

living with energy

IN IOWA



Chariton Valley
Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative



JULY 2017

Save the Date! ▶ Aug. 7, 2017: Annual Meeting of Chariton Valley Electric Cooperative, Inc.

2017 Youth Tour to Washington, D.C.



Visit our website at www.cvrec.com

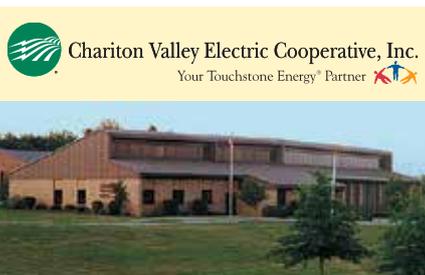
It was the **trip of a lifetime** – and for some students, maybe the start of a **career in public service or politics**



Chariton Valley Electric Cooperative, Inc.
2017 Annual Meeting



Monday, Aug. 7, 2017
Honey Creek Resort
Moravia, Iowa



Office
 2090 Highway 5 South
 P.O. Box 486
 Albia, IA 52531-0486

Office Hours
 Monday through Friday, 8 a.m.-4:30 p.m.
 Closed Saturdays, Sundays and holidays

Telephone Numbers
 Days, nights or holidays:
 641-932-7126 (local)
 or 800-475-1702

Website
www.cvrec.com

We accept



This institution is an equal opportunity provider.

Agenda

4-6:30 p.m. (Mercy/Winslow Room, plus WESCO Outdoor Tent)

Beef Brisket Supper served to members' families and guests

Children's Activities

Tom the Terrific Balloon Man

Honey Creek Naturalist – make and take craft

6:30 p.m. (Grand Ballroom)

Business Meeting

Kids' Grand Prize Drawing for an Apple iPad

Pledge of Allegiance All

National Anthem

Invocation Fr. Mike Volkmer –
 St. Mary's Catholic Church, Albia

Address of Welcome and Call to Order Mike Miller, President

Declaration of Quorum Kenny Vandenberg, Secretary

Reading of Previous Meeting Minutes Kenny Vandenberg, Secretary

Nominating Committee Report Richard Coltrain, Chairman

Final Call for Ballots Dennis Puckett,
 Attorney, Sullivan & Ward P.C.

Financial Report Rebecca DeTar, Treasurer

President's Report Mike Miller, President

Manager's Report Bryon Stilley, CEO/General Manager

Guest Speaker Joe Wilkinson,
 Vice President of Member Services
 and Corporate Communications, AECl

Youth Tour Winners Ben Mason and Cayleigh Whitlow

Election Results Dennis Puckett, Attorney

Old and New Business Mike Miller, President

Adjournment of Meeting

Grand Prize Drawing



1st **42" XL Zero Turn Gravelly Mower**
 Cosponsored with Tom's
 Outdoor Equipment, Albia

2nd **50" LED Smart TV**

3rd **\$200 Energy Credit**

4th **\$100 Energy Credit**

20 additional energy
 credits will be given away!

You could win a \$500 "Luck of the Draw" Scholarship – but only if you attend the Annual Meeting!

New this year: CVEC will be holding a drawing for a \$500 scholarship for a recent 2017 high school graduate at the Annual Meeting. There are only four requirements:

- Parent/legal guardian must be a member of CVEC.
- Parent/legal guardian *and* student must attend the Annual Meeting and be present during the drawing.
- Student must have graduated from a high school or an accredited home school program in 2017.
- Student must attend a technical/vocational/junior college or university. Students will be able to sign up at the registration table at the Annual Meeting for their chance to win \$500! The lucky student whose name is drawn will receive the \$500 scholarship upon enrollment in the second semester. The scholarship will be sent directly to the school of the student's choice.

That's it – no essay to write, no transcripts to provide, no worrying about grammar or punctuation. Simply sign up – and, of course, have a little bit of luck! 🍀

President and General Manager Report to the Members

Providing safe, reliable, affordable and environmentally friendly electricity is just the beginning of what Chariton Valley Electric Cooperative, Inc., is all about. As a member-owned cooperative, our team strives to serve our communities through leadership, integrity, accountability, innovation and community involvement. We partner with local businesses and organizations to support regional economic development throughout our service territory.

We also actively encourage our team members to work in the community by volunteering at local community events, coaching little league, churches and civic organizations such as Rotary, Lions and town chambers. We're more than "just the electric company." We're your neighbors and friends; we work hard because it's our community too. We want to see our area flourish and be successful for all member-owners to enjoy what each community has to offer.

CVEC has consistently invested in upgrading our infrastructure and training to make sure that you, our member-owners, receive service that goes above and beyond your expectations. During the past 9 years, we've strived to accomplish this by replacing our aging infrastructure, as well as putting together a schedule for pole testing, overhead and underground maintenance, and our vegetation management program.

The goal of CVEC's board and team is to provide our member-owners with nothing but the most reliable power. We're happy to report

we have reached that goal with a reliability rating of 99.98 percent.

No matter what side of the



Mike Miller
President

2016 presidential campaign you supported, one message came through loud and clear: Many people don't believe their concerns are being heard. As your cooperative, listening to people is at the

heart of our business model. We carry our members' concerns to our public officials, and we build on the strengths of the Co-ops Vote program and the grassroots initiatives to reverse declining voter turnout in rural areas.

Co-ops Vote did more than register voters. This initiative sent a strong message to the country's elected officials that rural electric consumers matter. We'll continue to reinforce this message with a request that policy makers keep the needs of our member-owners front and center. These needs, such as an energy future that serves rural consumers and protects access to safe, reliable, affordable and environmentally responsible electric power, should be a bipartisan effort. Electric co-ops are optimistic. As we work with our elected leaders, we hope to renew a spirit of cooperation in the nation's capital and in the statehouses across the country.

With ever-changing technology and energy alternatives (e.g., wind and solar) becoming more readily available to homeowners, CVEC is prepared and welcomes members' questions and inquires on these



Bryon Stille
General Manager

energy-saving resources. Many alternative energy companies are promising tremendous savings without providing all the important details that members will be responsible for – costing you much more than expected. If you and your family are considering alternative energy sources, let Chariton Valley Electric Cooperative be your trusted source and partner in helping you determine what source would best suit

your family's needs. We have many resources available for information, including the Iowa Energy Center's *Solar PV Energy Guide* for quick reference located on our website (www.cvrec.com) under the "Renewables" tab.

Our member-owners should know CVEC is, and always will be, your trusted resource for any issues or concerns that you may have – no matter what they are. We're here to serve our membership to the best of our abilities by providing our members with the dedicated and reliable service they've come to rely on and expect from their electric cooperative during the past 70 years.

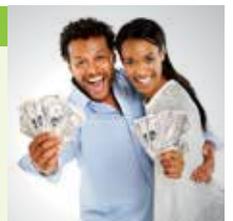
Your cooperative will continue to do what's in the best interest of our member-owners, keeping in mind our core mission:

"The goal of Chariton Valley Electric Cooperative is to improve our members' standard of living by providing safe, reliable, high quality and affordable electric energy and innovative solutions through our highly trained staff at the lowest cost consistent with sound business practices." ⚡

EDITOR'S CHOICE CONTEST

If you win our contest, we might pay your power bill next month!

For rules and to enter this special contest, go to www.livingwithenergyiowa.com by July 31, 2017. ⚡



The co-op continues to be on firm financial ground

The Board of Directors of Chariton Valley Electric Cooperative, Inc., is elected by you, the membership, to make sure the cooperative remains financially stable. Every month the Board of Directors reviews the current financial statement and compares them with the annual business plan and financial position of the previous year. The directors and staff work diligently to ensure all auditing standards are followed and all requirements are met.

Our annual Independent Financial Audit, performed by BKD CPAs and Advisors of Des Moines, was completed in February 2016 and presented to the Board of Directors on April 27, 2016. The reports 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 2016 books.

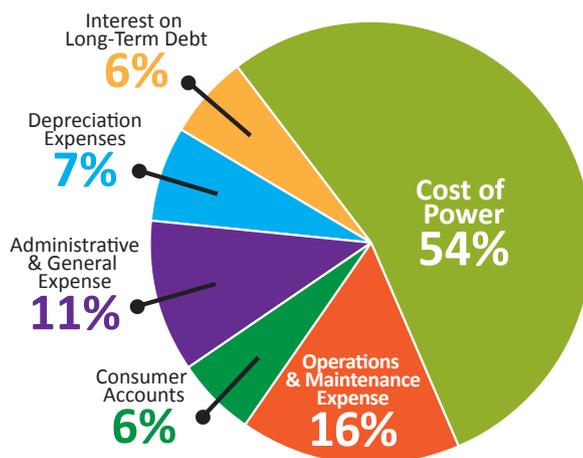
For 2016, total equity rose to a strong 40.39 percent and overall audited net margins total \$737,335. Any earnings left after all expenses and/or reserves are paid are allocated to members as patronage dividends. CVEC is pleased to report that your cooperative is refunding for the 34th year in a row; patronage dividends this year total \$203,435.37. Since 2003, your cooperative has refunded nearly 3 million dollars. This isn't a claim that an investor-owned or municipal utility can make!

A major highlight in 2016 was the approval of a 60 percent discount on the kilowatt-hour (kWh) usage charge on all December billing statements, saving our members a total of \$342,911.83 – a testament to the good financial standing of your cooperative.

Other highlights from your cooperative's financial reports show that even though our members are becoming more energy conscious, we continued to have strong sales of over 90 million kWh sold. As in the past, the bulk of our sales (59 percent) comes from residential class members, with the remaining 41 percent from

commercial classes.

One of the major components of our budget is power cost, which represents more than 54 percent of the total cost of providing you with electrical service. Our power supplier, Northeast Missouri Power (NEP), provides us the power that we then distribute to our members. The graph (right) shows this expense in relation to the cooperative's other expenses. ⚡



2015-2016 Financial Statistics

	2015	2016
Assets		
Total Utility Plant	30,275,633	\$31,015,425
Less Depreciation	(9,036,957)	(9,618,028)
Net Utility Plant	21,238,676	21,397,397
Patronage Capital	4,092,370	4,302,410
Investments	619,169	751,468
Cash/Temp Investments	1,678,044	1,680,294
Accounts Receivable	606,415	418,444
Other	1,187,486	1,146,127
Total	\$29,422,160	\$29,696,140
Liabilities		
Member Patronage	\$11,411,488	\$11,995,101
Long-Term Debt	15,821,512	15,621,691
Notes/Accounts Payable	641,435	617,466
Consumer Deposits	114,550	110,934
Other Liabilities	1,433,175	1,350,948
Total	\$29,422,160	\$29,696,140
Revenues & Expenses		
Total Revenue	\$10,934,688	\$11,108,061
Power Cost	5,520,145	5,805,283
Operations/Maintenance	1,714,222	1,763,644
Consumer Accounts	644,142	603,519
Administration/General	1,205,006	1,179,018
Depreciation	740,032	773,120
Interest on Long Term Debt	631,206	611,791
Other Expenses	34,562	10,830
Total Expenses	\$10,489,315	\$10,747,205
Margins		
Operating Margins	\$445,373	\$360,856
Non Operating Margins	20,270	47,729
G & T Co-op Capital Credits	228,677	317,561
Other Org. Capital Credits	39,252	41,189
Net Margins	\$773,572	\$767,335

Exercise your right as a member and vote during the director elections!

Three directors' terms will expire at this year's Annual Meeting, and a slate of four candidates has been nominated by the Nominating Committee chaired by Richard Coltrain. The official ballot, along with biographies of these director candidates, will be mailed to all members later this month. Mail-in ballots must be received by 12 p.m. on Monday, August 7, 2017, or they may be deposited in the ballot box at the Annual Meeting that evening. 🌿



Rebecca DeTar
District 2



John Goode
District 2



Michael Miller
District 4



Richard Welsh
District 5

MINUTES FROM THE 2016 MEETING

Chariton Valley Electric Cooperative, Inc. Annual Meeting Of Members • Aug. 8, 2016

The 69th Annual Meeting of the Members of Chariton Valley Electric Cooperative, Inc., was held at the Honey Creek Resort on Lake Rathbun, Iowa, at 6:30 p.m. on the 8th day of August 2016. A video concerning the American flag and the meaning of Stars and Stripes was shown prior to the meeting. Videos were also shown regarding cooperative principles.

The meeting was called to order by Michael Miller, President of the Cooperative, who presided. Secretary Kenneth VandenBerg acted as Secretary of the meeting and kept the minutes thereof.

President Miller asked everyone to stand for the national anthem and remain standing as Pastor Neil Montz gave the invocation.

A roast pork dinner was served to members' families and invited guests.

The Secretary stated that the members who had registered at the door had been checked and that a quorum was present for the transaction of business. A list of the members who registered in attendance at the meeting is attached to these minutes and made a part hereof by reference.

The Secretary offered to read the Notice of the Annual Meeting of the Members and proof of the due mailing of said Notice to all members of the Cooperative. On motion duly made, seconded and carried, reading of the Notice and proof of mailing was waived, and such Notice and proof were ordered to be annexed to the minutes of this meeting.

The Secretary offered to read the minutes of the Annual Meeting of the Members held Sept. 12, 2015. 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 3 years each. Mr. Richard Coltrain was introduced and reported that, in accordance with the Bylaws, the Board of Directors had appointed from the members of the Cooperative a Nominating Committee consisting of Doyle Terry, Joel Hollatz, Mike Beary, Marc Wynn, Richard Coltrain and Tom Adler. Mr. Coltrain

described the work of the Committee, who had nominated the following members as candidates for Director:

Three-Year Term

- **District 1** Gary Ewing
Jess Uhlenhake
- **District 2** Randy Gottschalk
- **District 5** Kenneth VandenBerg
Chris Yarkosky

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 Carolyn Lowe, Debbie Sebolt, Joanne Williams, Henry Williams, Vicki Gardner and Cheryl Chambers as Inspectors of Election.

Attorney Dennis Puckett 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 President introduced Rand Fisher, of the Iowa Area Development Group, who presented the Cooperative with an economic development award.

President Miller introduced Treasurer Becky DeTar. She noted that the financial reports were included in the booklet mailed to all members. She suggested that the written report be accepted in lieu of reading the report. A motion was then made, seconded and carried to waive the reading of the Treasurer's report and the same was approved and ordered to be filed in the records of the Cooperative.

The annual report of the President, Michael Miller, was presented and ordered to be filed in the records of the Cooperative.

The President introduced General Manager Bryon Stillely for his report. He recognized those who served in the military. He also discussed the Rural Power initiative and gave those legislators who were present an opportunity to speak, including Rep. Dave Loebsack, Alec Kennedy from Sen. Charles Grassley's office, Sen. Ken Rozenboom, Sen. Amy Sinclair, Rep. Mary Gaskill,

and Rep. Larry Sheets. General Manager Stillely then introduced the Board members, special guests, former Board members and employees. General Manager Stillely next presented his report on the operations of the Cooperative.

General Manager Stillely introduced Jordan Pope, who gave a presentation concerning the Rural Power and the Co-op Votes campaign.

Jordan Pope introduced Ravyn Sanford, one of the Cooperative's Youth Tour winners for 2016. She then made some comments on her trip to Washington, D.C., and thanked the Cooperative for the opportunity to go to D.C.

Chairman Miller called upon the Cooperative's attorney to present the election results. He also thanked the tellers for their service.

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 in their respective Districts, 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 1** Gary Ewing
- **District 3** Randy Gottschalk
- **District 5** Kenneth VandenBerg

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 Chairman called for any old or new business, and he responded to a question about director compensation.

Prizes were awarded by lot, and each member in attendance was given a door prize.

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

Submitted by Kenneth VandenBerg, Secretary, and approved by Michael Miller, Chairman.