



# Hi-Lites

*Hi-Lites is a monthly newsletter published for the members of Tri-County Electric Cooperative.*

## Contents

- Manager's Report.....1
- 2016 Annual Meeting.....3
- Officers Selected.....3
- Directors Elected.....3
- Co-ops Vote.....4

P.O. Box 309

Mt. Vernon, IL 62864

www.tricountycoop.com

618.244.5151

Toll Free 800.244.5151

Fax: 618.244.1496

Pay by Phone: 855.385.9902

### Office Hours

7:30 a.m. to 4:30 p.m.

Monday through Friday

(Salem Office closed from noon-1:00 p.m. each day)

## Board of Directors

### President

Larry Manning - Belle Rive

### Vice President

Phil Carson - Oakdale

### Secretary/Treasurer

Sam Phillips - Salem

Tom Beyers - Odin

Doug Knolhoff - Hoyleton

Donnie Laird - Waltonville

Rick Russell - Richview

Greg Vieira - Salem

Kathy Withers - Mt. Vernon

## Mission Statement

*To safely provide our member-owners with adequate and reliable electric service, superior customer service and innovative energy solutions, all at reasonable prices.*

## 2016 Annual Meeting Report



**Marcia Scott  
Manager**

Thank you to all of the members who were able to attend this year's Annual Meeting. We had a great time visiting with everyone and the weather was favorable.

This year, I had the pleasure of congratulating Tri-County employees on their excellent safety record – almost 7 years and over 667,000 working hours without a lost time accident by a full-time Tri-County Electric Cooperative employee. This is a major accomplishment and I was honored to commend and congratulate our employees for their dedication to working safely.

Secretary/Treasurer, Sam Phillips reported that the cooperative is in good financial condition. We ended last year with ample margins to meet all of our required ratios. We are not meeting our budget expectations this year-to-date due to the mild winter weather, however

a hotter than normal summer could reverse that trend.

We continue to refund patronage credits. At this year's annual meeting, Tri-County Electric Cooperative refunded margins from the years 1991 and 1992. The total amount of checks written this year for patronage credits was \$943,622 and the average check amount was \$105.

### Service Reliability

The cooperative is maintaining a strong financial position while striving to improve the reliability of our electric system with work plans that replace aging overhead and underground conductor and rebuild main feeders with heavier conductor. We continue to maintain and improve our substations to help improve reliability. We are also continuing our valuable 4-year cycle trim forestry program.

There are some parts of providing reliable electric service that we have limited control over and one of these is the reliability of the transmission lines that bring power to our substations. Over half of our consumer minutes of outages over the past 2 years can be at-

*Continued Page 1*

tributed to outages on these transmission lines. We have been meeting with Ameren, the owner of these transmission lines, and they are listening to our concerns with their reliability and are making some improvements. We will continue to meet with them to improve the reliability of your electric service.

### **Environmental Issues**

Last year, we discussed EPA's proposed Clean Power Plan (CPP). This plan was finalized in August 2015 and establishes limits on carbon dioxide emissions for existing generation facilities. Then, on February of 2016, the U.S. Supreme Court issued a stay of the Clean Power Plan on a 5 to 4 ruling. The stay was granted in response to a legal challenge from some states, utilities, and coal companies, who argued that EPA's regulation was burdensome. During the period of the stay, no deadlines are binding, and they will likely be extended when the legal challenge is resolved. The court's decision does not address the merits of the challenge, but puts implementation of the rule on hold while the U.S. Court of Appeals for the District of Columbia decides the merits of the challenge. There is no way to know for certain, but it is highly likely that the case will be back before the US Supreme Court for a final decision on this case.

As many of you are aware, shortly after the US Supreme Court issued the stay, one of the

Supreme Court Justices, Justice Scalia, passed away. This will possibly change the balance of opinion on the Supreme Court, depending on when a new Supreme Court Justice is approved and who that will be.

Electric cooperatives continue to support an "all of the above" energy strategy, one that incorporates nuclear, natural gas, renewable energy, and coal. We further believe that existing power plants should be allowed to operate for the normal life of the plants using available technology to operate as cleanly and efficiently as possible.

This is very important, since coal has traditionally been the most cost-effective and reliable source of power. A rush to shift from coal could result in increased power costs and possibly decreased reliability. It certainly places the electric industry in a period of uncertainty. An example of this uncertainty is shown in the results of a recent MISO (Mid-continent Independent System Operator) survey compared to last year's survey. MISO is responsible for grid management and reliability, infrastructure planning, and manages the MISO markets including reserves and regulation. Comparing the most recent survey with last year's survey provides an example of how quickly the outlook can change. A year ago, southern Illinois showed a significant surplus of generation in 2020. This year's survey suggests the area could face a 1.7 GW deficit by 2021. Included

in this analysis are the recent shutdown announcements by Exelon (Clinton) and Dynegy (Baldwin and Newton units).

In summary, we continue to strive for employee and public safety, a financially strong organization that provides reliable electric service to our membership, and environmental regulations that will allow us to keep the lights on, at a reasonable cost to you. Thank you for attending your Annual Meeting.



The advertisement features a dark blue background. At the top, the "smart hub" logo is displayed, with "smart" in lowercase and "hub" in lowercase, both in a white sans-serif font. The logo is surrounded by a circular arrangement of small white squares. Below the logo, the text "Available for Android and iOS devices." is written in a white, italicized serif font. In the center, there is an image of a tablet and two smartphones, all displaying the Smart Hub app interface. The tablet screen shows a dashboard with various icons and a bar chart. Below the image, the text "Get the Smart Hub App Now!" is written in a white, bold sans-serif font. Underneath this, there is a list of five features, each preceded by a small white icon of a smartphone: "Report Outages - No Busy Signals", "Pay Bills", "Get Daily Usage Info", "Manage Your Account", and "Improve Energy Efficiency". At the bottom, the text "To sign up for Smarthub, visit: [www.smarthubapp.com](http://www.smarthubapp.com) or call 618-244-5151 for assistance." is written in a white, italicized serif font.

# Annual Meeting in Review

## President's Report

President Tom Beyers welcomed members to the 78th annual meeting of the cooperative.

Discussing the financial condition of the cooperative, Beyers stated that the cooperative is growing financially, increasing in total assets and increasing in equity noting that the independent audit was clean with no reportable findings.

Beyers stated that while coal fired power plants are under pressure to clean up all hazardous contaminants, our provider SIPC (Southern Illinois Power Co-



operative) is in compliance with all current requirements, and plans to comply with all future regulations. While several older, out of date, noncompliant plants have recently announced closures, Beyers commended SIPC for investing in compliance and maintenance.

Beyers concluded by thanking the members for their attendance and support on behalf of the board of directors and staff of Tri-County Electric Cooperative, Inc.

## Secretary/Treasurer's Report

Sam Phillips, Secretary/Treasurer of the cooperative, informed the membership that the cooperative reported revenue of \$48,719,000 during the calendar year ending December 31, 2015.

Also for 2015 the cooperative purchased 389,063,000 kilowatt hours.

The cooperative's cost of purchased power for the year was \$29,963,000 and other expenses were \$14,653,000. The cooperative reported margins of \$4,103,000.



Of that amount \$1,725,000 were patronage credits from Southern Illinois Power Cooperative. The patronage credits have been assigned as capital credits to the accounts of members receiving service during 2015.

Phillips also reported that the cooperative constructed 159 new services in 2015 for a total of 17,980 services in place. The cooperative has 3,397 miles of line which includes 80 miles of transmission line.

## Officers Selected



*Officers selected during the board's reorganizational meeting for the 2015-2016 year from left are: Larry Manning, President; Phil Carson, Vice President; and Sam Phillips, Secretary Treasurer.*

## Directors Elected



*Directors elected for three-year terms from left are: Tom Beyers from Marion County, Phil Carson from Washington County and Kathy Withers from Jefferson County.*



*Children were invited to have their faces painted, jump in the bounce house, play a game, and have balloons made for them! A special thank you to the Mt. Vernon Police Department and Jefferson County Sheriff's Department for fingerprinting ID kits for the children this year!*

### *Patronage Credit Refunds*

*Years Refunded:*

*1991-1992*

*Total amount refunded this year:*

*\$943,622*



*Tri-County Electric Cooperative employees Sharon Grothoff and Darlene Niekrenz assisted members at the patronage credit tent.*



*Co-ops Vote* is a non-partisan project of America's Electric Cooperatives designed to inform its members on the key issues facing electric cooperatives and encourage them to vote and support their cooperatives and the communities they serve when they go to the polls. We do not endorse or recommend any candidates for election.

During the 2012 Presidential election cycle, there was an 18% drop in voter turnout in rural areas -- more than twice the drop in urban and suburban parts of the country. We cannot allow our voices to go unheard in the elections this November.

**Pledge to be a Co-op Voter Today!**  
[www.vote.coop](http://www.vote.coop)