

clay ELECTRIC News

A Touchstone Energy® Cooperative 

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From the Manager

Increasing federal environmental regulations and margin shortfalls attributable to lower energy demands have resulted in a deficit toward our wholesale power provider's ability to meet its financial requirements. As a result, Southern Illinois Power Cooperative is requiring an increase in rates to its member cooperatives. Clay Electric is one of those members.

Your cooperative is not-for-profit, and as such operates on very tight margins. Because of that fact, this unexpected rate increase from SIPC leaves us with little choice but to raise our distribution rates to cover the shortfall.

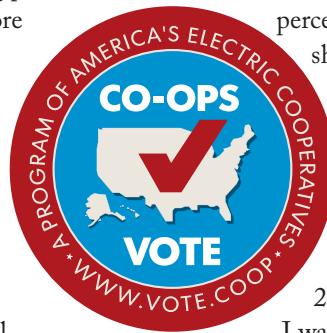
I want you to know, this decision was reached only after much consideration by your board of directors, and management staff. In order to minimize the impact of the rate increase, we have undergone cost-cutting measures here locally which include, but are not limited to, foregoing some of the construction work plan.

It's never easy to say we need more working capital, but in the current regulatory environment we are facing, and the apparent "war on coal" by the current administration and

the EPA, I fear these types of occurrences will become more frequent. That's why it's so important you keep your legislators informed on how some of the proposed legislation currently being considered can have an adverse reaction upon our rural communities.

That said, here is the path we are taking forward in the short run:

At the regular monthly meeting held April 25, 2016 it was determined that there will need to be an increase to Clay Electric Members minimum monthly fixed fees of



\$1.50 and an increase in rates of 1.5 percent. The chart below shows samples of how this will impact your future bills.

The new rates will take effect May 1, 2016 and will be reflected on the June 2016 bill.

I want to close by saying, please get out there and vote. Let your voice be heard. Only by working together can we ensure reliable, affordable, electricity for ourselves and future generations. Once again, we are not anti-renewables. We are not anti-solar. We are not anti-wind. We are simply pro-common sense.

Old Rate 1		New Rate 1	
Fixed charge	\$33.00	Fixed charge	\$34.50
First 1000 kWh	.12600 per kWh	First 1000 kWh	.12789 per kWh
All kWh over 1000	.08950 per kWh	All kWh over 1000	.09084 per kWh

Table of Usage and Costs (Rate 1)			
Monthly kWh usage	Old Rate \$	New Rate \$	Difference \$
0 kWh	33.00	34.50	1.50
250 kWh	64.50	66.47	1.97
500 kWh	96.00	98.45	2.45
750 kWh	127.50	130.42	2.92
1000 kWh	159.00	162.39	3.39
1500 kWh	203.75	207.81	4.06
2000 kWh	248.50	253.23	4.73
2500 kWh	293.25	298.65	5.40



Ed VanHoose
Manager

Rudolphi earns gold

Recently, Vice President of the Board of Trustees of Clay Electric Co-operative, Richard Rudolphi completed a series of continuing education classes earning him Director Gold Credential. This credential has been created to recognize directors committed to continuing their education beyond the first two levels, the Credentialled Cooperative Director and the Board Leadership Certification. The Director Gold Program Certification demonstrates their ongoing commitment to advancing their knowledge and performing their fiduciary duty to the best of their ability.

The director education and certification program is managed by the National Rural Electric Cooperative Association (NRECA). NRECA's director certificate programs are specifically designed to help electric cooperative directors, at every stage of their service, understand their roles and responsibilities, stay up to date on the key issues and trends in the industry, and prepare them to meet the



CECI Board President Frank Czyzewski (left) presents Board Vice President Richard Rudolphi his Director Gold certificate.

challenges facing electric cooperatives now and in the future.

NRECA offers director education courses throughout the year in conjunction with a wide variety of NRECA educational conferences and events across the country, in partnership

with statewide associations and onsite at individual cooperatives.

To maintain Director Gold Status, directors must earn three credits from the NRECA approved list of Continuing Education programs within a two-year period.

Cooperatives participate in Youth Day

Sen. Dale Righter and Rep. David Reis met with students representing Clay Electric Co-operative, Inc. during the Illinois Electric and Telephone Cooperatives Youth Day on Wednesday, April 13 in Springfield. More than 225 students from around Illinois had an opportunity to visit the State Capitol, view state government in action and question their legislators on key issues. They also were invited into the office of Secretary of State Jesse White.

During lunch, Treasurer Michael Frerichs addressed students and chaperones and challenged them to take an interest in the political process and encouraged them to follow their dreams and do what interests them because life can take interesting turns and twists. Jyostna Bitra, the 2015-16 Illinois Youth Leadership Council Representative from Corn Belt Energy Corporation, spoke about her experience on the Youth to Washington tour and challenged attendees to maintain an interest in their cooperatives and the political process. While in Springfield, the students also



visited the Supreme Court, Old State Capitol, and the Abraham Lincoln Presidential Museum.

At the end of the day the students were interviewed for the chance to participate in the Youth to Washington Tour from June 10 – 17, 2016.

Shown (L-R) are: Edward VanHoose, Executive Vice President/General Manager, Clay Electric Co-operative, Inc.; Evan VanHoose, Justice Robey, Sen. Dale Righter, Wakiko Ezaki, Rep. David Reis, Sam Larch and Chyanne Plumb.

Youth Day is designed to introduce young rural leaders to state government. There were 24 co-ops from across the state represented at the event.

Clay Electric Cooperative is a member of Touchstone Energy — an alliance of 750 local, consumer-owned electric utilities around the country. Clay Electric Co-operative serves more than 3,233 meters over 923 miles of line in parts of Clay, Effingham, Fayette, Jasper, Marion, Richland and Wayne counties. For more information, visit www.cecicoop.com



The Clay Electric Co-Operative, Inc. 72nd Annual Meeting of Members

will be held Thursday, August 25th at Oil Belt Christian Service Camp

on the north-west side of Charley Brown Park on Old Hwy 50 west of Flora.

Drawing for five \$100 bill credits for five lucky members in attendance

Along with other bill credit prizes

A \$10 bill credit will be given to each member that registers at the meeting



**If you are a current member of Clay Electric,
please come and participate in your Annual Meeting.**

Minutes of Board of Trustees Meeting

Regular meeting March 28, 2016

Trustees present were: Frank Czyzewski, Bill Croy, Neil Gould, Kevin Logan, Bob Pierson, Richard Rudolphi, Danny Schnepper and Greg Smith. Also present were Executive Vice President/General Manager Ed VanHoose, and Cooperative Attorney Melanie Pearce. The invocation was given by Neil Gould. Absent was Frank Herman

Approved the agenda as presented and amended by Gen. Mgr. VanHoose.

Approved the minutes of the regular meeting held February 22, 2016 as amended to reflect the absence of Danny Schnepper.

Accepted 10 new members for service.

Canceled 4 members no longer receiving service.

Reviewed and Approved work orders in the amount of \$27,277.68 for the month of February 2016.

Accepted the disbursement list for February, 2016.

Discussed possible attendees to the ACES conference.

Approved Attorney attendance of NRECA Legal Seminar 2016.

Reviewed agenda for the upcoming NRECA Legislative Conference.

Heard a report by Trustee Smith concerning the recent SIPC

Board meeting specifically financial information, Inventory as to fuels, and environmental regulations. Reviewed Prairie State Energy "Operations Update".

Heard a report by Trustee Logan, as to the recent AIEC Meeting, specifically financials, new AIEC General Counsel, announcement of safety awards, NRECA Director report, including the CEO search, FEMA reform, IT updates, and Youth Day & Youth Tour updates.

Heard a report by Gen. Mgr. VanHoose as to FEMA denial of claims of Illinois flooding in late December early January storms. Informed several Iowa Cooperatives received awards from FEMA following reconsideration after denial of claims related to ice/winter storm damage from 2013.

Heard a report by Trustee Rudolphi on recent NRECA Board Training on "Financial Decision Making".

Informed by Gen. Mgr. VanHoose of follow up with roof repair and other building issues.

Heard a report by Gen. Mgr. VanHoose as to the following:

Reviewed Form 7/Operations Report, with a report as to a recent incident involving a motor vehicle accident resulting in damage to Cooperative property, and the driver was uninsured.

Reviewed February cash flow report.

Reviewed SIPC February power bill.

Reviewed February power factor.

Reviewed February power cost adder.

Reviewed CFC Annual Benefits of Ownership Statement.

Reviewed Federated Rural Electric Insurance Member Equity Notice.

Reviewed SEDC Member Patronage Capital Notice of Allocation.

Reviewed US Bank February Credit Card statement.

Approved entering into Executive Session for the purpose of discussing personnel.

Approved entering into Open Session.

Heard a report by Gen. Mgr. VanHoose as to damage incurred during February 2016 storm, including extent of damage, Facebook insights, and Thank You notes.

Informed many members presented support and even food to CECI employees during the outage repairs. Gen. Mgr. VanHoose expressed deep appreciation to all the members on behalf of CECI and its employees.

Heard a safety report by Gen. Mgr. VanHoose as to the March 21, 2016 safety meeting and a March 15, 2016 Crew Evaluation visit.

Heard a report by Gen. Mgr. VanHoose regarding Network Threats including viruses blocked, intrusions prevented, and malware blocked. Mr. VanHoose then cautioned the Board members to avoid clicking links in e-mail and advises that measures are in place at CECI, and that he emphasizes with staff the reality of virtual threats to the Network.

Informed by Gen. Mgr. VanHoose that CECI had received notification as to SEDC DROWN Security Vulnerability.

Informed by Gen. Mgr. VanHoose that the State of Illinois is behind on payment of their electric bills with CECI in the amount of \$2,300.00 as of March 22, 2016

Reviewed new CEO Orientation program recently attended by Gen. Mgr. VanHoose. Informed that the substance of many by-laws would be more appropriately addressed in policies, which will require by-law changes.

Reviewed March CFC Article, "CFC Solutions News Bulletin".

Reviewed Federated Lightning damage claim.

Reviewed proposed legislation, drafted by the Recyclable Metals Task Force, which would amend the Criminal Code to create the offense of theft of recyclable metal as contained in HB5521.

Thereafter Approved Managers report as presented.

Reminded of upcoming SIPC Annual Meeting, Adjournment.

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