25 PM by Chairman Dickinson.

Following adjournment, four cash prizes were awarded: Emil Rensing, $100; Dorothy Sohn, $50; Francis Boeser, $50; and Mark Maedeker, $50.

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Ronald L. Becker, Secretary

APPROVED:

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Cary Dickinson, Chairman

Applications are being accepted for 2013 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 April 17, 2013, sponsored by the cooperative and the Association of Illinois Electric Cooperatives. Of these 12, two will be selected to go to Washington DC from June 14-21, 2013 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

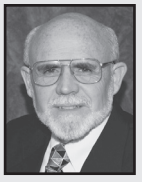
A panel of judges will choose up to 12 students who will participate with more than 125 other youths from other Illinois electric cooperatives in Illinois Rural Electric Youth Day in Springfield set for Wednesday, April 17, 2013. The day's activities in Springfield will include touring the State Capitol 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 14 and returning June 21. 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/youthprograms. Completed applications need to be returned to the cooperative office no later than February 15, 2013. Feel free to contact Brenda Knolhoff at Knolhoff@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

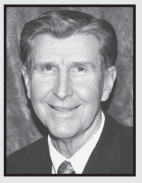
Tim Hanke

Stephen Kalmer

Kevin Kampwerth

Randy Renth

Vernon Mohesky


Joseph Voss

John White

Gary Albers

Craig Benhoff

Harry Buller

Ron Deien

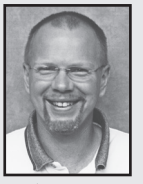
Allan Deiters

Mike Faust

Mike Johnson

Brenda Knolhoff

Tyler Koerkenmeier


Bob Kroeger

Ralph Kuhl

Ahren Langhauser

Cathy Markus

Dale Nordike

Mary Jane Richter

Adam Robke

Brian Taylor

Doug Vonder Haar