

# Clay NEWS

A Touchstone Energy® Cooperative

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## Co-ops Vote

**T**hank you all for your patience during the ice storm this past February. I know it's difficult to wait for your power to be restored, but you can rest assured your cooperative staff worked diligently through the night to get your lights back on. And, we definitely appreciate the relationship we have with the other cooperatives in Illinois. In the recent past, we were able to help out a sister cooperative, Corn Belt Energy, with an outage situation. Now, in this instance, crews from SouthEastern Illinois Electric Cooperative were able to lend us a hand so that we could get the job done in a much timelier manner.

It's a comforting thought to know there are friends out there willing to lend a hand when needed.

That's what the cooperative system is all about, isn't it? Around 75 years ago, friends and neighbors banded together to get electricity to places passed over by the investor owned utilities. They set poles by hand, and together built the system we know and operate today. I'm proud to say that cooperative spirit is still alive and well, and shows itself readily when things aren't going smoothly.

It's that same cooperative spirit behind the newest initiative of our national organization, the National Rural Electric Cooperative Association, or NRECA. Just recently it launched a non-partisan, nationwide effort to promote civic engagement and voter participation in the

communities cooperatives serve.

The purpose of the initiative is to get people out there voting. No matter what political views you hold, we want to encourage you to exercise your right!



The Co-ops Vote initiative will focus on eight issues that are important to health and prosperity of communities served by electric cooperatives:

- Rural Broadband Access
- Hiring and Honoring Veterans
- Low-Income Energy Assistance
- Cybersecurity
- Water Regulation
- Rural Health Care Access
- Affordable and Reliable Energy
- Renewable Energy

A new website, [vote.coop](http://vote.coop), offers co-op members information on the voter registration process in their state, dates of elections, information on the candidates running in those elections, and explanations of the eight key issues the campaign aims to address.

In keeping with its non-partisan goals, the initiative will not be endorsing specific candidates for office.

We want to make sure our government knows that rural America matters. This campaign isn't about divisive, partisan issues. It's about real people

in real places facing real challenges.

It's about our co-ops living out the principles of our movement: Concern for community and democratic control.

The electric cooperative move-

ment has always been non-partisan, and our communities are facing too many challenges to have a government crippled by bickering. All of the bickering lately has resulted in a Congress

where more members represent the extremes of each political party and are less inclined to seek compromise and bipartisan solutions to problems.

When our parents and grandparents set out to electrify rural America, they didn't have time to ask the person next to them about their views on economic or social policy. Their economic policy was 'we need to save this community' and their social policy was 'let's do it together.'

I hope the Co-ops Vote program can help rekindle that spirit of cooperation.

For more information about Co-ops Vote and the impact of these eight key issues on the people of rural Illinois visit [vote.coop](http://vote.coop).



Ed VanHoose  
Manager

# Critical connections behind the power

By Adam Schwartz

**A**pril 11, 2016, is National Lineman Appreciation Day so it is appropriate that we take a moment to recognize the people that often work in brutal weather conditions to ensure we all have safe and reliable power. In fact, linemen are often first responders during storms and other catastrophic events, working to make the scene safe for other public safety officers. However, while linemen work in highly visible settings, there are many behind the scenes that also labor tirelessly to help keep the lights on. However, they do so with little or no public recognition or acknowledgement. While linemen can do their job out in the open—whether it is restoring power after a natural disaster, maintaining the lines or building new service—there is a lot more work taking place behind the scenes.

## The power behind your power

The linemen out in the field works with thousands of volts of electricity high atop power lines 24 hours a day, 365 days a year, to keep electricity flowing and maintaining the energy infrastructure. Another “powerful” figure in the co-op is Ed VanHoose, Executive V.P./General Manager. Similar to the head coach of a team, he ensures that all the players (employees) know their roles and perform them at a high level. He also must recruit and retain talent; this is especially challenging in today’s highly competitive hiring environment.

## Promoting a culture of safety

The Operations and Engineering department ensures that the overall system is well maintained. This team is responsible for planning ahead for future needs and continually monitoring existing equipment and resources. An equally important area of focus is safety. Working with electricity is an inherently dangerous task, and helping to foster a culture



The Clay Electric Linemen responsible for keeping power to your home: (L – R) Damien Bowling, Dan Henderson, Brody Snell, Matt Conklin, Adam Smith.

of safety for all workers is a major priority. Members can count on the Operations and Engineering department for everything from lighting, heating, cooling and so much more.

## Purchasing and inventory

This department insures that we have the material on hand, to build and maintain the Clay Electric System. This includes trying to have enough material, poles, transformers, etc. on hand in case of a major outage, similar to the recent snow, ice, & wind damage we just had in February. In addition to having the material in inventory, he must also know who to contact for emergency orders to get the poles and material in as soon as he can.

## Delivering timely savings

The Accounting and Finance department is responsible for the financial well-being of Clay Electric. It includes billing, collections and overseeing any loans the co-op has received. As you know, the co-op generates an electric bill that we send to you. We do so to ensure we can apply the latest technology, help lower your energy costs and send

timely, accurate bills to you.

While we are a member-owned cooperative and operate differently than investor-owned utilities, we are still a business. As such, the accounting department ensures that revenue collected from the membership exceeds our expenses. Typical expenses include the money we pay for electric power, equipment, new technology, upgrades to the infrastructure, employees and other expenditures.

## Calling for energy efficiency

The Member Services department is responsible for energy efficiency, and helping Members with answers to questions about their usage. This department is also responsible for the co-op’s Annual Meeting and special outreach to community organizations, including schools and communications such as this newsletter.

Continual learning and training for co-op employees is crucial to having a skilled workforce that helps keep the co-op operating at an optimal level. This learning element is also one of the Seven Cooperative

*Continued on page 16c* ►

*“Critical” continued from page 16b*

Principles and extends to our members. For example, Clay Electric sponsors youth scholarships and an educational trip to Washington, D.C. as part of the co-op’s Youth Tour program each summer.

### Staying in sync

Many different people and departments work closely together to serve you because you, the member, are at the heart of everything we do.

Unlike other types of businesses, as a cooperative, our concern for community is one principle that sets us apart from other businesses. The electricity we provide literally powers our communities. And it takes every person in the co-op, to deliver on this promise. Across the country, Clay Electric, together with 900 other electric cooperatives, provide safe, reliable and technologically advanced service to 40 million

Americans while maintaining a unique consumer-focused approach to business.

*Adam Schwartz is the founder of The Cooperative Way a consulting firm that helps co-ops succeed. He is an author, speaker and member-owner of the CDS Consulting Co-op. You can follow him on Twitter @adamcooperative or email him at aschwartz@thecooperativeway.coop*

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## Products to avoid

By Tom Tate

**W**hen it comes to saving energy, caveat emptor is alive and well. We are all bombarded by claims that border on outright falsehoods, so it pays to view savings claims from third parties cautiously. Remember, if it sounds too good to be true, it generally is.

**Electric space heaters** drain energy savings from your home if used incorrectly. Companies make elaborate claims about the amount of money you can save and charge exorbitant sums for their products. The advertisements frequently target those on a fixed income, presenting false hope while extracting precious dollars from their customers. I have seen a number of these space heaters and admit they appear to be well made, but they typically offer no better economy than any other 1,500-watt electric heater. Bottom line, electric space heaters should only be used to heat small spaces – not your entire home.

**Black boxes** that claim to clean up power, protect appliances and reduce energy use come and go. These often require an electrician to install and claim to improve power quality, smooth out power fluctuations and store energy so you can reduce your bills. Save your money. The concepts they present are already in use by Clay Electric and require utility-size equipment to deliver them. Something that can fit in a shoebox is not going to

deliver any value, at least not in the areas promised. If you are concerned about protecting your sensitive appliances and electronics, install surge protection.

**When you see the ad that reads,** “The power companies don’t want you to know,” skip it. These are generally claims around building your own renewable energy source from parts easily obtained at the local hardware store or a motor that produces limitless “free” electricity. I would equate these with the emails I get from foreign countries telling me I can receive millions of dollars by simply sending all my banking information. At least in the case of the homemade renewables and limitless motor you get some cool plans and parts lists. You decide if it’s worth \$50 – \$200. I’d give it a pass.

There is a product that claims it will **replace basement dehumidifiers** and save tons of money. It basically is a fan system that vents all the basement air outside. Yes, dehumidifiers can be expensive to run and are a nuisance when you have to empty the water. Knowing that, I asked the Cooperative Research Network (an arm of the Arlington, Va.-based National Rural Electric Cooperative Association) a few years ago if these products delivered on their savings claims. They said no. The problem is that when you blow all the basement air outside, it is replaced with conditioned air from

other parts of the house. Now your HVAC system works harder and dramatically reduces the promised savings. Here’s my solution: I set my dehumidifier to 60 percent and run a hose to my floor drain. This resolves the water emptying hassle and really reduces the power use while keeping my basement acceptably dry.

I will close with a **non-technology warning**. Scammers love to call or stop by claiming they represent the local power company. Never give anyone personal or financial information who claims to be a Clay Electric employee without confirming their identity. Ask for a call back number from the caller, then check with Clay Electric. Ask the door-to-door person for a valid ID. If they really are a co-op employee, they’ll be able to prove it.

Most of us want to save energy and keep our bills manageable. Technology can help do this, but be careful. Call Clay Electric at 662-2171 or 1-800-582-9012 before making any investments in technology that seem too good to be true. You’ll be glad you did.

*Tom Tate writes on cooperative issues for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation’s 900-plus consumer-owned, not-for-profit electric cooperatives.*

# Minutes of Board of Trustees Meeting

## Regular meeting January 25, 2016

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

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

**Approved** the minutes of the regular meeting held December 21, 2015.

**Accepted** 9 new members for service.

**Canceled** 27 members no longer receiving service.

**Reviewed** and **Approved** work orders in the amount of \$22,670.51 for the month of December 2015.

**Adopted** the Form Directors Expense Sheet.

**Reviewed** and **Approved** abstention from submission of candidate for serving on CoBank Board

**Heard** a report by Gen. Mgr. VanHoose relating to five-year averages and yearly growth rate.

**Reviewed** and **Approved** the 2016 proposed budget as presented.

**Informed** by Gen. Mgr. VanHoose

that a rate increase will most likely be included in the 2017 Budget. Discussion of the same followed.

**Reminded** of the upcoming NRECA Annual Meeting.

**Reviewed** legislative and administrative updates from NRECA.

**Heard** a report by Trustee Logan, as to the recent AIEC Meeting, specifically financials, safety and training, Director Gold Program, Bolivia project, a presentation by the Indiana Electric Cooperatives, Co-op Attorney's function, dues and services to Rock Energy, FEMA policies, political updates, Touchstone Energy by-law changes, nomination and election of board members, and the upcoming AIEC Meeting.

**Reviewed** Recyclable Metal Purchase Registration Law, including creation of a Task Force, with Gen. Mgr. VanHoose being appointed as the Electric Cooperative Representative of said Task Force.

**Heard** a report by Trustee Herman concerning the recent SIPC Board meeting specifically financial information, construction projects, system outages, compliance and regulatory issues, power production and fuels, and environmental issues

**Reviewed** "Prairie State Energy Campus December 2015 Review."

**Reviewed** 2015 "End of Year SIPC Patronage Capital Allocation."

**Discussed** and **Appointed** Kevin Logan as Nominating Representative, and Ed VanHoose as Alternate for SIPC Annual Meeting.

**Heard** a report by Danny Schnepfer regarding the NRECA Course # 2620 Board Operations and Process program, attended by several CECI Board Members.

**Reviewed** letter from London Witte Group, and Discussed best practice for retaining an auditing firm.

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

- Reviewed Form 7/Operations Report.
- Reviewed cash flow report.
- Reviewed SIPC power bill.

d) Reviewed power factor.

e) Reviewed power cost adder.

**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 Corn Belt Energy Emergency Work Plan Activation request for personnel and equipment, where 3 linemen went to help for 3 days after an ice storm in the Bloomington area. Thank you letter was received from Corn Belt, and an invoice from CECI to Corn Belt Energy was **Reviewed**, for providing the service to them.

**Heard** a report by Gen. Mgr. VanHoose as to an update on outage reporting through CRC and the 800 number. Gen. Mgr. VanHoose is advising members to call **800-582-9012** after business hours, to report outages, for faster service and less busy signals.

**Heard** a report by Gen. Mgr. VanHoose regarding the following; after hours fee and it's resolution, repairs on phone system damaged by a 2015 lightning storm, Safety Meeting of January 18th, 2016, **Reviewed** newly enacted Domestic Violence Law Victims.

**Reviewed** new Procurement Standards instituted by FEMA.

**Reviewed** new Ameren Residential Rate.

**Reviewed** selection process for Youth Tour.

**Reviewed** Egyptian Electric Board Orientation packet. Gen. Mgr. VanHoose advises that CECI create a similar packet to disburse to interested persons outlining the extent of Board duties, and to increase transparency to Members

Thereafter **Approved** Managers report as presented.

**Approved** the retirement of Capital Credits to the estate of one deceased Member, pursuant to Cooperative Policy.

**Reviewed** 2 Liability Insurance Certificates.

**Adjournment.**

### Clay Electric Co-operative, Inc.

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