



Your Touchstone Energy® Partner 

Hi-Lites

Appreciating electricity a penny at a time

Electricity is about the only thing you can buy and still get value for just a penny's worth

By Curtis Condon, editor of Ruralite magazine in Hillsboro, Oregon

I'm old enough to remember when penny candy actually cost a penny. For a nickel, you could buy enough candy to rot your teeth out, as my mother used to say.

But what does a penny buy these days? Not much. The government can't even make a penny for a penny anymore. According to the U.S. Mint, it now costs 1.5 cents to produce one.

About the only thing of value you can still get for a penny is electricity. You might call it "penny electricity."

No, I'm not kidding. Think about it.

To make the math easier, let's say the average rate for a kilowatt-hour of electricity is 10 cents. That is 60 minutes of 1,000 watts of electricity for a dime, so a penny of electricity equates to 100 watts. It's enough to power a 9-watt LED lightbulb—the equivalent of a 60-watt incandescent bulb—for 11 hours, all for only a penny.

Where else can you get that kind of value?

How many eggs will a penny buy? How much milk, bread, coffee, medicine or gasoline?

Gas has come down from its stratospheric levels of several years ago, but there is still no comparison to the value of electricity. For example, if a gallon of gas costs \$2.50 and your car gets 25 miles to the gallon, you can drive 176 yards—about two blocks—on a penny's worth of gas.

I will take 11 hours of lighting for a

penny over a two-block drive any day.

The value is just as evident when powering things other than lighting. Take, for instance, your smartphone. Using the same 10 cents per kWh price, penny electricity allows you to fully charge your iPhone more than 18 times for a penny. You can charge it once every day of the year for about 20 cents total.

Not impressed? Well, how about these other examples of what you can do with just a penny's worth of electricity: power a 1,000-watt microwave on high for 6 minutes; run a 200-watt desktop computer for 30 minutes; watch 2.5 hours of your favorite shows on a 40-watt, 32-inch, LED television or 1.3 hours on a 75-watt, 75-inch mega TV.

The examples are endless.

We are fortunate electricity is such an excellent value because we have a huge appetite for it. We tend to forget that.

Electricity is not expensive. It's that we use it for so many different things: lighting, heating, cooking, cooling, refrigeration, cleaning, washing, pumping, entertainment, communications—even transportation these days.

Few corners of our lives are left untouched by electricity.

Unfortunately, we don't always appreciate it. When our monthly electric bill comes, we open it and may complain about the cost. It's a knee-jerk reaction ingrained in us as consumers. We don't

stop to think about the value we received for the money.

Early in my career, I had the pleasure to interview an elderly woman who vividly remembered the day electricity came to her farm. Her name escapes me, but I do remember she proudly showed me the worn, dog-eared membership certificate the co-op issued to her husband.

"You young people will never know what it was like to have electricity for the very first time," she said. "It was glorious. Nowadays, you take it for granted."

Her farm was energized in 1940. She said the price of electricity at the time was slightly less than a penny a kilowatt-hour—true penny electricity.

A lot has changed since then. Wages and the cost of living today are a far cry from 1940, when the average annual wage was less than \$150 a month and the average cost of a house was \$3,920.

But one thing that hasn't changed is the value of electricity. In 77 years, its price has risen much slower than the rate of inflation.

A penny in 1940 had as much buying power as 17 cents today, which means the residential price of electricity—which now averages 12 cents a kWh nationally and less than 10 cents in the Pacific Northwest—is actually a better deal today than it was in 1940.

So to my way of thinking, the value of electricity is like the bygone days of penny candy, and it's OK to indulge yourself a little. But, unlike penny candy, penny electricity won't rot your teeth out.



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

Chris Christman..... Sullivan

Secretary

John Bowers Lovington

Treasurer

Steve Shrader..... Westfield

Director

Debbie Albin..... Mattoon
Dean Robison..... Windsor
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

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 6th of July, 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, and Bill Tapella-Corporate Counsel from Tapella & Eberspacher LLC.

Motion made by Albin to approve the agenda. Motion seconded. Motion carried.

Motion made by Albin to approve the Consent Calendar as submitted, the May Safety & Training report, the 05/25/2017 Regular Board Meeting Minutes, the 06/16/2017 Annual Meeting Minutes and the 06/16/2017 Special Meeting Minutes. Motion seconded. Motion passed.

Motion made by Robison to go into Executive Session. Motion seconded. Motion passed. First part of the Legal Report given by Tapella in Executive Session.

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

Presentation of the 2016 audit and financials by Kevin S. Kelso, CPA, P.C., P.A.

Motion made to move into Executive Session by Albin. Motion seconded. Motion passed. Second part of the Legal Report given by Tapella in Executive Session

Motion made to move out of Executive Session by Shrader. Motion seconded. Motion passed.

Motion made by Robison to reschedule the July 27, 2017 to August 3, 2017 due to the AIEC 2017 Annual Meeting.

Motion seconded. Motion passed.

Motion made by Uphoff to nominate Albin as AIEC Director Delegate and Shrader as AIEC Director Alternate. Motion seconded. Motion failed.

Motion made by Robison to nominate Shrader as AIEC Director Delegate and Bowers as AIEC Director Alternate. Motion seconded. Motion passed.

Motion made by Christman to nominate Albin as AIEC voting delegate and alternate as Hudson. Motion seconded. Motion passed.

Motion made by Uphoff to nominate Leftwich as NRECA 2017 Regional Meeting voting delegate and Borntrager as Alternate delegate. Motion seconded. Motion carried.

Motion made by Robison to accept the 2016 audit as presented. Motion seconded. Motion passed.

Motion made by Christman to allocate the 2016 operating and non-operating margins to Coles-Moultrie Electric Cooperative members. Motion seconded. Motion passed.

In addition, it was noted that Board Policy 35 & 36 (capital credit and capital credit estate retirement) be taken to the policy committee for review.

Motion made by Uphoff to send out request for proposals for the 2017 audit. Motion seconded. Motion passed.

Board Policy #1 was reviewed with no changes. Board Policy #2 and Board Policy #9 will go to the policy committee for further review.

Financial Report (Form 7) and memorandum were reviewed. Board requested Distribution Equity Ratio be presented at monthly meetings per auditor's request.

Requested direction from the board for submitted traveling expenses; reviewed Board Policy # 17; determination was made that reimbursement for transportation expenses will not exceed amount of \$700 without prior approval of the Board.

Albin gave the AIEC report, noting that Jo-Carroll Electric Cooperative had a unique means of seeking new directors in the event of the emerging need. The issue was referred to the

Policy Committee for review and consideration.

No report due to no regular board meeting at PPI in June 2017. Hudson, Shrader, Robison, Uphoff and Albin attended the 2017 PPI Annual Meeting held June 7, 2017.

Kim Leftwich discussed the President & CEO Report as follows:

Congressman Shimkus Visit

- Congressman Shimkus joined CMEC and Eastern Illinois University faculty June 1, 2017 to learn of our efforts to create an energy innovation center. The Congressman was briefed on the Center for American Rural Energy purpose to promote and develop innovative solutions to energy needs unique to rural America. The Congressman agreed to assist the center in meeting with Federal legislators who represent rural constituencies as well as assist us in meeting with senior officials at DOE, USDA, and RUS.

Touchstone Energy Key Accounts Golf Outing

- CMEC sponsored a foursome at the outing which included State Senator Dale Righter and Bill Lawyer, Anixter Company, a CMEC business member.

Prairie Power, Inc. Annual Meeting

- CMEC Directors Albin, Hudson, Robison, Shrader, and Uphoff represented the Cooperative at the Annual Meeting; President/CEO Leftwich attended as well.

Sarah Bush Lincoln Hospital Charity Golf Outing

- CMEC and CoBank were joint sponsors of the annual SBLHS Charity Golf Classic. Over 250 golfers participated, raising some \$60,000 in donations to support the development of the Cath Lab/Heart wing of the hospital.

CFC Forum 2017

- President/CEO Kim Leftwich was invited to participate in the CFC Forum 2017 as a panelist, addressing the "Evolving Utility Model." Joining him were two other experienced CEOs, Curtis Wynn of Roanoke Electric Cooperative

(Virginia) and Gregg Ridderbush of Conexus (Minnesota) for a panel discussion of measures cooperatives may consider in the quickly changing energy industry.

- Met with Senior Vice President Gregg Starheim, CFC, to promote the Center for American Rural Energy. As head of Business Development for CFC, he is very interested in supporting the center.

Human Resources Position

- Interviewed three candidates the latter part of June for an HR Specialist capacity; choice will be made in the next week.

Carbon Capture, Utilization, Storage (CCUS)

- Universally known as CCUS, the Gas Technology Institute, Des Plaines, IL, sponsored a workshop on carbon capture, utilization and storage as it impacts or can benefit the Midwest. President/CEO Leftwich attended with Robert Reynolds, PPI, and Angela Griffin, Coles Together. CCUS figures into efforts to develop generation facilities in CMEC territory. Leftwich was asked to provide a presentation and introduced "The Center for American Rural Energy" to the workshop group.

Beneficial Electrification

- NRECA is managing development of a paper for publication regarding the rock crusher electrification at Charleston Stone. Once complete, the publication will be released nationally in NRECA's research network.

Solar Developments in CMEC Territory

- Farm Bureau sponsored a forum with Cypress Creek Renewables the evening of June 28 at Lake Land College. Many Farm Bureau members have questions about the solar developments and the meeting was an attempt to provide reliable information to residents. Jim Wallace, Director of Operations and Engineering, attended the meeting. Unfortunately, the Cypress Creek speaker misrepresented information and misspoke on several issues. On June 29, CMEC had a teleconference with a senior manager of Cypress Creek and advised him of our misgivings. He acknowledged we

were correct and seeks to co-author correspondence with CMEC to notify the Farm Bureau and our members of the discrepancies at the forum.

CMEC Connect

- CMEC Connect continues to grow creating nearly \$23,000 in monthly revenue and providing profit margin.
- Three (3) new spur sites are ready to be installed, reaching additional small pockets of members that may be cost effective and efficiently served with a spur site.
- Recently, upgrades were completed on the Office Tower and the East Charleston Tower. Members assigned to these towers can now readily upgrade to 20 Mbps service. Existing members will be transitioned to the new equipment starting in early July.

Touchstone Energy Member Relations Committee

- Sam Adair recently attended the committee meeting held in Denver, CO. Notably, CMEC received attention as Touchstone had provided a seminar at our Key Accounts Conference in April and remarked about the success of the conference.

Annual Meeting Member Showcase

- Member Services coordinated our first Member Showcase for the CMEC Annual Meeting. The Showcase gave Member businesses the opportunity to offer and show their products or services in an exposition setting. Feedback from a survey of the participating businesses was very positive and all hoped that we will continue the program.

Formula Rate Plan (FRP)

- Sam Adair, Manager of Marketing and Member Services, met with Tim Kastl, Sarah Bush Lincoln Hospital, and Bob Shamdin, Mattoon Precision Manufacturing, Inc., to discuss the FRP impact for their firm effective on July 1, 2017.

LED Lighting

- 1503 LED lights have been installed replacing a like number of mercury vapor and high pressure sodium fixtures.

Continued on p18D

Engineering

- Substation testing (one-half of subs scheduled for 2017) was completed the week of May 22 with no serious issues found. Regulators were changed out for service as well as OCRs.
- Central Illinois Reclosers, Greenville, completed service on 31 OCRs. We continue to evaluate performance to insure proper servicing.
- Changed our plans to locate a 600 kVAR pad mount capacitor bank near MPMI, choosing to place it in the South Mattoon Substation, dedicated to the MPMI feeder.
- Secured permission for HI, H2, H3 mile rebuilds; Toth and Associates will stake as our field engineers are very busy and it is a dual circuit.

Operations

- As we have delay in Construction Work Plan activity, crews have been busy with pole replacements, new services, service upgrades and UG/OH line replacements.
- O&M is nearly complete for 2017, ordinarily it is a yearlong process but we've utilized the two-man crew for inspections, allowing completion more quickly; the effort has provided many

pole replacements for construction crews.

Fleet

- Unit #12 Service Truck engine lost a lifter and metal distributed throughout the engine, destroying it. Scheduled for replacement in 2018, we elected to replace the engine for \$20,000; the boom had extensive repair performed in 2016 as well. As a result, we should get perhaps 3 additional years use deferring approximately \$145,000 expenses out for a few years.

IT/SCADA

- Completing software updates on office computers to eliminate known vulnerabilities.
- Working with Siemens troubleshooting MJ-5 voltage regulator panels.
- Document Vault now live for permanent digital storage of documents.
- Transitioning our AMI data collection server to a cloud server, provided by PPI, adding depth and security to our data systems; Trilliant will begin loading software to the server.

GIS

- Finishing UG attributes and map locations; JULIE locates are being

used to confirm UG cable routes.

- O&M records are being added to GIS; the additions will allow users to view the last O&M record for the locations.
- Easement information is yet to be entered; Work Orders completed during the development of GIS will now be added in.
- Eve and Tyler are developing the Avian Protection Plan, incorporating a GIS location database to the plan.

Safety and Training

- Pole top and bucket rescue training was conducted in May by Jim Miles, AIEC. All lineman successfully completed the exercise.
- AIEC Crew Visits were performed in June by Jim Miles and Jim Wallace; CMEC construction crews and Shade tree forestry crew were evaluated and found compliant.

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

Motion made by Uphoff to exit Executive Session. Motion seconded. Motion passed.

Motion made by Robison to adjourn. Motion seconded. Motion passed.

Coles-Moultrie Member Advisory Committee

The Member Advisory Committee (MAC) consists of ten members, which includes one member from each board district and three business members. They will meet a minimum of four times each calendar year and serve a three-year term. Committee members must be an active cooperative member at all times and will seek information as well as feedback from the membership in their respective districts. The mission will be to facilitate communication between the cooperative and its members.

Is your contact information Up to Date?



When you receive your next electric bill, please verify that the telephone number in the bottom left hand corner is correct. If not, please send an email to info@cmec.coop, or visit our webpage, www.cmec.coop, and update your information via smart hub. You may also write in the correct information when mailing in your bill or stop by our office.

This information is especially important during outages.

FRP

The Formula Rate Plan Rider (FRP) has been added to your Coles-Moultrie Electric Bills. This was approved effective July 1, 2017 and will be reviewed annually by our Board of Directors as part of the budget process. Visit our website www.cmec.coop or call our office at 888-661-2632 for more information.

Member Exchange

Our Member Exchange has moved!

This is now available on our website at www.cmec.coop under our Community tab, Hi-Lites, Member Exchange.