

CLOSED Circuit

Annual Meeting Edition

Volume 71, No. 8
August 2011

September 12, 2011

ANNUAL MEETING

LOCAL • TRUSTED • SERVING YOU


Clarke Community High School • 800 N. Jackson • Osceola, IA 50213

Official Publication of



CLARKE

ELECTRIC COOPERATIVE, INC.

Your Touchstone Energy® Cooperative 

**Your input is vital
because
we are committed
to serving you.**

5:30 pm

Registration, exhibits and serving line begin

Entertainment during dinner in the auditorium by Pat Meade [Cowboy Music]

7:00 pm

Business Session and entertainment by The Rumley Brothers [Country Music]

- Free Pork Sandwiches • Energy Bill Credits for Attending Members • Golf Cart Shuttles •

2011

Annual Meeting Program

Call to Order	Frank Riley
Invocation	Dwayne Henrichs
Roll Call & Official Notice	Attorney
Nom. Committee Report	Dwayne Henrichs
Closing of Election	Attorney
Minutes of Previous Meeting	Attorney
President's Report	Frank Riley
Treasurer's Report	Kyle Kelso
Youth Tour Winner	Rachel Brownlee
GM's Comments	Bill Freeman
Entertainment	The Rumley Brothers
Election Results	Attorney
Door Prize Drawings	Frank Riley
Adjournment	Frank Riley

Looking Out
for You



Above: Work continues on the new Valley of the Moon Commercial Poults, Inc., building.

Left: Clarke Electric crews place new scoreboard near the softball field at Clarke Community High School.

2010 Treasurer's Report

Clarke Electric Cooperative's 2010 financials reflected a positive year end margin. Our power supplier, CIPCO, allocated patronage funds to Clarke Electric Cooperative totaling \$188,987. This patronage allocation along with our normal operational margins of \$506,186, made our total 2010 year end margins \$695,173.

One unusual expense adjustment was a \$150,000 depreciation entry against our automated meter reading (AMR) assets. This is the second year that we have increased the AMR depreciation to reduce the value of the meters on our books as they are being retired in 2011.

Clarke Electric Cooperative continued to invest cash into the FEMA 2007 Storm Recovery Project. The year-end numbers for 2010 show a \$4,588,761 increase in our distribution system assets. The majority of the Storm Recovery Project will be reimbursed by FEMA once the project is finished, but some of the reimbursements will not be received until 2012.

The independent audit firm of Kiesling Associates, LLP, of West Des Moines reviewed the books of the Cooperative for 2010 and found the financial statements to be in conformity with generally accepted accounting principles. Kiesling Associates presented a written and oral report to the Board of Directors in April of 2011.

The completion of the 2007 Ice Storm Recovery Project of 2011 and the deployment of the Cooperative's Department of Energy Smart Grid Project in 2011 and 2012 will greatly enhance our ability to provide affordable and safe electricity to our members with improved reliability and efficiency.

2010 Annual Meeting Minutes

The Annual Meeting of the Members of Clarke Electric Cooperative, Inc., was held at the Clarke Community High School in Osceola, Iowa, at 7:00 P.M. on the 13th day of September 2010. The meeting was called to order by Frank Riley, President of the Cooperative, who presided, and Ralph Evans, 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. He also introduced special guests in attendance including former directors and employees. An invocation was offered by former Director Dwayne Henrichs. 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 September 14, 2009 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 Randy Barnard, Ed White, Alan Shields, and Paul Stalcup, Chairman. The Chairman of the Committee, Paul Stalcup, then presented the Report of the Nominating Committee, nominating the following members for directors: (Three-Year Term) DISTRICT 3—Linda Ballard and Tom Carson, DISTRICT 5—Marilyn Marsh and Alfred Willis, DISTRICT 7—Maurice Dean and Frank Riley. 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 instructed the members on the election of directors, and the balloting was then declared closed. The Chairman then appointed Paul Stalcup, Randy Barnard, Marvin Miller, and Velma

2009-10 Balance Sheet for years ending 12/31/09 and 12/31/10

	2009 Dollars	2010 Dollars
Assets		
Net Utility Plant	21,649,633	26,238,394
Other Property & Investments	3,313,683	3,302,970
Current Assets/Deferred Charges	2,144,974	2,062,827
Total Assets	27,108,290	31,604,191
Liabilities		
Total Current & Accrued Liabilities/Deferred Credits	1,397,277	4,014,775
Total Long Term Debt	16,320,808	17,682,702
Total Margins & Equities	9,390,205	9,906,714
Total Liabilities & Equities	27,108,290	31,604,191
Revenue		
Oper. Revenue & Patronage Capital	11,120,556	11,089,786
Expenses		
Power Costs	6,167,115	6,078,188
Operations & Maintenance	1,446,626	1,685,696
Consumer Accounts & Service	512,874	453,022
Administrative & General	924,126	826,665
Depreciation	1,382,548	915,963
Misc. Expenses & Other Deductions	11,180	11,384
Interest on Long Term Debt	704,065	676,486
Total Expenses	11,148,534	10,647,404
Operation Margins	(27,978)	442,382
Non-Operating Margins & Capital Credits	507,763	252,791
Total Margins	479,785	695,173

Shephard as Inspectors of Election. The ballots were delivered to the Inspectors for counting.

The Annual Reports of President Frank Riley and Treasurer Kyle Kelso were waived as their reports were included with the Annual Meeting Notice. The Chairman then introduced James White, 2010 Youth Tour winner, who presented a report on the NRECA Youth Tour to Washington, D.C. The Annual Report of the General Manager was then presented by General Manager Bill Freeman and ordered to be filed in the records of the Cooperative. 37-30-01-00

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 3: Tom Carson, DISTRICT 5: Marilyn Marsh, DISTRICT 7: Frank Riley. 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.

The "Girlfriends" presented a musical entertainment program for members and guests. Attendance prizes were awarded by lot. There being no further business to come before the meeting, upon motion duly made, seconded, and unanimously carried, the meeting adjourned.

Clarke Electric marks 71 years of serving our members in 2011. Bringing electricity to the farm was one of the best things that happened in rural communities in 1939. With electricity, technology came to remote areas. Today, all homes have electricity, with energy efficient appliances, heating and cooling systems, home entertainment systems, and other technology that allow people to communicate instantly with others near and far. Many changes have taken place since the cooperative was incorporated in 1939; however, some things continue to be just as important. Your cooperative is committed to bring you the best service possible. The board of directors, management team, and employees strive daily to keep this value at the top of their priority list, and we continue to bring more technology into the utility industry to improve our service to our members.

S **tate-of-the-Art Technology:** Your Cooperative is now in the second of a four-phase process to implement new technology to improve your service and reliability. A Department of Energy grant brings meter upgrades as well as installation of new communications systems and automated switches. Last month communication shelters were placed in substations. Our meter technician will soon be installing new automated meters at each home to allow much faster communication between the cooperative and the meter, replacing the current delay of 24 hours. The benefit to you as a member is that the Cooperative will be able to provide more information to you when you have questions or concerns about your usage or electric quality issues. This system will also allow the Cooperative to make sure that all services have been energized after an outage, reducing outage time and costs.

E **thical Business Practices:** Your Cooperative continues to ensure that members have a safe and dependable electricity source. Your board of directors and employees worked hard to provide information to you about regulations that could impact the future supply and cost of electricity. Representative Abdul-Samad visited Clarke Electric Cooperative's Board of Directors in March to learn more about energy issues facing rural Iowans. Even though he is an urban legislator, he is dedicated to serving all of Iowa. *Our Energy Our Future* has been a nationwide campaign to keep members informed and to let their voices be heard. Nationally, cooperatives across America continue to visit with their local legislators to inform them that the policies they are putting in place can and will impact their members. The *Clean Air Act*, renewable energy, safety, and *Iowa's Energy Independence Plan* are just a few issues that we continue to work on.

R **eliable Electric Service:** The Cooperative is in the final year of the FEMA ice storm rebuilding process. In December 2007, we sustained \$12.3 million dollars worth of damage from an ice storm that began on December 10, knocking out power to most of our entire system. Some members remained in the dark for nearly eight days. The ice storm devastation allowed us to leverage State and Federal dollars to rebuild aging infrastructure at a reduced cost. We expect to wrap up the FEMA work as we head into the third quarter of 2011 and hope to begin receiving the FEMA reimbursement payments by the end of 2011. We have also continued the aggressive right-of-way clearing we began when I came to the cooperative in 2005. We have cleared and treated approximately half of the system and will continue this process through the entire system with the help of contractors. Removing trees and brush from, in, and around the power line reduces line loss, outages, and overtime work for your linemen. Maintaining the system versus repairing the system translates into dollars well spent.

V **alue-Added Products and Services:** Your Cooperative always strives to bring value-added, energy-efficient products and services to its members, and this year is no exception. We found a product, the new GE Hybrid electric water heater, that we felt would benefit our members. This advanced heat-pump-technology water heater was designed with maximum energy efficiency in mind and qualifies for a federal tax credit and a CEC rebate. Clarke Electric was honored with an Energy Efficiency Award from CIPCO, our power supplier, for adopting new energy-efficiency initiatives in 2010. Our marketing division received an award for the top Geo Comfort dealer in a four-state territory. We will continue to look for good value for our members.

I **nnovation:** Ten years ago, CEC joined Touchstone Energy®—a national alliance of local, member-owned utilities committed to providing superior service at

Clarke Electric Cooperative Mission Statement

To professionally serve our members' changing needs, enhancing quality of life through leadership in community development and providing service excellence for our members' energy requirements.

affordable rates to all customers, large and small. More than 680 cooperatives in 46 states deliver energy and energy solutions to over 17 million customers every day. As a Touchstone Energy cooperative, we are dedicated to serving all of our members with integrity, accountability, innovation, and commitment to community.

C **ommitment To Community:** This is one of the cooperative principles, and we take it very seriously. We are a local business, run by local people, and staffed by local employees. We feel that the youth in our communities are the future of our cooperative and our country. For this reason, the Cooperative has participated annually by giving a high school junior the opportunity to visit Washington, D.C., with other students from across the country. In another community-youth-support effort, Clarke Electric was instrumental in the formation of an exceptional youth group a few years ago. Now known as SHINE, 8th through 12th grade students from Corydon and Seymour schools learn and practice philanthropic skills such as giving time, talent, or money to others in an effort to make their communities a better place to live. Clarke Electric made a five-year pledge to match dollars SHINE raises to help get the group established. 09-30-10-00

E **conomic Development:** This year a new business decided to make Osceola its new home. Valley of the Moon Commercial Poults, Inc. (VOMP), is building the world's largest turkey hatchery on property formerly owned by Clarke Electric Cooperative. Valley of the Moon chose Osceola because Iowa is where the food supply is and because VOMP president David Kenyon, also a rodeo cowboy, is fond of southern Iowa and the hospitality he has been shown here over the years. Mostly, however, I would suggest it was due to the hard work of many. Iowa Area Development Group (IADG) and Mike Meissen's persistence helped. Clarke Electric Cooperative had land available and was able to offer VOMP a credit option for energy use as they meet certain milestones. In addition, Clarke County Development Corporation is providing incentives for locating in Clarke County and for creating jobs. Valley of the Moon will also receive a tax abatement from Clarke County over 5 years and will receive state tax credits for the over \$17M project. The new state-of-the-art facility will be 87,000 square feet in size with the capacity to process 50 million eggs annually. There will be up to 50 hatchery employees when fully operational. Additionally, they will need 8-12 drivers for their fleet of trucks which will either bring eggs in or take poults to commercial growers. VOMP will also be looking for farmers to contract additional laying and growing farms. The economic impact to all of Iowa is tremendous. The Cooperative has been instrumental in sponsoring four USDA Rural Economic Development Loan and Grant programs promoting economic development. Once the loans are paid back to Clarke Electric, we are then able to award revolving loan funds to assist with other local economic and community development projects.

Clarke Electric Cooperative has been a part of this community for 71 years, and we look forward to continuing our honest and loyal service to you for many years to come.

Electric Heating Rate Increases in Fall 2011

This fall, CEC members who use our heat rate program will see a change in the price per kilowatt hour. Those who use electricity as a primary heating source and have an electric water heater may qualify for this reduced rate. During this year's heating season (October 1, 2011 to May 31, 2012), the price to participants in this program will increase by 1.0 cent per kilowatt hour.

DISTRICT 2

Nancy Denton



- Seeking a seat in **District 2**
- Nancy and her husband Dale live in Jones Township of Union County
- They have three sons David, Matt, and Eric, daughter-in-law Crystal, and one grandson Aiden
- Works for Hy-Vee in Creston as the Manager of the Floral Department
- Member of St. Edwards Catholic Church in Afton
- Volunteers at the East Union High School keeping baseball statistics and helping at track meets
- Enjoys crafts, reading, camping with friends, and spending time with family

Randy Gaumer



- Seeking re-election in **District 2**
- Randy and wife Jeanne live in Doyle Township of Clarke County
- They have two children and three grandchildren
- Retired from Natural Gas Pipeline Co. of America and Air Force Reserves
- Associate Degrees in Instrumentation Technology and Accounting
- Completed 120 classroom hours of director training, obtaining Credentialed Cooperative Director and Board Leadership certificates
- Interested in energy conservation and alternative energy sources
- Elder and Trustee at the Murray Church of Christ
- Enjoys construction, carpentry, lawn work, and visiting family

DISTRICT 9

Larry Jackson



- Seeking re-election in **District 9**
- Larry and wife Jean farm in Warren Township of Wayne County
- They have three children and four grandchildren
- Owns and operates a local service station in Clio
- Farms and operates a cow/calf operation
- Earned Credentialed Cooperative Director certificate in 2010
- Volunteers annually in the Clio Festival
- Member of the New Salem Baptist Church, Decatur
- Enjoys hunting and restoring old vehicles

Joe Soukup



- Seeking election in **District 9**
- Joe, his wife Leslie, and their three daughters Alex, Elie Joe, and Jolié live in Warren Township of Wayne County
- Farms; owns and operates a trucking business, a convenience store in Allerton, and two food stands at the Iowa State Fair
- Masters Degree in Business
- Member of the Allerton Methodist Church
- Member of the Iowa Rodeo Cowboy's Association (IRCA) and Professional Rodeo Cowboys Association (PRCA)
- Hobbies include calf roping, steer wrestling, going to family rodeos with his wife and children
- Looks forward to representing the people in his area

DISTRICT 6

Jay Argetsinger



- Seeking a seat in **District 6**
- Jay and wife Shirley live in Squaw Township of Warren County
- They have two children and four grandchildren
- After 30 years of service, Jay retired from John Deere in 2002
- Drives a school bus for special-needs children in the Indianola School District
- Associates Degree in Electronics from the National Education Center
- Member of the Indianola Regular Baptist Church and a Board Member of Victory Christian Academy
- Enjoys watching Nascar racing

Bill Willis



- Seeking re-election in **District 6**
- Bill and wife Mary Ann live in Squaw Township of Warren County
- They have three children and nine grandchildren
- Self-employed dirt contractor in New Virginia; 27-year retiree from the USDA Soil Conservation Services as a district conservationist serving in Charleston (Missouri) and Decorah and Atlantic (Iowa)
- Received a BS in Ag Economics from the University of Missouri
- Past president of the Atlantic Lions Club, past Mayor of Wiota, past Squaw Township Trustee, and former deacon and elder of the Presbyterian Church
- Enjoys working and volunteering in his community

Reading Pays!

Look for your hidden account number in this issue and call during August to have \$10 deducted from your monthly energy account.



Clarke Electric Cooperative, Inc.

Clarke Electric Cooperative, Inc., exists to professionally serve our members' changing needs, enhancing quality of life through leadership in community development and providing service excellence for our members' energy requirements.

P.O. Box 161, Osceola IA 50213 • 641-342-2173 • 1-800-362-2154

Our Web site: www.cecnet.net

Board of Directors: Tom Carson, Osceola; Ralph Evans, Decatur; Randy Gaumer, Murray; Larry Jackson, Clio; Paul Keller, New Virginia; Kyle Kelso, Weldon; Marilyn Marsh, Lucas; Frank Riley, Osceola; Bill Willis, New Virginia.

Bill Freeman, Manager

Don Lange, Manager of Operations and Engineering

Dave Opie, Manager of Finance

Jodee Eckels, Editor

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