

CLOSEDCIRCUIT

Official Publication of Clarke Electric Cooperative

SAFETY DRIVEN • ENERGY SMART • COMMUNITY INVESTED

Volume 76 No. 8 | August 2016



2016 Annual Meeting Program

Iowa Cowboy Singer Pat Meade, 5:30-6:45 p.m.

Business Session begins at 7:00 pm

Welcome	Frank Riley
Invocation	Randy Gaumer
Pledge of Allegiance	All
Roll Call & Official Notice	Attorney
Nominating Committee Report	Marianne Lester
Nomination by Petition/Closing of Election	Attorney
Minutes of Previous Meeting	Attorney
President's Report	Frank Riley
Treasurer's Report	Randy Gaumer
Youth Tour Winner	Adeline Frank
General Manager's Comments	Dave Opie
Present Employees	Frank Riley
Election Results	Attorney
Door Prize Drawings	Frank Riley
Adjournment	Frank Riley

PAT MEADE, OF MILO, WILL SING

cowboy songs and entertain cooperative members during Clarke Electric's Annual Meeting Sept. 12. Meade has recorded five albums. His latest CD is "All I've Ever Known" released in 2010.



CLARKE ELECTRIC COOPERATIVE ANNUAL MEETING MONDAY, SEPT. 12, 2016

Clarke County Event Center
Clarke County Fairgrounds
2070 W. McLane St.
Osceola

- 5:30 p.m. Free pork sandwiches by Madison County Pork Producers
- 5:30 p.m. Entertainment by Iowa cowboy singer Pat Meade
- 7 p.m. Business session
- Attendance prizes and cash giveaways
- Golf cart shuttle available from parking lot to event center

2015 Treasurer's Report

THE BOARD OF DIRECTORS AT CLARKE ELECTRIC COOPERATIVE, INC., IS ELECTED BY YOU, THE membership, to make sure the Cooperative remains financially stable. Every month the directors review the current financial statements and compare them with the annual business plan and financial position of the previous year.

Our annual Independent Financial Audit, performed by Kiesling Associates, LLP, Des Moines, was completed in February 2016 and presented to the Board of Directors on April 27, 2016. The report included the balance sheets, statement of operations, equity, long term debt, patronage capital, statement of cash flows and assets. The Board approved the year-end audit report to officially close the 2015 books.

Highlights from the independent audit report include Clarke Electric's completion of 127 miles of rebuilt electrical lines funded by the FEMA mitigation grant program and Iowa Homeland Security & Emergency Management (IHSEMD - State of Iowa). The total amount of the approved project was \$5,841,869. On Nov. 21, 2015, all construction, archaeological studies and engineering certifications were completed. Total costs for the project was \$5,705,935, of which the Cooperative was reimbursed by FEMA at 75 percent (\$4,279,450) and IHSEMD at 10 percent (\$570,593) of allowable costs. The Cooperative was responsible for \$855,892. The mitigation grant project will continue to support our mission which is to provide affordable, safe and reliable power to our members.

Other highlights from the auditor's report show that even though we had a very mild fall and early winter in 2015, we continued to have strong kilowatt-hour (kwh) sales of over 96 million kwh sold. As in the past, the bulk of our sales (63 percent) comes from our residential class members, with the remaining 37 percent from our commercial classes, government sales and resale of electricity.

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Reading pays! We have hidden two of our members' account numbers in this issue. If you find your member location number, call during August to have \$10 deducted from your monthly energy account.



CLARKE ELECTRIC COOPERATIVE, INC.

PO Box 161, 1103 N Main, Osceola, IA 50213-0161

Your Touchstone Energy® Cooperative

Board President & Manager's Report

LEADERSHIP

Changes shaped 2015 as a year of many significant events related to the general management of Clarke Electric. In December 2014, we lost our general manager with the passing of William Freeman. Clarke Electric then had a new general manager for a short time during the summer of 2015 and an interim manager for the last three months of the year.

These unusual events caused our Cooperative to function without a general manager for half of the year, which allowed our Leadership Team, our staff and Board of Directors to show how capable and committed they are during challenging times. Throughout 2015, these individuals were able to keep our Cooperative operationally strong and financially consistent while maintaining our organization's integrity. Even more impressive than just maintaining the status quo, they were able to improve the cooperative and move our strategic initiatives forward. This is a testament to the quality of character of our Leadership Team, our staff and our Board of Directors.

OPERATIONS

In 2015 we experienced a slightly higher level of outages, mainly attributed to weather related causes. Every day, we have a great crew of linemen who put themselves at risk and endure harsh conditions to keep the power on or to restore power quickly. We continue to improve efficiencies that will reduce our response times and average outage duration times.

Clarke Electric continued with its aggressive Right-of-Way program in 2015, clearing more than 289 miles of line. We plan to maintain that focus in 2016. We thank all of our members for their understanding and support as we continue the Right-of-Way clearing of our entire system.

Other than our monthly power cost adjustments, there were no billing rate changes in 2015. Clarke Electric is working hard to keep our expenses controlled at all levels. Our operations and engineering departments

continue to build and improve our system infrastructure. We have put much effort into maximizing the technology we have installed in recent years. This technology utilization will improve our service, reduce outage times and reduce expenses.

In 2015, solid margins helped to improve our financial health. Of those margins, we allocated \$258,997 to deferred patronage. Also in accordance with policies and with board approval, we paid out approximately \$226,000 in patronage dividends for past years.

Clarke Electric continued our program of removing idle services and idle line. We removed 65 idle services and 2.87 miles of idle line to help reduce our maintenance expenses.

G&T

Our power provider, Central Iowa Power Cooperative (CIPCO), continued to diversify its load generation to increase generation by sustainable methods and reduce carbon-based power production. During 2015, nearly 60 percent of electricity generated by CIPCO was from emission and carbon-free sources. All or some of the renewable energy credits associated with this generation may have been sold or may be sold in the future, to other parties, or may be used to comply with future regulatory requirements. Member distributed generation, such as solar power, did not increase significantly. However, distributed generation will become more prevalent in future years. 43-24-03-04

In 2016, Clarke Electric will continue to provide you with strong leadership, reliable power and the drive to improve our service to you, our member-owners. We are your cooperative and we are committed to you.



FRANK RILEY
CEC Board President



DAVE OPIE
CEC General Manager

CEC Annual Meeting of Members - Sept. 14, 2015 Minutes

THE ANNUAL MEETING OF THE MEMBERS OF CLARKE ELECTRIC Cooperative, Inc. was held at the Clarke County Event Center at the Fairgrounds in Osceola, Iowa at 7:00 P.M. on the 14th day of September, 2015.

The meeting was called to order by Frank Riley, President of the Cooperative, who presided, and Kyle Kelso, Secretary of the Cooperative, acted as Secretary of the meeting and kept the minutes thereof.

Welcoming remarks were offered by Chairman Riley and he introduced the Members of the Board of Directors and their spouses and new Manager Bob Kolling and his wife. He also introduced special guests in attendance including former directors and employees.

A video was shown commemorating the 75th anniversary of the Cooperative.

An invocation was offered by Reverend J. R. Wheeler of Immanuel Lutheran Church.

The Pledge of Allegiance was led by Chairman Riley.

Attorney John T. Ward reported that the members present had been checked and that a quorum was present for the transaction of business. He then presented a copy of the Notice of the Annual Meeting of Members, together with proof of the due mailing of said Notice to all members of the Cooperative, and such Notice and Proof were ordered to be annexed to the minutes of this meeting.

Copies of the minutes of the Annual Meeting of the Members of Sept. 8,

2014 had been previously distributed to each of the members. A motion was duly made, seconded and carried, to waive the reading of said minutes, and they were thereupon declared to be approved and were ordered to be filed in the records of the Cooperative.

The Chairman stated that the next order of business was the election of three (3) directors for a term of three (3) years each. The Chairman further stated that in accordance with the Bylaws, the Board of Directors had appointed from the members of the Cooperative a Nominating Committee consisting of Brian Fuller, Steve Smith, Jason Boyer, Gary Alley, Doug Goben and John Siefkas. John Siefkas was elected Chairman and Doug Goben was elected Secretary. Also present was Bob Kolling, General Manager. The Chairman of the Committee, John Siefkas, then presented the Report of the Nominating Committee, nominating the following members for directors:

Three-Year Term (Three to be Elected)

District No. 6: Kyle Kelso, Darl McKimpson.

At Large: Bruce George, Richard McKnight, Aldene Morgan, Randy Rouse, Larry Keller (by petition).

The Report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting. The candidates were identified and asked to stand.

Attorney Ward next explained that the Board of Directors had

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Treasurer's Report...from pg. 1

Margins for 2015 were \$857,398. Part of the Cooperative philosophy is to return the profits (patronage capital) to our membership. In 2015, \$226,288.67 in patronage capital was paid back to the members for the year 1997 and part of 1998. This includes past and present members on the system. The Board of Directors is responsible for developing a deferred patronage capital retirement program that pays out patronage capital on a cycle not to exceed 20 years. They annually determine the financial condition of the cooperative so that it will not be impaired when allocations of patronage capital is returned to the membership.

One of the major components of our budget is power cost which represents over 55 percent of the total cost of providing you with electrical service. Our power supplier, Central Iowa Power Cooperative (CIPCO), provides us the power that we then distribute to our members. The graph at bottom right depicts this expense in relation to the cooperative's other expenses. The Board of Directors and staff work diligently to ensure all auditing standards are followed and all requirements are met.

2015 Meeting Minutes...continued from pg. 2

recommended a change in the Cooperative's Articles of Incorporation by deleting Article IX Section 6 which currently provides that "no director shall be eligible for re-election to the Board of Directors who has served five (5) or more consecutive three-year terms as a director."

The Chairman appointed John Siefkas, Tim Marienau, Doug Goben, Gary Alley, Jason Boyer, Steve Smith and Brian Fuller as Inspectors of Election. Attorney Ward explained the election process and made the final call for any remaining ballots in the audience prior to closing the election. The balloting was then declared closed. The ballots were delivered to the inspectors, who proceeded to count the same, including those received by mail.

The Annual Reports of President Frank Riley and Treasurer Randy Gaumer were waived as their reports were included with the Annual Meeting Notice.

The Chairman then introduced Blake Kozak, 2015 Clarke Electric Cooperative Youth Tour winner, who presented a report on the Youth Tour to Washington, D.C. and thanked the Cooperative for sending him.

The Annual Report of the General Manager was then presented by General Manager Bob Kolling and ordered to be filed in the records of the Cooperative.

Marjorie Horton-Lovett presented a musical entertainment program for members and guests.

The Certificate of the Inspectors of Election was then presented and read, certifying that the following members, having received the highest number of votes cast, had been duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

Three-Year Term

District No. 6: Kyle Kelso

At Large: Randy Rouse, Larry Keller

The Certificate of Inspectors of Balloting concerning the Amendment was presented and read, indicating that 46 percent of the members voting had voted in favor of the Amendment. It was declared that the Amendment had not received the requisite support for adoption and the Cooperative Articles of Incorporation would therefore not be amended.

The Chairman directed the Secretary to annex the Certificates of the Inspectors of Election to the minutes of this meeting, and thereupon declared such members duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified. Attendance prizes were awarded by lot.

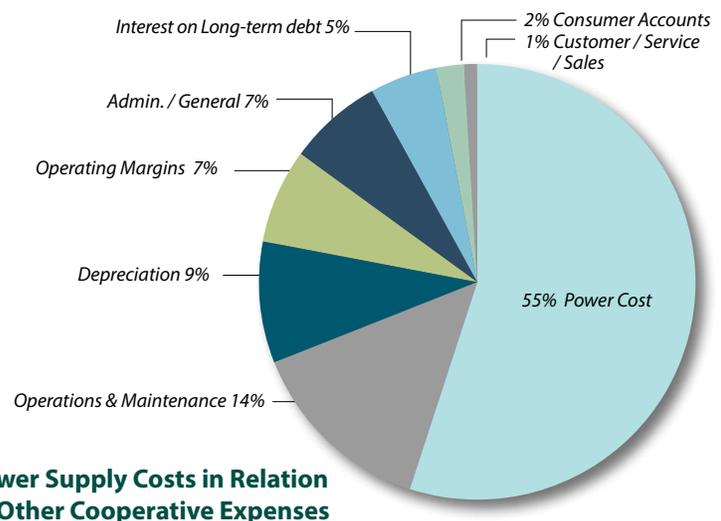
2014-2015 Financial Stats

Assets	2014	2015
Total Utility Plant	\$37,425,128	\$38,925,204
Less Depreciation	(10,880,774)	(11,564,662)
Net Utility Plant	26,544,354	27,360,542
Patronage Capital	2,515,970	2,609,059
Investments	3,006,316	2,840,357
Cash/Temp. Investments	1,052,493	585,492
Accounts Receivable	1,637,980	1,174,946
Other	417,416	398,213
Total	\$35,174,529	\$34,968,609

Liabilities	2014	2015
Memberships	\$22,000	\$22,045
Member Patronage	3,484,736	3,491,946
Other Margins/Equity	9,995,045	10,594,219
Long Term Debt	19,685,597	19,076,821
Notes/Accounts Payable	1,007,480	735,607
Consumer Deposits	93,211	95,499
Other Liabilities	886,460	952,472
Total	\$35,174,529	\$34,968,609

Revenue & Expenses	2014	2015
Total Revenue	\$12,267,079	\$11,980,575
Power Cost	6,800,267	6,615,645
Operations/Maintenance	1,663,615	2,026,751
Consumer Accounts	269,358	201,757
Customer Service/Sales	101,662	90,751
Administration/General	850,518	810,785
Depreciation	1,139,279	1,154,071
Interest on Long Term Debt	627,923	644,570
Other Expenses	29,003	13,352
Total Expenses	\$11,481,625	\$11,557,682

Margins	2014	2015
Operating Margins	\$785,454	\$422,893
Non-Operating Margins	64,353	16,896
G & T Co-op Capital Credits	553,816	334,549
Other Org. Capital Credits	86,571	83,060
Net Margins	\$1,490,194	\$857,398



2016 Board Candidates

District 2 Candidates



RANDY BARNARD

Randy Barnard is a candidate for District 2. He and his wife, Tammy, have three children: Andrew, Adam, and Nicole, all of whom are students in Clarke Community Schools. The Barnards live in Freemont Township of Clarke County. Randy is a self-employed farmer raising cattle, corn, beans and hay. He received his education from Clarke Community High School and attended Southwestern Community College completing the Agriculture Program. He serves as a Trustee for the Osceola Methodist Church, Chairman of the ISU Extension Council, Township Trustee for Freemont Township and a voting delegate for the Clarke County Farm Bureau. He enjoys spending time attending his children's activities. Randy has been a member of CEC for 26 years.



MIKE HENRICHS

Mike Henrichs is a candidate for District 2. He lives in Freemont Township of Clarke County. Mike is a graduate of Clarke Community High School, attended Iowa Central Community College and received a two-year degree in Banking/Ag lending. He farms and works part-time as a meat cutter at Fareway in Indianola. He is a member of the Osceola Methodist Church and Clarke County Farm Bureau. Mike has been a member of CEC for 22 years.

District 5 Candidates



MAURICE DEAN

Maurice Dean is a candidate for District 5. Maurice and his wife, Diana, live in Osceola Township of Clarke County. They have five daughters, eight grandchildren and three great-grandchildren. Maurice graduated from Southwestern Community College's Carpentry Program and is an independent contractor. He is a member of the Assembly of God Church teaching Sunday school and serving as an usher. He enjoys gardening and fishing in his spare time. He has been a member of CEC for 17 years.



ED WHITE

Ed White is a candidate for District 5. He and his wife, Janice, live in Liberty Township of Clarke County. They have three children and five grandchildren. Ed is a graduate of Clarke Community High School. He is a self-employed farmer having farmed all his life, first with his parents and now with his sons. He has served on the Farmers Cooperative Board, the ASCS County Committee Board, Clarke Community School Board and the Nominating Committee for Clarke Electric. Ed is a Masonic Lodge member in Woodburn and a member of the Clarke County Cattlemen's Association. He enjoys spending time with his children and grandchildren. Ed has been a member of CEC for 41 years.

District 4 Candidates



JODEE JORGENSON

Jodee Jorgenson is a candidate for District 4. She and her husband, Clay, live in Otter Creek Township of Lucas County. They have two children and one grandson. Jodee is a Special Education Consultant for Heartland AEA. She is a graduate of North Kossuth High School and received a Master's Degree in Special Education from Mankato State University and a Master's Degree in School Administration as a Principal from Iowa Principal Leadership Academy/Morningside College. Jodee has been very active in 4-H, and volunteering to work with children, especially those with special needs. She loves to spend time outdoors with her family four-wheeling and enjoying bonfires. She enjoys refinishing furniture, sewing, quilting, landscaping and building rock gardens. Her newest hobby is raising miniature fainting goats. She has been a member of CEC for five years. 12-17-05-00



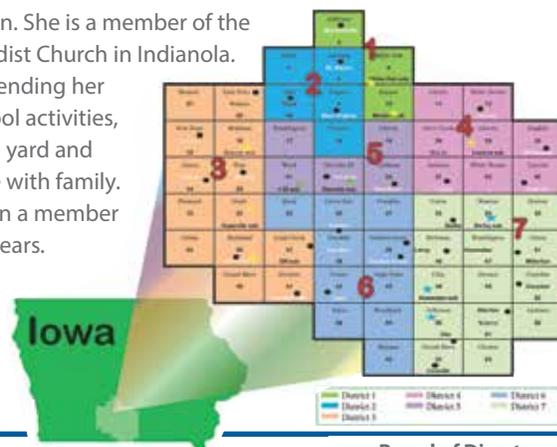
DAVE OFFCHISS

Dave Offchiss is a candidate for District 4. He and his wife, Candy VanderPloeg, live in White Breast Township of Warren County. They have three children and two grandchildren. Dave received a Bachelor's Degree in Business Administration and Criminal Justice from the University of New Haven. He is retired from the Iowa Department of Corrections. Dave is a member of the Lacona Christian Church. He enjoys environmental gardening and donating his produce to local charitable groups. He also enjoys beekeeping. Dave has been a member of CEC since 2000.



LYDDA YOUMANS

Lydda Youmans is the incumbent candidate for District 4. Lydda and her husband, Dave, live in Liberty Township of Warren County. They have two children: Rylee, a student at Southeast Warren High School, and Reece, a student at Lacona Middle School. Lydda is a graduate of Simpson College with a degree in Social Services with a Family Concentration. She works for the Iowa Department of Human Services, Clarke County, for the Income Maintenance Worker Division. She is a member of the United Methodist Church in Indianola. She enjoys attending her children's school activities, working in the yard and spending time with family. Lydda has been a member of CEC for 13 years.



Board of Directors

- Tom Carson, Osceola
- Randy Gaumer, Murray
- Larry Jackson, Clio
- Larry Keller, Osceola
- Kyle Kelso, Weldon
- Frank Riley, Osceola
- Randy Rouse, Corydon
- Bill Willis, New Virginia
- Lydda Youmans, Indianola



CLARKE
ELECTRIC COOPERATIVE, INC.

PO Box 161, 1103 N Main, Osceola, IA 50213-0161

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David Opie, General Manager
Office Hours: Mon - Fri 7:30 am - 4 pm
Outside Depository Available 24 Hours
641.342.2173 | 800.362.2154

This institution is an Equal Opportunity Provider

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