

CLOSEDCIRCUIT

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The Cooperative Difference: Board Allocates Patronage Back to Members

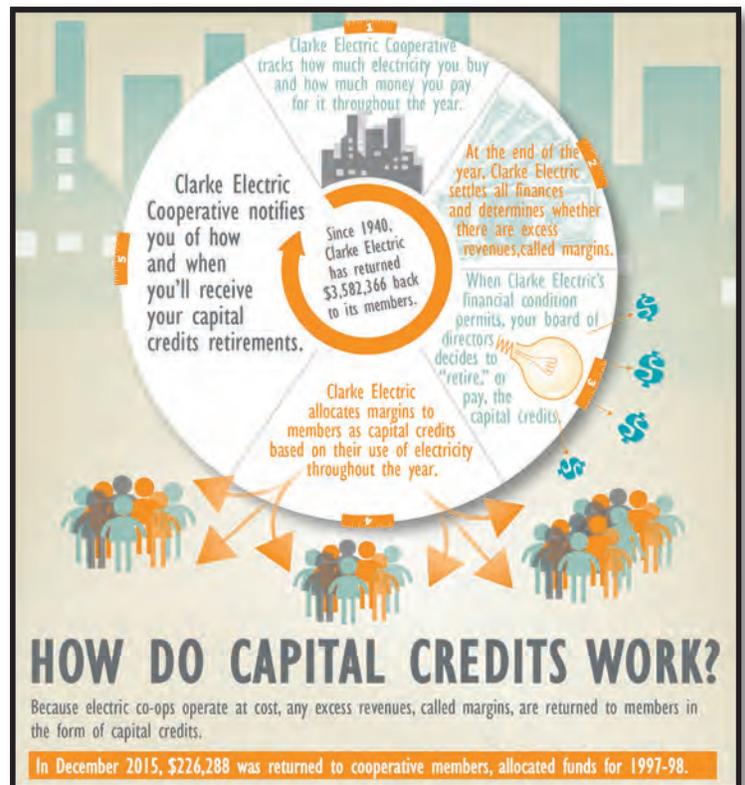
AS A MEMBER-OWNER, YOU HAVE A SHARE IN THE earnings of your not-for-profit electric cooperative. Your Cooperative's rates are set to bring in enough money to pay operating costs, make payments on any loans and provide an emergency reserve. Revenues in excess of the cost of doing business are returned to Clarke Electric Cooperative members as "patronage capital."

At the end of each calendar year, independent auditors perform an audit of our financial statements in accordance with Government Auditing Standards that confirms our financial position. Our margin is calculated by subtracting operating expenses from the total amount of money collected during the year.

The margin is allocated to each member based on the amount each member paid for electricity. Service charges, membership fees and other payments are not included in the allocation.

This year your board of directors voted to allocate \$283,998 back to the members as 2015 patronage capital.

The board also voted to retire the patronage capital that was allocated in 1998. Members of CEC will see a credit on their December 2016 electric bill; non-members will receive a check.



Local REC Advocates Make Trip to Washington, D.C.

CLARKE ELECTRIC BOARD PRESIDENT FRANK RILEY AND VICE PRESIDENT TOM CARSON joined 35 other advocates from Iowa's rural electric cooperatives for a successful trip to the nation's capital in early May. While in D.C., advocates met with White House staff, the U.S. Department of Agriculture (USDA) and congressional staff and honored former Iowa Senator Tom Harkin. 10-14-09-01

The purpose of the trip, an annual gathering of electric cooperatives from across the country, is to ensure Iowa's elected officials are fully aware of the thoughts and concerns of their constituents who are served by electric cooperatives in Iowa.

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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 June 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 

CIPCO Power Supply Report



TOM CARSON
*Representative on
the CIPCO Board of
Directors*

THOUGH NOT WITHOUT ITS challenges, another successful year for Clarke Electric Cooperative has come and gone. As your cooperative's representative on both the CEC Board of Directors and Central Iowa Power Cooperative (CIPCO) Board of Directors, I take seriously my roles to ensure your energy needs are met in a safe, reliable and affordable way.

As our cooperative's power supplier, CIPCO has made significant investments in carbon and emissions-free resources of energy over the last decade. Wind, hydroelectricity, nuclear, and landfill gas now make up more than 54 percent of CIPCO's total energy portfolio.

That's good news as we look ahead to regulatory changes coming down the pipeline. The Obama administration's Clean Power Plan continues to be our main source of attention. For Iowa, it means a reduction of 42 percent in carbon dioxide emissions per megawatt-hour. As with any new regulation, CIPCO develops a plan to be compliant, then works to minimize the impact of the regulation on its members like Clarke Electric Cooperative. Even while the U.S. Supreme Court has placed the Clean Power Plan on hold for now, CIPCO remains focused on overcoming its challenges and doing its best to maintain long-term rate stability in the midst of this changing regulatory environment.

In fact, the rate at which Clarke Electric purchases wholesale electricity from CIPCO has remained relatively flat over the past seven years while CIPCO has made important investments in its transmission infrastructure and diverse generation resources. For Clarke, this financial stability is a great benefit as we plan our operating budget from year to year.

Another component of our annual budget is the money Clarke, and each of CIPCO's member distribution systems, receives back in the form of patronage dividends. These funds represent CIPCO's excess revenue for the year that is then forwarded on to you, our member-owners.

In 2015, CIPCO released a new Five-Year Energy Plan to support the energy-efficiency programs and rebates for its members. The program aligns incentives with new technology and evolving efficiency standards while providing economic benefits for Clarke Electric. The programs are designed to "buy back" energy from the consumer at a cost that is below the energy market price. Additionally, CIPCO launched a redesigned rebate portal for its members that offers a new set of commercial energy solution services including power quality consultation, compressed air leak audit, and thermography services.

Over the last several years, the CIPCO Board has demonstrated a strong commitment to an aggressive capital program. This

dedication to maintenance and system upgrades has had a positive effect on system outages. Currently, the overwhelming majority of system outages are weather related only. In 2015, CIPCO received a \$59.8 million RUS loan for transmission projects associated with the 2016 Capital Program. The transmission activities include low and high voltage new-to-replace old projects, substation upgrades and conversions and much more. This work is done to help revitalize an aging system and keep ahead of our members' energy needs.

Supporting economic development and expansion efforts in the communities served by CIPCO is an important aspect of our work. In 2015, seven projects which created 73.5 jobs and brought a total of \$27,956,700 in investment to Iowa were supported by CIPCO. This includes a \$250,000 loan through a new relationship with Cedar Rapids Bank & Trust (CRBT). This allows CIPCO to support those members who have projects which do not qualify for the traditional USDA loan and grant programs. 41-51-01-00

In my role as a CIPCO director, I'm committed to guiding the organization into its next chapter while ensuring it is stronger today than ever before. I believe board actions have positioned CIPCO well to navigate the changing industry over the next several years. This becomes even more important as we look down the road to the various risk factors we're likely to encounter: economic, regulatory, political, demographic and technological to name a few. Together, CIPCO and Clarke Electric Cooperative remain steadfast in delivering safe, reliable and affordable electricity to you, our member-owners, and ensuring your needs are met now and in the years to come.

Annual Meeting

*Monday, Sept. 12, 2016
7 p.m.
Clarke County Event Center*



Clarke Electric will celebrate its 76th Annual Meeting of the Membership on September 12, 2016. A cooperative functions most effectively with strong leadership. Your board of directors is democratically elected from the membership to represent your interests and to provide long-term vision and direction. We hold true to our mission to be safety driven, energy smart and community invested.

Members will have the opportunity to make their voice heard by voting in the cooperative elections on September 12.





Energy Smart: Reduce Energy During Peak Hours

PEAK HOURS ARE THE BUSIEST TIMES FOR YOUR LOCAL electric cooperative, since many people are using electricity at the same time. In addition, it costs your co-op more to generate electricity when demand soars during peak periods – and the cost of your electricity also may rise. Obviously, using less electricity during peak periods can save your co-op – and you – money.

Here's how you can help during peak hours, which generally are on the hottest summer days between 4 p.m. and 9 p.m.:

BEAT THE PEAK

• Shift household chores and activities away from peak periods. Wait to run your dishwasher until you go to bed, for instance.

- If you have air conditioning, turn the thermostat up when you are gone and at night. Cool only the rooms that you are using.
- Use the most energy-efficient appliances you have. Your microwave oven, for example, uses considerably less energy than your stove or cooktop.
- If you're buying a new appliance, make sure you get a highly efficient one. Look for ENERGY STAR® labels when you're evaluating different models.
- Be aware of your energy consumption, and try to get in the habit of using energy efficiently year-round.

Use the energy you need, but use it wisely! You'll help your co-op avoid building expensive new power plants – and that, in turn, will help keep your electric rates stable.

April Outages

- Maintenance – 3
- Equipment/Maintenance failure – 9
- Lightning – 9
- Wind – 3
- Animal/bird – 4
- Customer caused – 3
- Fire – 2
- Unknown – 3

Looking Out for You



The Clarke Electric office will be closed Monday, July 4 for Independence Day.

We wish all our members a safe and happy holiday weekend!

Coming Soon...

...NEW CONVENIENT PAYMENT

options for you to pay your electric bill. Clarke Electric Cooperative is pleased to announce that we will soon be offering you additional options to pay your electric bill. The new features are: SmartHub, (replaces our current E-bill on-line payment option), Pay Now (on-line payment but no registration or password required) and Pay-By-Phone (automated through our phone system). In addition, we will have the ability to take your credit/debit card information electronically with our new VeriFone scanner at our Osceola office. All of these options will provide more resourceful and secure ways to pay your electric bill in the future!



Watch for these new payment options later this year. More information about the billing changes will be included in our newsletters, on our website, at our annual meeting on September 12, and on flyers available in our office. Clarke Electric Cooperative will continue to offer our existing payments options, which include: Automatic Bill Payments (ACH), Drop Box located at our Osceola office location, Mail and Front Counter (Pay-in-Person).

Legislative Fly-in...from pg. 1

REC Representatives met with Doug O'Brien, White House Domestic Policy Council, highlighting their impact on rural economic development in the communities they serve. O'Brien explained to the group the importance of economic development in rural Iowa in relation to poverty, healthcare and education, and highlighted his goals as the senior policy advisor for rural affairs.

In a meeting with USDA officials, the importance of the RUS Loan and Grant Program was discussed. Representatives from the RECs touched on the importance of rural broadband and projects they are funding to help grow their communities.

Iowa's electric cooperatives also had the chance to meet with and honor former Senator Tom Harkin while in Washington, D.C. Harkin was presented with a lineman statue in honor of his distinguished service to rural electrification. The statue will be displayed at the Harkin Institute for Public Policy and Citizen Engagement at Drake University.

Key issues were discussed with the staff of Iowa's six congressional offices. The key issues that have the greatest impact on the 650,000 Iowans to whom the state's electric cooperatives provide electricity included: FEMA disaster assistance, EPA's 111(d) Clean Power Plan, geothermal tax credits and pole attachments.

Line Crews Prepare for New Homes

CLARKE ELECTRIC COOPERATIVE LINE CREWS HAVE been busy lately preparing for new homes in our service territory. The top two photos below show crews bringing a line extension down the pole to be placed under Highway 65 which will provide power to a new home. The bottom photo shows a Clarke Electric lineman pulling underground wire through conduit in preparation for new homes and services in the Arbor Valley Lake development.



CEC Cares For Your Safety: *Car Accidents and Electricity Don't Mix*

WHAT SHOULD YOU DO IF YOUR CAR IS IN AN accident involving power lines? Your first instinct might be to get away from danger by jumping from the car and rolling away. If an accident happens involving power lines, the safest place to be is inside the vehicle. Since the vehicle is grounded, a driver and passengers are safest in the vehicle unless another hazard, such as a fire, exists where it would be more dangerous to remain in the vehicle.

"Clarke Electric Cooperative is concerned about the safety and well-being of everyone in the communities we serve," said Jason Gibbs, manager of member services. "Educating our members regarding the dangers of electricity is an important part of what we do."

Below are tips to remember in the event of an accident involving power lines or electric utility equipment and, if necessary, how to safely exit the vehicle.



- Stay in the vehicle and assume any power lines nearby are live. Do not let anyone outside of the vehicle near the accident scene.
- Call 911 to report the accident, and be sure to report the event to Clarke Electric.
- Assume all of the surrounding power lines are live and pose a risk of electrocution.
- If a life-threatening situation exists and it is more dangerous to remain in the vehicle, find the exit farthest away from power lines/equipment and jump out of the vehicle. **Do not touch the vehicle and the ground at the same time.**
- Keep everyone away from the vehicle until an official representative of Clarke Electric says it is safe to exit/approach the vehicle. Any outside bystanders who try to run to the vehicle to help could be electrocuted, so the best thing they can do is stay far away and keep others away until help arrives.

To learn more about protection from electric shock and general safety tips, visit www.cecnet.net or call Clarke Electric at 800-362-2154.



CLARKE
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Your Touchstone Energy® Cooperative 

David Opie, General Manager

Office Hours: Mon - Fri 7:30 am - 4 pm

Outside Depository Available 24 Hours

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