



CLARKE REC Headlines

The official publication of Clarke Electric Cooperative



SAFETY DRIVEN | ENERGY SMART | COMMUNITY INVESTED **Volume No. 80 No. 8 | August 2020**



Closed for Labor Day

The Clarke Electric office will be closed Monday, Sept. 7 for Labor Day. We wish all our members a safe and healthy holiday weekend!

Emil Segebart

CEC would like to take a moment to recognize CEC member-consumer Emil Segebart. Emil passed away Saturday, July 11, 2020. Emil volunteered his time as Chairman of the Operation Round-Up Board since its inception. He helped establish the program's by-laws, grant guidelines, and grant application forms. Officially launched in 2018, our Operation Round-Up program has awarded \$18,000 in grants to non-profits and member-consumers who have been affected by an unplanned emergency.



His commitment to serving CEC and its member-consumers was very much appreciated and he will be greatly missed.

Official Notice of Annual Meeting of the Members

*****NOTE: Due to COVID-19 restrictions, and in an effort to protect the health and safety of the members and employees, the Board has decided not to hold an in-person meeting. The mailed-in ballots will count toward the quorum requirements to complete the director election and the proposed amendment to the Articles of Incorporation.**

THE ANNUAL MEETING OF THE Members of Clarke Electric Cooperative, Inc. will be held **virtually at 1 p.m. on September 14, 2020** to take action upon the following matters:

1. The reports of officers, directors, and committees;
 2. The election of three (3) directors of the Cooperative for a term of three years each;
 3. Consider and vote on a proposed amendment to the Articles of Incorporation modifying voting procedures to allow voting by electronic means, in addition to the in-person and vote by mail methods. See the complete copy on pg. 5.
 4. All other business which may legally come before the meeting or any adjournment or adjournments thereof.
- Members will participate in the election by mail-in ballot. The mail ballots will count toward the quorum requirement to complete the director election and the proposed amendment(s) to the Articles of Incorporation.

THREE YEAR TERM (Three to be Elected)

District 1 (vote for one)

**Bill Willis
Andrew Wood**

District 3 (vote for one)

**Dan Christensen
Cody Miller
Ed Moffitt**

District 7 (vote for one)

**Larry Jackson
Chris Roberts**

We encourage you to contact the Cooperative if you have any questions. The results of the election and amendments will be posted on the Cooperative's website following the meeting.

Dated this 25th day of August 2020.

Larry Keller
Board Secretary

WATCH YOUR MAILBOX IN AUGUST FOR THE ANNUAL MEETING election ballot and to vote on the proposed amendment to Clarke's Articles of Incorporation.

Returned ballots will be entered into the drawing for cash prizes. Winners will be notified Sept. 15.

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.

Safety Driven • Energy Smart • Community Invested

Your Touchstone Energy Cooperative

P.O. Box 161 1103 N. Main
Osceola, IA 50213-0161
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Taking Care of Business

WHEN REFLECTING ON THE PAST year, 2019 seems like a lifetime ago, with all that has taken place in 2020. For Clarke Electric Cooperative, 2019 was a year of methodical progress and preparation for the future.

We continued to pay down debt, monitored financial trends and performance. The weather was extreme enough in 2019 to generate better than budgeted revenues and bottom-line margins. Our employees worked hard to keep controllable expenses under budget. We followed our fleet management plan to cycle out old and obsolete vehicles and equipment, replacing them with more efficient models.

Safety Driven

One of our goals for 2019 was to focus on the reduction of outages and the duration of the outage. We placed animal guards on utility poles and inside substations, which helped reduce the number of outages caused by animals. We focused on replacing failing underground lines to overhead. These changes will go a long way toward improving our service reliability.

We worked on the facility remodel plans that started this year. This renovation will keep our grounds and buildings secure, make the workplace more environmentally safe and efficient.

We welcomed two new employees after one of our loyal employees retired from his position and another employee took a position at his hometown cooperative.

Energy Smart

Long-term plans had the cooperative working to improve our 11 substations. Two substations, I-35 and Lacona, underwent improvements to increase system reliability. We placed line protection cover up equipment in the Lacona substation to reduce the number of outages in that area.

The plan to advance technology in the office and in the field continued. All linemen have been equipped with iPads so they could receive real-time information. They can send and receive electronic

staging sheets, service orders and Outage Management System (OMS) data. This improvement reduced the number of trips to and from the office and the amount of paperwork transferred. The OMS allows linemen to access outage notifications, predicted devices and caller comments in order to quickly respond to outages while they are in the field. The cooperative expanded our SCADA system, which allows remote monitoring and control of substations and distribution switches. The technology implementation process paid off big in 2020. Little did we know the pandemic was just around the corner, and how it would impact the working environment. We can proudly say that because of our technology efforts, we were able to conduct business without sacrificing our member's reliability. 33-10-01-02

Reliability begins with right of way clearance and maintenance. Our contractor worked in the Medora and White Oak substations areas to clear trees, brush and overgrowth to prevent unwanted growth into the power lines. Our ROW program calls for maintenance of our 11 substations on a rotating schedule.

CIPCO, our power provider, worked on the largest solar project in Iowa and one of the largest in the Midwest. This increased the renewable energy portfolio for CIPCO and its member systems assisting our cooperative in achieving more environmentally friendly power sources.

Community Invested

We continued to support our communities, by volunteering, making donations, serving on boards, promoting economic development and buying local. We are committed to our small communities. In 2019, we were able to utilize our Operations Round-Up program implemented in 2018. The program made its first round of donations to a number of recipients.

We continued to be involved in economic development activities and utilized the REDL&G program to make loans available

to organizations and projects such as the Lucas County Health Center and Wayne County Housing Development projects. To date, Clarke Electric has loaned more than \$1.2 million to support local businesses and development in southern Iowa.

We were able to provide mutual aid assistance to Freeborn Mower Electric Cooperative in Minnesota when the cooperative was hard hit by a winter storm in April 2019. We believe in helping other RECs when the call for help comes through. Clarke Electric placed its own call for help in 2007's storm and was able to get our members power back on much sooner than would have been possible if we had not received the mutual aid benefit from other cooperatives.

We promoted grassroots efforts by representing all the nation's cooperatives and being engaged with local lawmakers to communicate how laws might affect the members of rural electric cooperatives. In 2019, Manager Dave Opie went to Washington, D.C., to continue to form relationships with legislators.

2019 was a successful year for your cooperative. We will continue to follow our work plans to complete the facility remodel, upgrade aging infrastructure, improve safety and reliability and serving our membership with great customer service. We don't know what the remainder of 2020 has in store for us, but rest assured, we are prepared to continue providing our members with a safe and reliable service. We work for you. 56-02-03-03



DAVE OPIE
General Manager



KYLE KELSO
Board President

2020 Board Candidates (names listed alphabetically by district)

District 3 Candidates

CODY MILLER, INCUMBENT



- Cody and his wife, Lacey, have one son, Teddy and live in Jones Township of Union County
- Currently farms while attending college

- 13-year US Army Veteran Intelligence Officer
- Earned the Cooperative Credential Director, Board Leadership and Director Gold Certificates and enjoys serving on the CEC board finding purpose in serving its members
- Legion Commander, Fred N. Davis American Legion Post 96, Lorimor
- He enjoys spending time with his wife Lacey and son Teddy, working with horses, hunting and fishing
- CEC member for six years

ED MOFFITT



- Ed and his wife, Norma have three children: Lindsay, Levi and Sabrina
- Lives in Jones Township of Union County
- Graduated from

- East Union High School
- Employed at Osceola Farm & Home – parts counter
- Farms and raises a cow/calf herd
- Enjoys fishing and hunting with friends and family
- CEC member for 33 years

District 7 Candidates

LARRY JACKSON, INCUMBENT



- Lives in Warren Township of Wayne County
- Larry and his wife, Jean, have three children, five grandchildren and five great

grandchildren

- Past business owner of Jackson Mobile for 46 years
- Farms and has a cow/calf operation
- Earned the Cooperative Credential Director, Board Leadership and Director Gold Certificates
- Volunteers in the Clio Festival and the Prairie Trails Museum
- Member of the New Salem Baptist Church, Decatur
- Enjoys hunting and restoring old vehicles and helps restore local pioneer cemeteries
- CEC member for 42 years

CHRIS ROBERTS



- Lives in Warren Township of Wayne County
- Chris and his wife, Rebecca, have two children: Joella and Hudson

- Graduated from Seymour High School
- Owns and operates Double R Auto, is a row crop farmer and truck driver
- International Center for Rural Culture and Art board member
- Enjoys spending time with his family and traveling
- CEC member for seven years

Proposed Amendments to the Articles of Incorporation of Clarke Electric Cooperative, Inc.

(New language double underlined and language to be deleted strike-out format)

1. Amend various provisions of Article IX to clarify voting procedures and allow for voting by electronic means if approved by the Board of Directors as follows:

- Amend Section 3 of Article IX as follows:

The by-laws may provide for a procedure for nominations. In that case a ballot marked "Ballot for Directors" containing the names of all the nominees for the Board of Directors, alphabetically arranged and stating the residence of each, shall be mailed with the notice of the meeting. The secretary shall also mail with the notice of the meeting a statement of the number of directors to be elected. Such statement of the secretary shall also inform the members of the manner in which they may vote by mail or other electronic means, if approved by the Board of Directors, for directors as provided in this section. Any member ~~who is absent from any such meeting~~ may vote by mail or other electronic means, if electronic voting is approved, for directors by marking on the ballot an "X" opposite the names of the number of candidates equal to the number of directors to be elected and enclosing the ballot in a sealed envelope bearing [the member's name] and addressed to the secretary, or if electronically transmitted, as instructed. If approved by the directors in advance of the meeting for the election of directors, voting of the directors may be done by electronic ballot received from the member by the Secretary or its representative at the Cooperative before 4:30 p.m. local time, on the last business day before the meeting for the election of directors, in accordance with such policies and procedures as may be adopted from time-to-time by the directors to promote the orderly, secure, and accurate voting and tabulation of ballots sent and received by electronic transmission. Any electronic ballots received after the above-stated deadline for any reason, including technical difficulties, will not be considered valid ballots. When such ballot so enclosed is received by mail or by electronic ballot as provided in this section from any ~~absent~~ member, it shall be accepted and counted as a vote for directors by ballot of such ~~absent~~ member at such meeting. If a husband and wife hold a joint membership ~~and are absent from any such meeting~~, they may vote by mail or by electronic ballot as provided in this section for directors by jointly marking and enclosing the ballot hereinabove provided for. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

2019 Treasurer's Report

by Lydda Youmans & Sam Walkup

CLARKE ELECTRIC COOPERATIVE'S financial records for 2019 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, 2019, and the results of its operations and its cash flows for the year then ended are in accordance with accounting principles generally accepted

in the United States of America." During the April Board meeting BKD CPAs & Advisors, LLP presented the audited financials to the Clarke Electric Cooperative board, in a written and oral presentation.

As you can see from the statement of operations below, the year-end margin for 2019 was **\$1,037,007**. Both revenues and expenses were higher than budgeted. Capital Credits and patronage dividends were higher than budgeted at **\$578,550** which made a significant impact on the total margin. We receive credits/dividends from organizations we do business with, which includes our power supplier, Central

Iowa Power Cooperative (CIPCO).

From the graphs below you will see the operating revenue for Fiscal Year 2019, "where the money comes from" and the total cost of electric service and operating margin, "where

the money goes" for Fiscal Year 2019. Residential sales continue to be our largest revenue source at 68% of total revenue. Residential sales averaged **5,087** residential consumers during 2019. Cost of purchased power far exceeds all other expenses at 52% with the next leading expense of operations and maintenance coming in at 19% of total expenses.

As directed by the board of directors **\$287,120.93** in patronage capital was paid back to the member consumers in 2019 for the remainder of 2001 and a portion of 2002. This includes current and past members.

Clarke Electric ended 2019 with **5,839** services in place. We connected **80** new services and retired **38** services in 2019. There are **1,759** miles of overhead distribution line and **127** miles of underground distribution service for a total of **1,886** miles of distribution line in our territory serving portions of eight counties.

2018-2018 Financial Stats

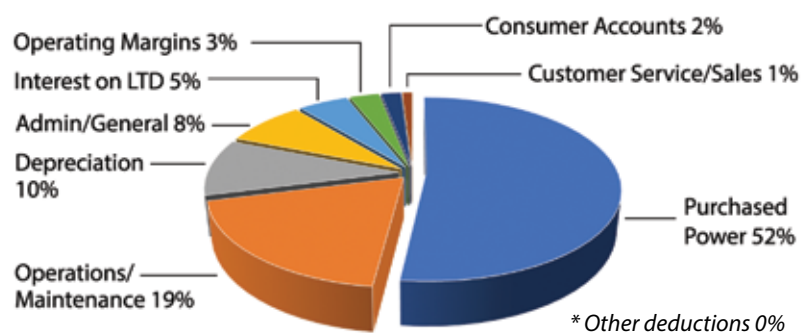
Assets	2019	2018
Total Utility Plant	\$44,667,294	\$43,658,683
Less Depreciation	(14,397,353)	(13,725,448)
Net Utility Plant	30,269,941	29,933,235
Patronage Capital	3,154,394	3,033,075
Investments	1,776,073	1,880,049
Cash/Temp. Investments	890,944	1,109,557
Accounts Receivable	1,155,419	1,236,230
Other	351,355	413,681
Total	\$37,598,126	\$37,605,827

Liabilities	2019	2018
Memberships	\$22,625	\$22,450
Member Patronage	4,609,626	3,995,755
Other Margins/Equity	12,229,401	12,104,319
Long Term Debt	18,241,870	19,148,374
Notes/Accounts Payable	896,150	755,939
Consumer Deposits	90,008	91,386
Other Liabilities	1,508,446	1,487,604
Total	\$37,598,126	\$37,605,827

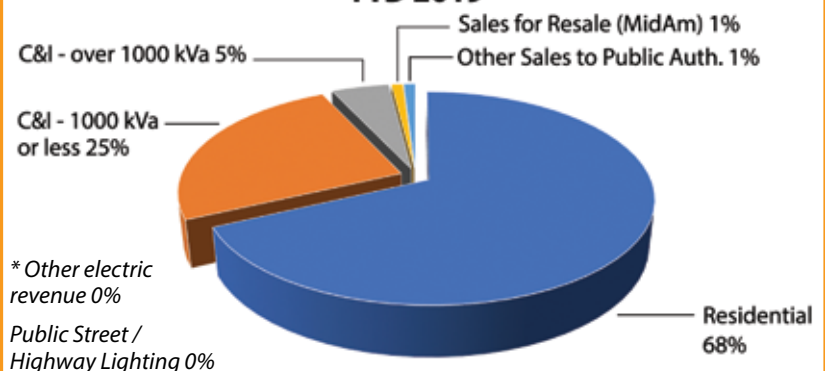
Revenue & Expenses	2019	2018
Total Revenue	\$13,243,284	\$13,364,906
Power Cost	6,842,646	6,976,060
Operations/Maintenance	2,471,409	2,205,622
Consumer Accounts	315,203	317,970
Customer Service/Sales	146,122	152,002
Administration/General	1,044,769	998,908
Depreciation	1,284,498	1,245,083
Interest on Long Term Debt	722,635	723,589
Other Expenses	15,005	11,190
Total Expenses	\$12,842,287	\$12,630,424

Margins	2019	2018
Operating Margins	\$400,997	\$734,482
Non-Operating Margins	57,460	62,807
G & T Co-op Capital Credits	496,597	418,153
Other Org. Capital Credits	81,953	84,041
Net Margins	\$1,037,007	\$1,299,483

Income Statement: Where the Dollars Go YTD 2019



Income Statement: Where the Dollars Come From YTD 2019



2020 Board Candidates (names listed alphabetically by district)

District 1 Candidates

BILL WILLIS, INCUMBENT



- Bill and his wife, Mary Ann, have three children and nine grandchildren
- Lives in Squaw Township of Warren County
- Self-employed dirt contractor in New Virginia.

- Retired from the USDA Soil Conservation Services as a district conservationist for 27 years, serving in Charleston, Mo., Decorah and Atlantic.
- Received his BS in Ag Economics from the University of Missouri, Columbia
- Earned the Credentialed Cooperative Director, Board Leadership and Director Gold Certificates
- Past president of the Lions Club in Atlantic, past Mayor of Wiota, former deacon and elder of the Presbyterian Church
- Past Squaw Township Trustee
- Hobbies include working and volunteering in his community
- Clarke Electric member for 21 years

ANDREW WOOD



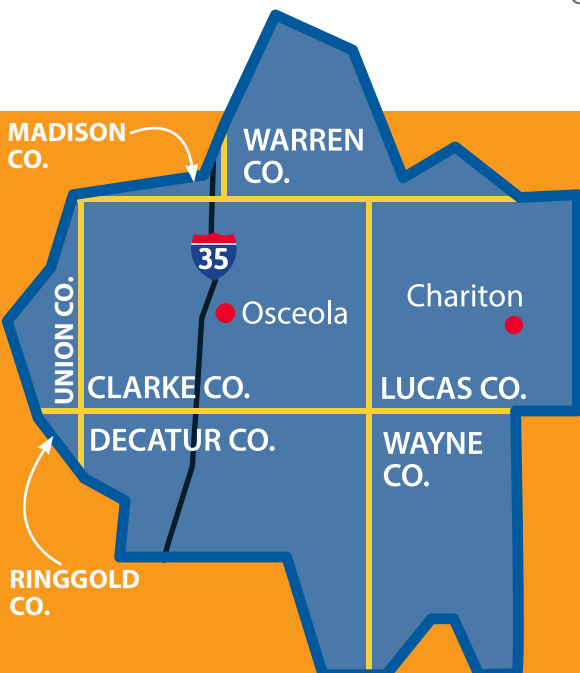
- Andrew and his wife, Rusti, have six children and one due in August
- Lives in Squaw Township of Warren County
- USN Active Duty-retired 25 years, 4 combat tours in Iraq and Afghanistan
- Received education from University of Maryland; City Colleges of Chicago; Ashford University; Simpson College
- Cub Master, Irving Pack 126; St. Thomas Aquinas Safety Committee, chair; former FEMA Incident Commander, Disaster Recovery Officer; former NAS Key West and City of Key West; First Class petty Officer, VP & President; Chief Petty Officer Mess VP, Treasurer and President; Commanding Officers Disciplinary Review Board, Vice Chair; Fathers in the Field Guam Chapter; Conservation Officer Guam Military Licensing Board, Chair
- Enjoys hunting, fishing, camping and gardening
- CEC member for eight years

District 3 Candidates

DAN CHRISTENSEN



- Dan and his wife, Lori, have three sons and six grandchildren
- Lives in Decatur Township of Decatur County
- Received Bachelor of Art Degree from Drake University
- Retired teacher, after teaching American History, World History and PE for five years at Maquoketa Valley and 28 years at Central Decatur
- Assistant wrestling coach, former football and strength and conditioning coach for Central Decatur
- Serves as a Decatur County Board of Supervisor, Chairperson for Southern Iowa Council of Government, member of Southern Iowa Development and Conservation, Chairman for Southern Iowa Trolley, member of Chariton Valley Planning & Transportation
- Members of Loving Chapel Methodist Church, Leon
- Enjoys attending sporting events and pheasant hunting
- CEC member for nine years



Our service territory covers approximately 1,800 square miles across south central 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 16, 2019

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 16th day of September, 2019.

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 General Manager David Opie.

Attorney Puckett reported that the members present had been checked and that a quorum was present for the transaction of business. He then noted that the Notice of the Annual Meeting of Members was mailed to all members of the Cooperative. A motion was made, seconded and carried to waive the reading of the Notice.

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 by-laws, the Board of Directors had appointed from the members of the Cooperative a Nominating

Committee consisting of District 2: Tom Carson, LeAnn McFarland; District 4: Marshall Hildreth, Marianne Lester; District 5: Joe Miller, Frank Riley. Frank Riley was elected Chairman. The Chairman of the Committee, Frank Riley, then presented the Report of the Nominating Committee, nominating the following members for directors:

Three-Year Term (three to be elected)

District No. 2: Randy Barnard
Brad Howe

District No. 4: Jan Dittmer
Lydda Youmans

District No. 5: John Carson
Ed White

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

The Chairman appointed Tom Carson, LeAnn McFarland, Marshall Hildreth, and Marianne Lester as Inspectors of Election.

Attorney Puckett 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.

Copies of the minutes of the Annual Meeting of the Members of September 10, 2018 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 Chairman then introduced Jamie Smith, 2019 Clarke Electric Cooperative Youth Tour winner, who presented a report on the Youth Tour to Washington, D.C. and thanked the Cooperative for sending her.

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.

General Manager Opie introduced and recognized all of the employees.

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. 2: Randy Barnard

District No. 4: Lydda Youmans

District No. 5: Ed White

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.

Prizes were awarded by lot and each member received an attendance gift. A meal was served prior to the meeting by the Madison County Pork Producers.

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



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Your Touchstone Energy® Cooperative 

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This institution is an equal opportunity provider and employer.
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