



CLARKE REC Headlines

The official publication of Clarke Electric Cooperative

SAFETY DRIVEN | ENERGY SMART | COMMUNITY INVESTED **Volume No. 79 No. 8 | August 2019**

Clarke Electric Cooperative Annual Meeting Monday, Sept. 16, 2019

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

5:00 p.m. Registration & dinner with free pork sandwiches by the Madison Co. Pork Producers

6:30 p.m. Business Meeting

- Welcome Kyle Kelso
- Invocation..... David Opie
- Pledge of Allegiance..... David Opie
- Roll Call & Official Notice..... Attorney
- Nominating Committee Report..... Frank Riley
- Nomination by Petition / Closing of Election..... Attorney
- Minutes of Previous Meeting / Pres./Treas. Report..... Attorney
- General Manager's Comments..... David Opie
- Introduction of Employees..... David Opie
- Election Results..... Attorney
- Door Prize Drawings..... Kyle Kelso
- Adjournment..... Kyle Kelso

Drawings throughout the evening: 1 Kindle Fire, power tools, \$1,000 cash giveaways

Golf cart shuttle available from parking lot to event center



The Clarke Electric office will be closed Monday, Sept. 2 for Labor Day. We wish all our members a safe holiday weekend.



CLARKE
ELECTRIC COOPERATIVE, INC.
Safety Driven • Energy Smart • Community Invested

Your Touchstone Energy Cooperative

**P.O. Box 161 1103 N. Main
Osceola, IA 50213-0161
www.cecnet.net**

Board President & Manager's Report

On the Right Track

WE STRONGLY BELIEVE CLARKE Electric Cooperative is on the right track taking us toward a destination where we deliver safe, reliable and affordable electricity to our consumer-members. The track we are on promotes a work culture that engages our employees and encourages excellent customer service. We will always do our best to do the right thing for our consumer-members. We know you depend on your electricity for your comfort, safety, and for some, your livelihood.

2018 Highlights

We are proud to give you an update of 2018's cooperative activities. The loyal team of employees and local board of directors keep this organization strong and connected. When the power goes out, you have a team of 24 employees willing to dedicate their talent to keep the power flowing to your homes and businesses. We cooperatively work for you!

In 2018, we began seeing some workforce transition when two of our long-time office employees decided to retire. Although we lost some experience, we were able to hire two very talented and dedicated individuals committed to delivering excellent customer service. We also hired two linemen and one management position to replace positions left open from previous personnel changes.

The cooperative operations and engineering department worked on many system improvement projects. A new transformer

was placed on-line in the White Oak Substation. Cooperative crews constructed a new three-phase line for Iowa Select's new hog confinement. A total of 91 new services were connected, 49 system upgrades completed, 34 poles changed out, 41 loop upgrades completed as well as many other projects. Right of way maintenance continues with 165 miles of trees cut in the Hopeville substation and 371 miles of line sprayed in the Osceola and Lacona substations.

Safety is always top of mind in our daily activities and planning. We believe in promoting a proactive safety culture with the goal of sending each and every employee home safely every day. We are intentional about the amount of time and education we provide to our employees. We hold monthly safety meetings and manage annual programs designed to promote safety. The safety of our communities is also a priority. We provide safety programs designed for young children, teens as well as emergency management and law enforcement personnel. In 2018 we taught more than 800 elementary, junior high,



DAVE OPIE
General Manager



KYLE KELSO
Board President

continued on pg. 2

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.

On the Right Track

from pg. 1

and high school students lessons on how to be safe around electricity. We also had more than 100 adults take part in safety education. Please let us know if you are aware of other venues in which we can promote safety.

Technology continues to become a key part of the cooperative's business operations. In 2018, the initiative to provide an **iPad** to all linemen was completed. Now, linemen have a way to see real-time information while they are in the field. They can send and receive information they need to be more efficient and effective on the job. A new **automatic vehicle location (AVL)** system became a reality at the cooperative. This is a huge step in ensuring our linemen's safety by accessing their real-time location if they would happen to be in an accident. It also enhances outage efficiencies by allowing staff to see where trucks are located in the event of an outage call; crews closest to the outage can respond, reducing the travel time.

We are improving our **SCADA** system (a computer-based distribution monitoring and control system) to allow the cooperative to isolate a trouble spot from the office and direct the crews to the problem without driving the entire line looking for the source of the outage.

We recognize the busy world we live in and strive to give our members information on the go to fit their lifestyle. In 2018, we launched **SmartHub**, an internet-based application. It continues to give consumer-members access to real-time information like reporting outages, reviewing usage and outage history and pay their bill on-line through a mobile app and our website. We redesigned our bill format, using member feedback, to make it easier for our consumer-members.

The cooperative difference is most evident in our investment in local communities. In 2018, Clarke Electric began **Operation Round-Up** as a way for cooperative members to round up their energy bill to the next dollar. Those cents, less than

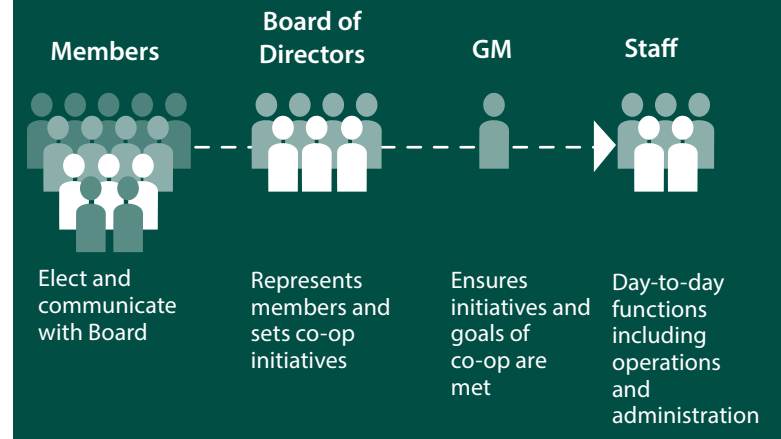
\$12 annually per member, are pooled together and provide a fund to be governed and distributed by a local cooperative board to communities and members in need.

We also invest in our young members by supporting the national **youth tour** program. Each year Clarke Electric sends a high school junior on an all-expense-paid trip to Washington, D.C., to learn about cooperatives, governance and the great country we live in.

We focus on providing our consumer members with smart energy options. When our power provider, Central Iowa Power Cooperative (CIPCO), learned that the majority owner of **Duane Arnold Energy Center (DAEC)** was closing Iowa's only nuclear plant five years earlier than planned, they got to work immediately. They continue to add wind and solar to their portfolio including an 800-acre 100 MW solar farm in Louisa County. They are also investing \$85 million in their 70-year-old Summit Lake Generating Station in Creston where they are replacing old, inefficient generators with new, more efficient natural gas turbines. Besides these capital investments, they continue to offer energy efficiency rebates to our consumer-members. In fact, in 2018, CIPCO issued over \$2.3 million in rebates. 21-05-05-03

The democratically-controlled board of directors, elected from our membership, work for you. They are the men and women who meet each month to review the performance of the cooperative and help set our strategic direction to keep us going on the right track. They also review and, if appropriate, approve the retirement of margins. They attend training and education seminars to make sure they are current on industry trends, changes and governance issues. Directors **Cody Miller** and **Ed White**

How Your Co-op is Structured



obtained their Credentialed Cooperative Director Certificate in 2018/19, and directors **Kyle Kelso** and **Larry Jackson** earned their Director Gold certification in 2018/2019.

We are always looking for committed board members. If you are aware of any member who might be interested in running for our board, please let us know.

Our board and our employees work with our local government officials to help advance the grassroots efforts cooperatives are known for. As state and federal regulations are discussed at the legislative level, it is important for cooperatives to be involved. Sometimes regulations are mandated which might not be good for the cooperative business model or the consumer-members we serve. Without the directors and employees advocating on behalf of the cooperatives, many regulations would go into effect that would negatively impact them. Some of the legislative topics of interest this year were electric vehicles, electric vehicle charging stations, community solar, prescriptive easements, the energy bill and reauthorization of the Farm Bill.

While we are already halfway through 2019 our focus remains the same: we never take our eye off our goal to provide safe, reliable and affordable power to our members.

We are dedicated to serving our membership and look forward to seeing you at the annual meeting on September 16. Exercise your right to participate in a company that you own and use.

You have the power to help keep us on the right track.

Notice of Annual Meeting of the Members

THE ANNUAL MEETING OF THE

Members of Clarke Electric Cooperative, Inc., will be held at the Clarke County Event Center at the Clarke County Fairgrounds in Osceola, Iowa, at 6:30 p.m. on September 16, 2019, to take action upon the following matters:

- The reports of officers, directors, and committees;
- The election of three (3) directors of the Cooperative for a term of three years each;
- All other business which may legally come before the meeting or any adjournment or adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following members have been nominated for Director by the Committee on Nominations appointed by the Board of Directors of the Cooperative pursuant to the By-laws.

THREE YEAR TERM (Three to be Elected)

District 2 (vote for one)

Randy Barnard
Brad Howe

District 4 (vote for one)

Jan Dittmer
Lydda Youmans

District 5 (vote for one)

John Carson
Ed White

You are urged to attend the meeting, hear the reports of the officers, vote for the directors, and transact any other business that comes before the meeting.

Dated This 27th Day of August 2019



Larry Keller
Board Secretary

Clarke Electric Cooperative Employees



Your Clarke Electric Cooperative Board of Directors



PRESIDENT
Kyle Kelso
District 6



VICE PRESIDENT
Randy Rouse
At-Large



SECRETARY
Larry Keller
At-Large



TREASURER
Lydda Youmans
District 4



ASST. SEC./TREAS.
Randy Barnard
District 2



Cody Miller
District 3



Larry Jackson
District 7



Ed White
District 5



Bill Willis
District 1

2018 Treasurer's Report

by Lydda Youmans

CLARKE ELECTRIC COOPERATIVE'S financial records for 2018 were audited by BKD CPAs & Advisors, LLP, of West Des Moines. They reviewed the balance sheet and related statements of operation, member's equity, cash flows and the related notes to the financial statements. In their opinion, "the financial statements referred to above present fairly, in all material respects, the financial position of Clarke Electric Cooperative, Inc. as of December 31, 2018." During the April Board meeting, BKD CPAs & Advisors presented the audited financials to the Clarke Electric Cooperative board, in a written and oral presentation.

The weather in 2018 had a significant impact on

Clarke Electric Cooperative's margin. Like most of the nation, Clarke Electric had increased power costs and increased revenues due to the cold winter and hot summer. As you can see from the financial stats below, the year-end margin for 2018 was **\$1,299,483.00**.

We receive the power we distribute to our members from our generation and transmission cooperative, Central Iowa Power Cooperative (CIPCO). We receive credits/dividends from some of the organizations we do business with, which includes CIPCO. Clarke Electric received **\$418,153** in capital credits from CIPCO in 2018.

In the income statement graph below titled "Where the Dollars Come From," you will see the operating revenue for fiscal year 2018.

The second part of the income statement is in the graph titled "Where the Money Goes," and shows the total cost of electric service and the

operating margin for fiscal year 2018. Residential sales continue to be our largest revenue source at **69%** of total revenue. Cost of purchased power far exceeds all other expenses at **52%** with the next leading expense of operations and maintenance coming in at **17%** of expenses compared to operating revenue.

As directed by the board of directors, **\$250,000** in patronage capital was paid back to consumer-members in 2018. The payment was for the remainder of 2000 and a portion of 2001. This includes current and past members.

Clarke Electric ended 2018 with **5,797** services in place. We connected **91** new services and retired **21** services in 2018. There are **1,684** miles of overhead distribution line and **132** miles of underground distribution service for a total of **1,816** miles of distribution line in our territory serving portions of eight counties.

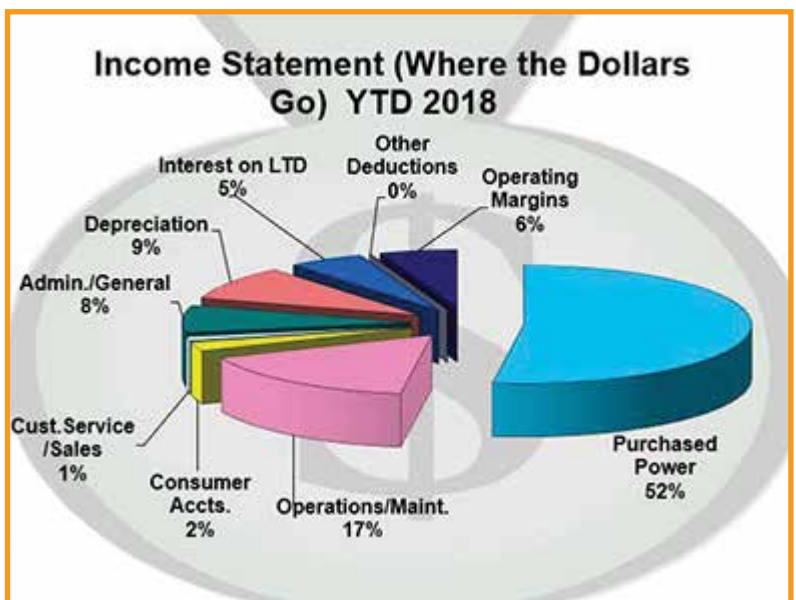
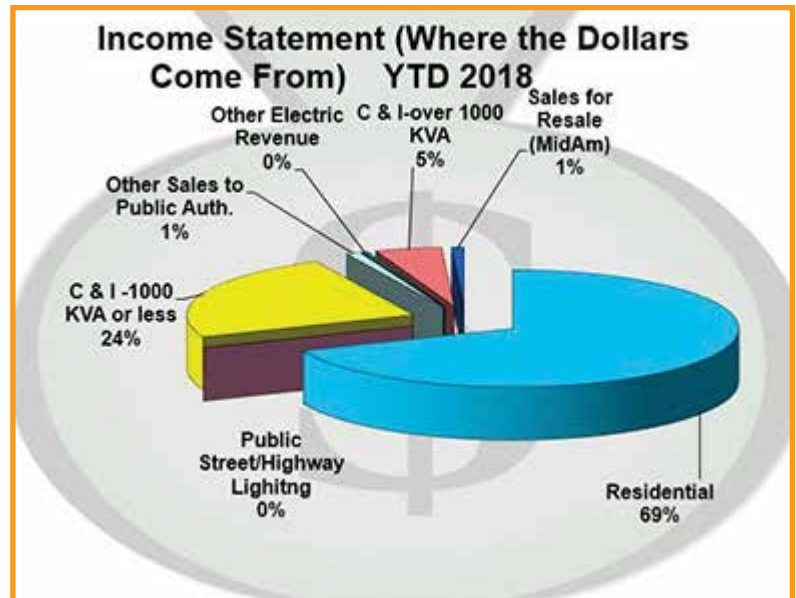
2017-2018 Financial Stats

Assets	2018	2017
Total Utility Plant	\$43,658,683	\$40,981,907
Less Depreciation	(13,725,448)	(12,692,546)
Net Utility Plant	29,933,235	28,289,361
Patronage Capital	3,033,075	2,991,736
Investments	1,880,049	2,209,217
Cash/Temp. Investments	1,109,557	1,344,729
Accounts Receivable	1,236,230	1,265,483
Other	413,681	439,082
Total	\$37,605,827	\$36,539,608

Liabilities	2018	2017
Memberships	\$22,450	\$22,420
Member Patronage	3,995,755	3,729,988
Other Margins/Equity	12,104,319	11,320,602
Long Term Debt	19,148,374	19,241,178
Notes/Accounts Payable	755,939	869,262
Consumer Deposits	91,386	99,377
Other Liabilities	1,487,604	1,256,781
Total	\$37,605,827	\$36,539,608

Revenue & Expenses	2018	2017
Total Revenue	\$13,364,906	\$12,144,488
Power Cost	6,976,060	6,461,081
Operations/Maintenance	2,205,622	2,224,537
Consumer Accounts	317,970	279,352
Customer Service/Sales	152,002	122,177
Administration/General	998,908	977,243
Depreciation	1,245,083	1,215,748
Interest on Long Term Debt	723,589	728,155
Other Expenses	11,190	16,362
Total Expenses	\$12,630,424	\$12,024,655

Margins	2018	2017
Operating Margins	\$734,482	\$119,833
Non-Operating Margins	62,807	44,903
G & T Co-op Capital Credits	418,153	510,665
Other Org. Capital Credits	84,041	83,418
Net Margins	\$1,299,483	\$758,819



District 2 Candidates



RANDY BARNARD

Randy is the incumbent candidate for district 2 and serves as the assistant secretary-treasurer for CEC. Randy and his wife, Tammy, have three children:

Andrew attends Indian Hills Community College and Adam and Nicole attend Clarke Community High School. They live in Fremont Township of Clarke County. Randy is a self-employed farmer raising cattle, corn, beans and hay. He graduated from Clarke Community High School and the Southwestern Community College Agriculture Program. He serves as a Trustee for the Osceola Methodist Church, Chairman of the ISU Extension Council, Fremont Township Trustee and member of Clarke County Farm Bureau. He enjoys attending his children's activities. He has been a member of CEC for 29 years.



BRAD HOWE

Brad is a candidate for district 2. He and his wife, Lorie, live in Fremont Township of Clarke County. They have five children and 15 grandchildren. Brad works for United Farmers

Cooperative in Osceola. He is retired from the Carpenter's Local Union 106. He is active with his grandchildren's 4-H projects at the Clarke County Fair. In his spare time, he follows his grandchildren's events. He enjoys hunting and fishing. Brad has been a member of CEC for two years.

District 4 Candidates



JAN DITTMER

Jan is a candidate for district 4. Jan and her husband, Raymond, live on a farm between Lacona and Liberty Center of Warren County. They have four children and four grandsons.

Jan is a retired music teacher and received her bachelor's degree from Iowa State University. She is a member and has been an organist for St. Mary's Church in Lacona for 28 years. She has been the past religious education director for the church and a past president and member of the Southeast Warren Fine Arts Booster Club. In her spare time, Jan enjoys gardening, especially flowers, crocheting, baking and sewing. She has been a member of CEC for 53 years.



LYDDA YOUMANS

Lydda Youmans is the incumbent candidate for district 4 and serves as the board treasurer for CEC. Lydda and her husband, Dave, live in Liberty Center Township of Warren County. They

have two children: Rylee, a sophomore at Drake University, and Reece, a sixth grader 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 Department of Human Services, Clarke County, for the Income Maintenance Worker Division. She is a member of the United Methodist Church in Milo. She enjoys attending her children's school activities, working in the yard and spending time with her family. Lydda has been a member of CEC for 16 years.

District 5 Candidates



JOHN CARSON

John is a candidate for district 5. He and his wife, Donna, live in Jackson Township of Clarke County. They have two children, five grandchildren and six great-grandchildren.

John graduated from Clarke Community High School. The Carsons have a cow/calf herd and a corn/bean/hay operation. John serves on the Farm Bureau Board having served as the past president, vice president, secretary and voting delegate. They are active on the Jackson Township Trustees. John loves bowling in his spare time and serves as the vice president of the Friday Night Bowling League. He has been a member of CEC for 28 years.



ED WHITE

Ed is the incumbent 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, operating a cow/calf herd and row crops of corn, beans and hay. Ed received his Cooperative Credential Director certificate in 2018. He has served on the Osceola Farmers Cooperative Board, the ASCS County Committee Board, Clarke Community School Board and the Nominating Committee for CEC. Ed is a Masonic Lodge member in Woodburn. He enjoys spending time with his children and grandchildren. He has been a member of CEC for 44 years.



Our service territory covers approximately 2,000 square miles across Iowa. Any person requesting electricity within our boundaries, as defined by the Iowa Utilities Board, will be provided electric service. The cooperative by-laws make sure our Board of Directors annually review the population makeup of the director districts to keep the number of members represented by each director as nearly equal as possible. As populations shift, districts may be realigned to bring them back into compliance. Districts were last realigned in 2012. Counties served by Clarke Electric: Clarke, Decatur, Lucas, Madison, Ringgold, Union, Warren and Wayne.

Clarke Electric Cooperative, Inc., Annual Meeting of Members - September 10, 2018

THE ANNUAL MEETING OF THE

Members of Clarke Electric Cooperative, Inc. was held at the Clarke County Event Center at the Clarke County Fairgrounds in Osceola, Iowa at 6:30 P.M. on the 10th day of September, 2018. The meeting was called to order by Kyle Kelso, President of the Cooperative, who presided, and Larry Keller, Secretary of the Cooperative, acted as Secretary of the meeting and kept the minutes thereof. Welcoming remarks were offered by Chairman Kelso and he introduced the Members of the Board of Directors and their spouses and General Manager David Opie. He also introduced special guests in attendance including legislators, former directors and employees, and representatives from neighboring cooperatives. An invocation was offered by General Manager David Opie.

The Pledge of Allegiance was led by employee John Heilman.

Attorney Puckett 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.

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 Steve Smith, Steve Reynolds, Jason Boyer, Mike Henrichs, Gary Alley, and Doug Goblen. Jason Boyer was elected Chairman. The Chairman of the Committee then presented the Report of the Nominating Committee, nominating the following members for directors:

Three-Year Term (Three to be Elected)

District No. 6:

David Brennecke

Kyle Kelso

At Large:

Larry Keller

Doug Kingsbury

Randy Rouse

Steve Smith

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 Puckett next explained that the Board of Directors had recommended an Amendment to the Cooperative's Articles of Incorporation that will modify Article IX Section 6 to change the director term limit from five (5) three-year terms to seven (7) three-year terms. The full text of the Amendment was provided to the members with the notice of the meeting. Attorney Puckett explained the proposal. The Chairman appointed Doug Goblen and Jason Boyer as Inspectors of Election.

Attorney Puckett made the final call for any remaining ballots related to the Director election and the Amendment in the audience prior to closing the election. A motion was then made, seconded and carried to close the balloting and the balloting was then declared closed. The ballots were delivered to the inspectors, who proceeded to count the same, including those received by mail.

Copies of the minutes of the Annual Meeting of the Members of September 11, 2017, 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 Annual Reports of President Kyle Kelso and Treasurer Lydda Youmans were waived as their reports were included with the Annual Meeting Notice.

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

The Chairman then introduced Max Vonnahme, 2018 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.

A Report on Operation Round-Up was presented by Member Services Manager Jason Gibbs.

General Manager Opie introduced and recognized all of the employees.

Chairman Kelso called upon the Cooperative's attorney to present the results of the voting on the Amendment and the Director election.

The Certificate of Inspectors of Balloting concerning the Amendment was presented and read, indicating that 32% 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 Certificate of Inspectors of Balloting to the minutes of this meeting. 45-23-04-10

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: Larry Keller & Randy Rouse

The Chairman directed the Secretary to annex the Certificate 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. A meal was served prior to the meeting by the Madison County Pork Producers.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting adjourned.

Board of Directors

Randy Barnard, New Virginia

Larry Jackson, Clio

Larry Keller, Osceola

Kyle Kelso, Weldon

Cody Miller, Thayer

Randy Rouse, Corydon

Ed White, Osceola

Bill Willis, New Virginia

Lydda Youmans, Indianola



CLARKE
ELECTRIC COOPERATIVE, INC.

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Your Touchstone Energy® Cooperative 

David Opie, General Manager

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