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Hi-Lites

Scholarship winners announced

Coles-Moultrie Electric Cooperative has awarded six \$500 scholarships to area students. This year's scholarships have been awarded to Eva Bacon, Rachel Ervin, Paisley Ann Meyer, Wesley Otto, Mackenzie Pankey and Ellie Walk.

Eva Bacon, the daughter of Doug and Kelly Bacon of Charleston, will be attending the University of Illinois. She is pursuing a degree in dietetics. Rachel Ervin, the daughter of Randy and Kim Ervin of Mattoon, will be attending Illinois State University. She is pursuing a degree in secondary math education. Paisley Ann Meyer, the daughter of Philip and Vickie Meyer of Sullivan, will pursue a degree in global studies. She will be attending the University of Illinois. Wesley Otto, the son of Gary and Sarah Otto of Lerna, will be attending Lake Land College. He will pursue a degree in electronic engineering technology. Wesley has also been awarded the Illinois Electric Cooperative (IEC) Thomas H. Moore Memorial Scholarship. Mackenzie Pankey, the daughter of Eric and Stephanie Pankey of Charleston, will be attending Lake Land College. She plans to complete her general studies and transfer on to a university. Ellie Walk, daughter of Philip and Lori Walk of Neoga, will be attending Lake Land College. She will study animal science and pursue a degree in pre-veterinary medicine.

To be eligible, one must be a Coles-Moultrie member or a legal dependent of a Coles-Moultrie member. Applicants were reviewed based on their grade point average, academic achievements, community, school work, and a one page essay on "The History of Electric Cooperatives." Coles-Moultrie Electric Cooperative's President/CEO Kim Leftwich noted that all the applicants were outstanding. Coles-Moultrie believes in helping these students further their education and is committed to the communities we serve.



Eva Bacon



Rachel Ervin



Paisley Ann Meyer



Wesley Otto



Mackenzie Pankey



Ellie Walk

Our office will be closed Tuesday, July 4th in observance of Independence Day.



P.O. Box 709 (104 Dewitt Ave., East)
Mattoon, Illinois 61938

Phone: 217/235-0341 or
Toll-Free: 1-888-661-CMEC (2632)
Office hours:
Monday-Friday
7:30a.m. - 4:30p.m.

Chairman

Jeffery D. Hudson..... Charleston

Vice Chairperson

Debbie Albin.....Mattoon

Secretary

John Bowers Lovington

Treasurer

Steve Shrader..... Westfield

Director

Dean Robison..... Windsor

Chris Christman..... Sullivan

Scott Uphoff.....Mattoon

President/CEO

Kim Leftwich

To report an outage

- First check your fuses or circuit breakers and see if your neighbors have power.
- If the problem appears to be with the cooperative's lines, call the office at the toll free number (888-661-2632), give the name the service is listed under, and report any hazardous conditions.

Board Report

Minutes of Regular Board Meeting - April 27, 2017

A regular meeting of the Board of Directors of Coles-Moultrie Electric Cooperative was held at the offices of the Cooperative at 104 Dewitt Avenue, East, Mattoon, Illinois at 7 p.m. on the 27th day of April, 2017, pursuant to notice duly given. The meeting was called to order by Jeff Hudson, Chairman. After calling the roll, the following directors were present: Scott Uphoff, Chris Christman, Jeff Hudson, Steve Shrader, Debbie Albin, Dean Robison, and John Bowers being a quorum of the directors of the Cooperative. Also present were Kim Leftwich - President/CEO, Amy Borntrager - Chief Financial Officer, Jim Wallace - Director of Engineering & Operations, Darla Powell - Director of Human Resources/Office Manager and Bill Tapella - Corporate Counsel from Eberspacher & Tapella.

Motion was made by Shrader to approve the agenda. Motion seconded. Motion carried.

Motion was made by Uphoff to approve the Consent Calendar as submitted, the March Safety & Training report, and the 03/30/2017 Regular Board meeting minutes. Motion seconded. Motion passed.

Motion was made by Albin to go into Executive Session. Motion seconded. Motion passed.

Motion was made by Albin to come out of Executive Session. Motion seconded. Motion carried.

Motion was made by Shrader, Audit & Finance Committee Chairman to approve the January, February and March Director fees and expenses as submitted. Motion carried.

Motion was made by Uphoff to decline the member information request from a member that was received 03/28/17. Motion seconded. Motion failed.

Motion was made by Shrader to approve the member information request from a member that was received 03/28/17. Motion seconded. Motion passed.

Motion was made by Albin to turn down the member information request from a member that was received 04/27/17. Motion seconded. Motion failed.

Motion was made by Robison to approve the member information request from a member that was received 04/27/17. Motion seconded. Motion passed.

Motion was made by Albin to nominate Kim Leftwich and Scott Uphoff as PPI Directors and John Bowers as alternate. Motion seconded. Motion failed.

Motion was made by Robison to allow voting by ballot for the PPI Director and alternate. Motion seconded. After the votes were tabulated by Corporate Counsel, Dean Robison and Steve Shrader were appointed as directors and Kim Leftwich as alternate.

Motion was made by Uphoff to nominate Debbie Albin as voting delegate at the PPI Annual Meeting and John Bowers as alternate. Motion seconded. Motion carried.

Motion was made by Robison to approve the CMEC Annual Meeting Notice. Motion seconded. Motion carried.

Board Policy #24

Board Policy #24 was discussed further. At this time, no changes are approved to the policy. Director Christman asked that his memorandum, dtd 3/30/17 regarding BP #24, be attached to the March 30, 2017, Board Meeting minutes in accordance with Board Policy #8, Part III C.

Financial Report (Form 7) and memorandum were reviewed and found satisfactory.

As there had been no AIEC Board Meeting prior to the Cooperative's meeting, no report was made.

Scott Uphoff provided an update of recent PPI information as no PPI Board Meeting was held in April; Kim Leftwich provided remarks on the recent MISO Capacity Auction.

Reviewed were the PPI Annual Meeting Notice: CoBank Energy Director's Conference notice; CFC Financial Workshop notice. Directors Albin and Schrader are to attend the CFC workshop.

Kim Leftwich discussed CoBank Sharing Success contributions, supporting charitable participation by CMEC at SBLHS and LLC.

President-CEO Report, April 2017 Board Meeting

CMEC Recognition

■ April 10th, CMEC was awarded the Illinois Community College Foundation Business Partnership Award for 2017. Lake Land College sought recognition of CMEC for its long-standing and fruitful partnership with LLC for supporting energy efficiency, scholarships, and intern opportunities with the Cooperative.

Prairie State Generating Campus Visit

■ April 13th, CMEC hosted 26 people to a visit to the Prairie State Generating Campus. Participants included Eastern Illinois faculty and students, key account (commercial/industrial)

members, and a Director from Eastern Illini Electric Cooperative. All participants were able to enter the coal mine, the only coal mine facility in the United States that the federal mine safety administration will permit visitors. Following the mine visit, leadership of the generating station provided a thorough tour and briefing of the generating station.

Key Accounts Conference

- April 19th, CMEC hosted its second annual Key Accounts Conference at Lake Land College, who coincidentally, is a member of CMEC. Some 125 participants attended morning and afternoon seminars on numerous energy topics. Our luncheon was highlighted by Keynote Speaker Congressman John Shimkus who offered insights on the nearly first 100 days of the new Administration. He was followed by a State Legislative Forum featuring Representatives Brad Halbrook and Reggie Phillips who addressed issues at the state legislative level.

Energy Innovation Center

- Met with NRECA Business Technologies and Strategies representatives April 20th to outline the Energy Innovation Center consortium's plans. NRECA committed to a contract with the consortium to advance energy innovation proof of concept projects and other energy research activities. NRECA has designated the consortium as a Regional Center of Excellence and will support with project referral and funding.
- April 21st, met with and briefed community leaders on the Energy Innovation Center to seek their support. The group had an animated discussion of the prospects and outcomes for the Center and agreed to put their support behind the effort.

Shared Electrical Engineer

- April 27th, interviewed first set of electrical engineering candidates to fill the shared engineer (CMEC, Eastern Illini, and Prairie Power to share). Seek to choose a successful candidate within the next couple of weeks.

Commercial Member Energy Study

- AF Holding Group (Arcola Best Western Plus and Carriage Crossing Retirement Center) and CMEC staff have worked together a number of times this past month, resolving a number of issues. Through our Energy Innovation Center consortium, we have developed an evaluation protocol to address the hotel's energy use, energy efficiency and load management. We believe we can help them become more efficient and

cost effective with improved energy management capabilities.

CMEC Connect

- CMEC Connect continues to meet its metrics for adding customers and revenue/profitability. New spur sites are added each week providing opportunity to reach small pockets of member-consumers.

LED Lighting

- 1368 LED security lights have been installed, replacing a like number of mercury vapor and high pressure sodium fixtures.

Engineering

- Substation testing will be conducted in May and includes Mattoon, Ashmore, and Charleston substations.
- Investigating Cypress Creek Renewables contacts of members regarding siting of solar farms. (Separate report elsewhere in Board Report)

Operations

- Charleston Stone line and primary metering construction is complete; waiting on the member to complete their switch installation to finish underground portion of the build.
- Utilizing a new liquid mix formulated for season long vegetation control at our substations.
- Recently completed a 2500-foot underground cable build replacing a single-phase overhead line; Ameren requested conversion to clear their new 345 kV line being built north of Ashmore. Paid for by Ameren.

Fleet

- Accepted Yanmar mini-excavator from Vermeer; refurbished a boring unit trailer for excavator transportation.
- Purchased a 2014 Ford F-150 4x4 work truck with 27,000 miles for use by the Engineering/SCADA technician; had budgeted a Capital expenditure of \$40,000 for a new truck; spent \$26,000.

IT/SCADA

- Installing WBB access points in substations and extender bridges. The installations permit access by field employees on their iPads to allow updates to/from headquarters without need for expensive cellular access.
- Document Vault (scanned document storage) is 50% implemented providing ease of access to hard copy information electronically.
- MJ-5 regulator panels have been installed in most of the eastern part of our territory providing much more sophisticated applications and ultimately communications access remotely.
- Met with Electro Industries planning

for metering individual substation feeders as outlined in the 2018 Capital budget and Construction Work Plan.

GIS

- March 28th, Shaun Vester presented before the Illinois GIS Association hosted by Eastern Illinois University; the information was well received by the audience and numerous questions posed.
- Mapping of overhead lines is almost complete with only some problem areas remaining to map; presently working on all underground segments and providing specific GPS coordinates of all UG installations as well as drawing in additional features like poly pipes and splices
- GIS Statistics – span miles single, two phase and three phase: 1747; total miles of conductor (primary/neutral): 4137.

Safety and Training

- All employees completed CPR and First Aid Training March 29th.
- Darla Powell and Jim Wallace attended the AIEC RESAP update on April 15th; included were updates on RESAP On-site visits for 2017 and an update to the Avian Protection Plan template.
- Federated Insurance conducted the Annual Safety Inspection reviewing building and grounds, jobsite visits, substations and maintenance records. The CEO and Director of Operations were briefed on prior year claims; our work comp experience modification factor declined slightly for 2017, a positive yet we still have room to improve.
- Shane Ruppert and Bob Shafer are attending Rubber Gloving School April 24-28th. The training is part of CMEC's evaluation to determine the feasibility of adopting rubber gloving methods for line maintenance and construction tasks.
- All employees exposed to potentially unsafe noise levels underwent hearing testing the weeks of April 10th and 17th.
- David Welsh and Jim Wallace attended training at Solomon Transformer for electronic OCR's, regulators and controls, substation transformers and controls, oil sampling and PCB disposal.

Old Business

Kim Leftwich summarized deliverables from the January 2017 Strategic Planning process and described measures currently under way to meet the objectives determined during the planning session.

The Annual Meeting timeline was reviewed to insure all deadlines have been met.

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In the information section, Kim Leftwich reported on member contacts from solar developers. He explained that staff had contacted the developers directly and learned of their interests, capabilities and offers. In most cases, the developer

acknowledged it would not be cost effective to install a development in CMEC territory. CMEC staff is contacting each member to discuss the issues with them so they make a well-informed decision.

Director Chrisman made a motion to enter an Executive Session. Motion

seconded. Motion passed.

Director Uphoff made a motion to exit Executive Session. Motion seconded. Motion passed.

Motion was made to adjourn. Motion seconded. Motion passed.

Coles-Moultrie supports Lake Land Foundation

Coles-Moultrie Electric Cooperative recently donated \$2,000 to the Lake Land College Foundation. The Foundation is a nonprofit corporation organized and operated exclusively for educational, scientific and cultural purposes to assist in developing and fostering scholarships and charitable

activities. It assists the college in developing and enhancing the educational opportunities and services to its students, alumni and citizens of the district. Coles Moultrie's \$1000 donation was matched by CoBank to benefit cooperatives and the charitable groups they support throughout rural America.



Pictured are: Jacqueline Joines, Sam Adair, CoBank Vice President Aaron Johnson, Lake Land College President Josh Bullock, CMEC President/CEO Kim Leftwich and Dr. Mike Rudibaugh.

What is a Formulary Rate Plan?

With members as our top priority, Coles-Moultrie Electric Cooperative wants to ensure that we provide our members with reliable and affordable energy. We have taken many steps to insure both are provided to each and every one of our 9,500 members.

With our members best interests in mind, the CMEC board has approved a Formulary Rate Plan (FRP). This FRP will help moderate rate changes. For example, instead of a cooperative implementing a sudden, double-digit increase in rates, an FRP would achieve the same increase more gradually. Rate changes would tend to correspond to changes in the cooperative's expenses. A FRP can reduce the cost of general rate cases, which are ultimately passed

through to members. They also establish an annual process for the board of directors to thoroughly review a cooperative's financial condition. An FRP can remove disincentives the cooperative may have regarding social goals (e.g., energy efficiency or assistance to low-income households) to the extent that an FRP allows quicker compensation to the cooperative for any drop in sales that might occur.

According to CMEC President/CEO Mr. Kim Leftwich, the FRP—which also allows rates to decrease if costs go down—helps prevent large, infrequent rate increases in favor of smaller, more frequent adjustments. The FRP also requires the board to examine costs regularly (with an eye to

keeping rates as low as possible), and helps ensure the financial stability of the cooperative.

“Our board and staff will look at the FRP on a yearly basis as part of the budget process,” Leftwich said. “We calculate it based on the known inputs of the past year and anticipated costs, but we also have the ability to raise or lower the rate based on the true costs of volatile inputs like transportation fuel, transformers, substations, wire, copper or labor. Ultimately, what it allows us to do is to meet our financial goals, which are set by policy, and meet our financial responsibilities as set out in our loan covenants. Our board feels they will have an even greater ability to watch and control the costs that set the rates.”