

# Clay ELECTRIC News

A Touchstone Energy® Cooperative 

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## A solid investment in your electric co-op

By Anne Prince

**A**s a member of Clay Electric Co-operative, you make an investment in the co-op every time you pay your bill. This collective investment in the co-op benefits you and the community immediately and over time. So what exactly is this monthly investment, and how do you benefit from it?

The Facility charge is a monthly investment that helps your co-op cover the expenses of maintaining the overall electric system. Combatting cyber security threats and maintaining poles, wires, substations and co-op equipment takes strategic planning and significant resources. The Facility charge

essentially ensures that all equipment operates properly and staff is trained and ready so the lights turn on when you need them.

Regardless of how much electricity a particular family uses, the cost of delivering power to that house is the same. As a not-for-profit electric cooperative, we believe the operational costs should be spread fairly and equitably across all of our members, regardless of the level of electricity use. That is why every member pays the Facility charge each month to cover basic operational costs. All residential members are charged the same amount for the cost of operation since all members benefit

from the same service. In essence, this gives each member an equal share in Clay Electric's operation.

Your monthly investment ensures you have access to safe, reliable and affordable power when you need it. We appreciate and value the investment that you make in the co-op each month, and we strive to use that investment wisely for the benefit of all members of our community.

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*Anne Prince writes on consumer and cooperative affairs 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.*



# CAPITAL CREDITS REFUND!

**I**n order to process refunds for capital credit accounts, Clay Electric Cooperative is attempting to contact members, or their heirs, that received electric service during the years 1958 – 1961.

Please go to this link <http://www.ceci.coop/content/unclaimed-capital-credits> to view the entire list of unclaimed refunds. If you recognize a name on the list, please let the person know they are due a refund.

# Why are my rates so high?

**T**o better understand the rate structures of Clay Electric, you must first understand the structure of the cooperative. Your electric cooperative has 918 miles of line on its system, serving parts of Clay, Richland, Wayne, Marion, Fayette, Effingham, and Jasper counties. There are 2,508 members that have 3,233 electric meters on the entire system. That calculates out to 3.5 meters, or 2.7 Members per mile of line. That makes CECI the smallest cooperative in the state. As far as the nation, co-ops average 7.4 meters per mile of line.

If you pay attention to the Clay Electric system when you are traveling to and from your home, you will see many areas where homes are situated alone, not having a neighbor right next door. This means that electric service to that residence most likely has one transformer serving that home, and sometimes miles of lines and poles to get there.

When you get closer to town, or an incorporated area, you will

see homes right next to each other, or right across the street from one another. Look how many wires run from one transformer, different directions to four or six other homes. Count how many poles there are in a city block, and how many homes and businesses those short distances of lines serve.

Those towns or incorporated areas are referred to as Municipal Utilities or Munis. Statistics show that Munis have 48 meters per mile of line.

There are also meters served by a system called Investor Owned Utilities, or IOUs. Those are usually areas that are served by companies such as Ameren in our part of Illinois. They serve electricity to homes, businesses and small towns or villages, that are located along the transmission and distribution lines owned by Ameren or IOUs. Their average number per mile of line is 34 meters.

Statistics show that on average Munis generate \$113,000 per mile of line, IOUs \$75,500 per

mile, and Co-ops, serving only 12 percent of the country's population, generate \$15,000. And even though Co-ops only serve 12 percent of the population, they own and maintain 42 percent of the total distribution lines across the United States.

So, if you are thinking electricity is higher in the rural area, you are probably correct. But, given the consumer density facing cooperatives, is it any wonder? In fact, given the disparity in number of meters per mile, it's a wonder co-ops are so low!

Electric and telephone cooperatives were formed by your parents, grandparents, and great grandparents, so that rural areas had access to the same services offered people living in town. Sure, it's a little more expensive, but that's why cooperatives are set up as not-for-profit corporations. Your electric cooperative charges just enough to maintain operations, while keeping reliable, affordable electric service running to your home.



It sometimes takes several miles of lines to serve one home in a rural area.

# Minutes of Board of Trustees Meeting

## Regular meeting December 19, 2016

**T**rustees present were: Bill Croy, Frank Czyzewski, 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, Cooperative Attorney Melanie Pearce, and Operations Mgr. Luke Johnson. The invocation was given by Neil Gould.

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

**Approved** the minutes of the Regular meeting held November 29, 2016.

**Accepted** 10 new members for service.

**Canceled** 21 members no longer receiving service.

**Approved** a list of work orders for November 2016 in the amount of \$80,617.33.

**Approved** the disbursement list for November, 2016.

**Appointed** as NRECA Delegate Richard Rudolphi and as Alternate Kevin Logan.

**Appointed** as NRTC Delegate Ed VanHoose and as Alternate Bill Croy.

**Reviewed** agenda for the 2017 NRECA Annual Meeting.

**Reviewed** NRECA Report to AIEC dated December 16, 2016.

**Heard** a report by Trustee Herman regarding the recent SIPC Committee meeting.

**Heard** a report by Trustee Logan concerning the recent AIEC meeting, specifically addressing financial information.

**Informed** of the AIEC Course announcement 2600.1

**Discussed** attendees.

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

- a. **Reviewed** Form 7/Operations Report
- b. **Reviewed** November cash flow report.
- c. **Reviewed** SIPC November power bill.
- d. **Reviewed** November power factor, and **Reviewed** a note from Bill Hutchison congratulating CECI on managing power factor.
- e. **Reviewed** November power cost adder.
- f. **Reviewed** US Bank November Credit Card statements.

**Informed** by Gen. Mgr. VanHoose of a fraudulent charge and subsequent report to the company to address the charge.

g. **Reviewed** November Financial Trend Analysis.

**Approved** the 2017 Budget as presented.

**Heard** a report by Gen. Mgr. VanHoose as to General Safety Report through December, including safety committee meeting held December 6, 2017. **Reviewed** attendance of Statewide Safety Update Meeting held in December. **Informed** of new arc safety clothing was recalled and must be replaced.

**Approved** moving into Executive Session to discuss Personnel.

**Approved** entering back into General Session.

**Heard** Managers report by Gen. Mgr. VanHoose as follows:

- a. **Report** on Workers Compensation statistics.
- b. **Report** as to NRECA Roth 401(k) option.
- c. **Reviewed** a letter from auditor

informing as to limits of its liability.

- d. **Reviewed** a Federated Member Equity Account Statement.
- e. **Heard** a report as to a recent AIEC Manager's Meeting.
- f. **Reviewed** NRECA Regulatory Bulletin dated November 22, 2016 with reference to Waters Of The United States (WOTUS) litigation.
- g. **Heard** a report as to recent OSHA Safety Incentive Ruling.
- h. **Heard** a report concerning impending changes in certain Employee Sick Leave.
- i. **Heard** a report as to Net Metering.
- j. **Reminded** of the upcoming Board Meeting time changes.
- k. **Thereafter** said Managers Report was Approved.

**Heard** a report as to receipt of a bankruptcy notice.

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

**Reviewed** write-offs for the year ended 2016 totaling \$1,015.80; thereafter **Approved** said write-offs.

**Adjournment.**

**Clay Electric  
Co-operative, Inc.**

A Touchstone Energy® Cooperative 

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 Like



# Plant the Right Tree in the Right Place

For more tips on smart tree planting in your community, contact your local electric cooperative or visit [www.ArborDay.org](http://www.ArborDay.org).

Trees beautify our neighborhoods, and when planted in the right spot, can even help lower energy bills. But the wrong tree in the wrong place can be a hazard... especially to power lines.

## LARGE TREES

Height/spread of more than 40 feet, such as:

- Maple
- Birch
- Oak
- Sweetgum
- Spruce
- Linden
- Pine

## MEDIUM TREES

Height/spread of 25 to 40 feet, such as:

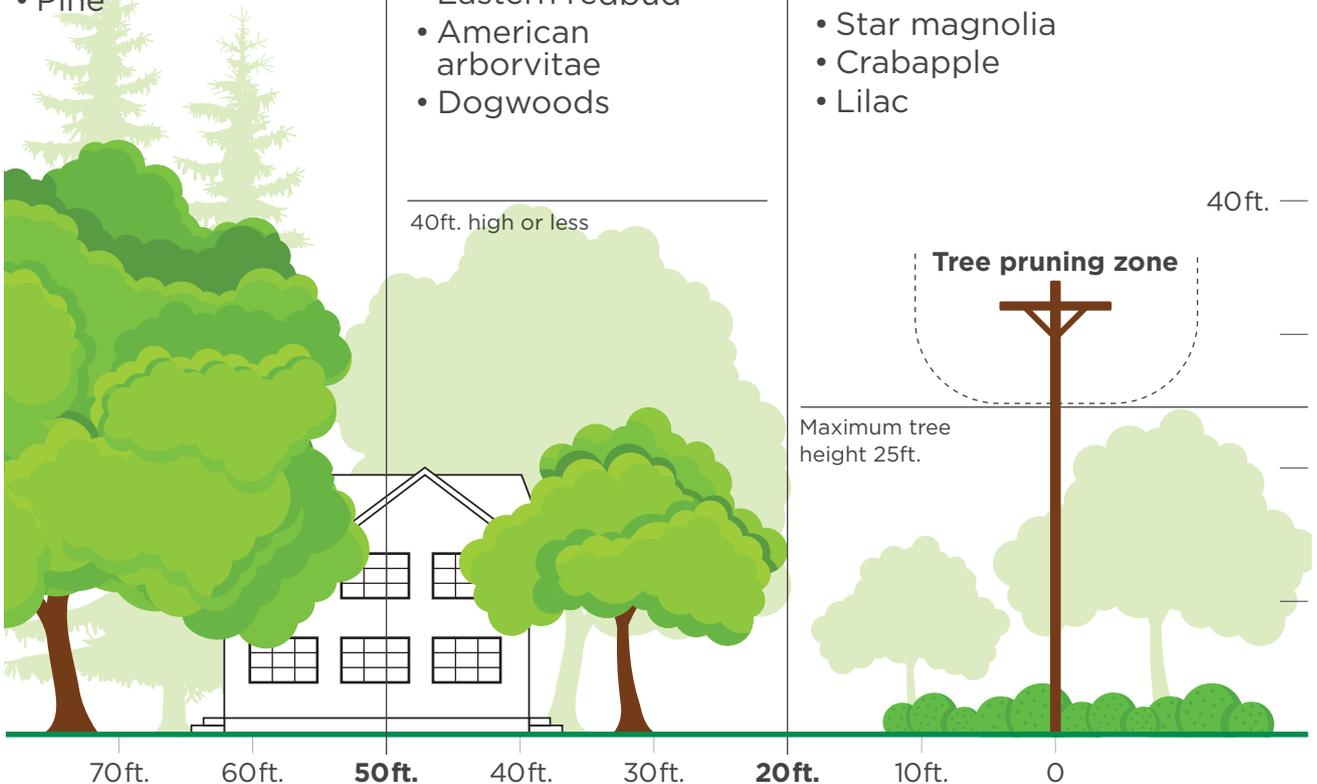
- Washington hawthorn
- Goldenrain tree
- Eastern redbud
- American arborvitae
- Dogwoods

## SMALL TREES

Avoid planting within 20 feet of power lines. When planting within 20 feet is unavoidable, use only shrubs and small trees.

Height/spread of no more than 25 feet, such as:

- Star magnolia
- Crabapple
- Lilac



**Be safe! Always call 811 before you dig to locate any buried utility lines.**

Source: The Arbor Day Foundation and the National Rural Electric Cooperative Association