

living with energy

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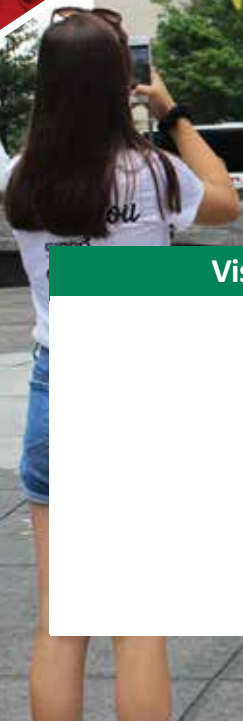
Chariton Valley
Electric Cooperative, Inc.

Your Touchstone Energy Cooperative

JULY 2018


Save the Date!
Aug. 6, 2018: Annual Meeting
of Chariton Valley Electric
Cooperative, Inc.

**YOUTH
TOUR
2018**




Visit our website at www.cvrec.com







Chariton Valley Electric Cooperative, Inc.
2018 Annual Meeting



Monday, Aug. 6, 2018
Honey Creek Resort
Moravia, Iowa



Chariton Valley Electric Cooperative, Inc.
 Your Touchstone Energy® Partner



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

This institution is an equal opportunity provider.

We accept



Agenda

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

Backyard BBQ – Hamburgers, Brats and Hotdogs

Served to members' families and guests

Children's Activities

Tom the Terrific Balloon Man

Giant Lawn Games

Free Swimming

6:30 p.m. (Grand Ballroom)

Business Meeting

Kids' Grand Prize Drawing for an Apple iPad

Pledge of Allegiance All

National Anthem

Invocation Richard Grimes

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 Kim Pasut, Chairman

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

Financial Report Rebecca DeTar, Treasurer

IADG Impact Award Presentation Rand Fisher, Iowa Area Development Group

President's Report Mike Miller, President

Manager's Report Bryon Stilley, CEO/General Manager

Guest Speakers John Dvorak and Mark Landa

Youth Tour Winners Jenah McCarty and Kaitlyn Faber

Election Results Dennis Puckett, Attorney

Old and New Business Mike Miller, President

Adjournment of Meeting

Grand Prize Drawing



1st Maytag Washer/Dryer Set

2nd Green Mountain Grill/Smoker

3rd Tundra 65 Yeti Cooler

4th \$200 Energy Credit

20 additional Visa Gift Cards will be given away!

Students: you could win a \$500 "Luck of the Draw" Scholarship – but only if you attend the 2018 Annual Meeting!

CV EC will be holding a drawing for a \$500 scholarship for a recent 2018 high school graduate at the Annual Meeting. There are only four requirements:

1. Parent/legal guardian must be a member of CV EC.
2. Parent/legal guardian and student must attend the Annual Meeting and be present during the drawing.
3. Student must have graduated from a high school or an accredited home school program in 2018.
4. 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

It's all about you at an electric cooperative, because your priorities are our priorities. At Chariton Valley Electric Cooperative, Inc., we firmly believe that you, our members, need to be at the heart of everything we do. And for the past 73 years, we've strived to put our members first in every decision.

Serving you and your neighbors has always been our number one priority, and 2017 was no exception. The past year was one of solid performance for your cooperative, both financially and operationally. Throughout the year, we initiated ways to better serve our members and be a more engaged co-op through radio ads, Facebook posts and our monthly articles in *Living with Energy in Iowa* magazine. We deployed our new advanced metering infrastructure system that benefits electric co-op members, like you, with greater accuracy in meter reading, faster outage restoration and detailed data that enables you to see your hourly, daily, monthly and annual usage – and gives you the ability to “Take Control and Save” based on your energy consumption.

In September, your cooperative was proud to send two linemen to Georgia to assist a fellow cooperative with the aftermath of Hurricane Irma and restore power to thousands of their members. In addition, 2017 was a vast year of economic development as CVEC was instrumental in helping secure funding through the USDA for two community businesses preparing to expand their current facilities within our service territory – keeping businesses local, alive and flourishing.

Chariton Valley Electric, like all cooperatives, functions most effectively with committed and

informed leaders. Your Board of Directors is democratically elected from the membership to represent your interests and to provide long-term vision and governance. Strong leadership is essential to CVEC and we're beyond blessed to employ many hardworking individuals who manage the day-to-day operations of the cooperative in order to keep your lights on.



Mike Miller
Board President

Your Board of Directors was pleased that we could continue to provide affordable services to our members in 2017. We're also pleased to report our members' rates are among the lowest for electric cooperatives in the state, proof of your co-op's efforts to keep costs in check. During the past 15 years, your cooperative has refunded nearly \$3 million dollars in capital credits to our members. Most recently, we were able to give back nearly a half-million dollars in the form of bill credits to our members during the holiday season.



Bryon Stille
General Manager

Information on Page 12 provides an overview of the financial performance of your Cooperative. Being involved with your co-op and knowing what it's doing to serve you is what being a co-op member is all about. As you read through the report, we hope you gain an appreciation and understanding of how your co-op is working hard to power lives and empower communities. Join us at the Annual Meeting on Aug. 6 at Honey Creek Resort in Moravia to hear more about 2017 and what the future may hold.

As we look toward the future and plan for what our members need and expect from us, we genuinely rely upon your engagement to help guide us. As your trusted energy adviser, our key strategic goals all point toward member value.

Benefitting our members in every way, from providing reliable and affordable electricity to improving the quality of life in southeast Iowa, is the driving force of why we exist as a cooperative. We understand the spirit that helped create this co-op all those years ago must continually be nurtured. And while times and technology will continue to change, our commitment to you won't! ⚡

EDITOR'S CHOICE CONTEST

Win a cordless compact drill/driver kit that offers full-size performance

Good things come in small packages, which is certainly true with the Ryobi Model P1811 Compact Drill/Driver Kit. The drill



includes a 24-position clutch, 2-speed gearbox and a ½-inch keyless chuck to power through your toughest jobs. It runs on the same 18-volt lithium battery as more than 100 other Ryobi tools; the kit includes the drill, two batteries, a quick charger and a tool bag.

The retail price of the compact drill kit is \$99, plus we're adding a bonus: the Model P4001 Drain Auger worth \$70! For details on both products, go to ryobitools.com. ⚡

Visit our website, and win!

Enter this month's contest for the Ryobi tools by visiting the *Living with Energy in Iowa* website at www.livingwithenergyiniowa.com no later than July 31, 2018.

You must be a member of one of Iowa's electric cooperatives to win. There's no obligation associated with entering, we don't share entrant information with anyone and multiple entries from the same account will be disqualified.

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 directors review the current financial statement and compare it with the annual business plan and financial position of the previous year.

Our annual Independent Financial Audit, performed by BKD's CPAs and Advisors of Des Moines, was completed in May 2018 and presented to the Board of Directors on May 24, 2018. 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 2017 books.

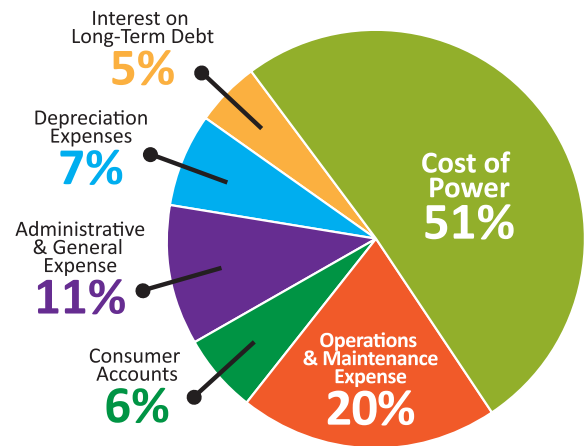
For 2017, total equity is at a strong 38.34 percent and overall audited net margins total \$982,239. Any earnings left over after all expenses and/or reserves are paid are allocated to members as patronage dividends. CVEC is pleased to report that your Cooperative is refunding for the 35th year in a row – this year, a total of \$418,845 in patronage dividends. Since 2003, your Cooperative has refunded more than \$3 million. This is not a claim that an investor-owned or municipal utility can make!

A major highlight in 2017 was the approval of a 75 percent discount on the kilowatt-hour usage charge on all December billing statements, saving our members a total of \$498,986.53, 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 more than 90 million kilowatt-hours sold. As in the past, the bulk of our sales (59 percent) comes from our residential class members, with the remaining 41 percent from our commercial classes.

One of the major components of our budget is power cost, which represents over 51 percent of the total cost of providing you with electrical

service. Our power supplier, Northeast Missouri Electric Power Cooperative, provides us the power that we then distribute to our members. The graph here shows this expense in relation to the cooperative's other expenses. The Board of Directors and staff work diligently to ensure all auditing standards are followed and all requirements are met. ⚡



2016-2017 Financial Statistics

	2016	2017
Assets		
Total Utility Plant	\$31,015,425	\$32,944,421
Less Depreciation	(9,618,028)	(9,721,402)
Net Utility Plant	21,397,397	23,223,019
Patronage Capital	4,302,410	4,509,018
Investments	751,468	2,617,816
Cash/Temp Investments	1,680,294	578,157
Accounts Receivable	418,444	1,295,293
Other	1,146,127	1,045,895
Total	\$29,696,140	\$33,269,198
Liabilities		
Member Patronage	\$11,995,101	\$12,755,825
Long Term Debt	15,621,691	17,149,009
Notes/Accounts Payable	617,466	2,029,696
Consumer Deposits	110,934	103,352
Other Liabilities	1,350,948	1,231,316
Total	\$29,696,140	\$33,269,198
Revenues & Expenses		
Total Revenue	\$11,108,061	\$11,924,617
Power Cost	5,805,283	5,769,052
Operations/Maintenance	1,763,644	2,245,091
Consumer Accounts	603,519	652,055
Administration/General	1,179,018	1,255,408
Depreciation	773,120	836,062
Interest on Long Term Debt	611,791	593,038
Other Expenses	10,830	10,254
Total Expenses	\$10,747,205	\$11,360,960
Margins		
Operating Margins	\$360,856	\$563,657
Non-Operating Margins	47,729	61,669
G & T Co-op Capital Credits	317,561	316,762
Other Org. Capital Credits	41,189	40,151
Net Margins	\$767,335	\$982,239

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

Four directors' terms will expire at this year's Annual Meeting, and a slate of seven candidates has been nominated by the Nominating Committee chaired by Kim Pasut. The official ballot, along with biographies of the director candidates, will be mailed to all members later this month. Mail-in ballots must be received by 12 p.m. on Monday, Aug. 6, 2018, or they may be deposited in the ballot box at the Annual Meeting that evening. ⚡



Marchelle Brown
District 1



Virgil (Bill) Moore
District 1



Larry Sheets
District 1



Wes Green
District 3



Norm Major
District 5



Merle Regenold
District 5



Steve Bjornson
District 5

MINUTES FROM THE 2017 MEETING

Chariton Valley Electric Cooperative, Inc. Annual Meeting Of Members • Aug. 7, 2017

The 70th 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 7th day of August 2017.

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 Father Mike Volkmer gave the invocation.

A dinner was served to members' families and invited guests. President Miller thanked the staff of the Resort and the Ruritans for their work in hosting the meeting.

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 Aug. 8, 2016. 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. 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 Richard Coltrain, Nancy McDonald, Kim Hugen, Judy

Hackett, David DeBok and James Wright. Mr. Coltrain described the work of the Committee, which nominated the following members as candidates for Director:

Three-Year Term

- **District 2** Rebecca DeTar
John Goode
- **District 4** Michael Miller
- **District 5** Richard Welsh

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 Jim Hoven, Lora Hoven, Nikki Hermann, Wanda Fenton, Jen Grinstead and Juanita Murphy as Inspectors of Election. Attorney 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.

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 then introduced General Manager Bryon Stilley for his report. General Manager Stilley then introduced the Board members, special guests in attendance, former Board members, and employees. General Manager Stilley next presented his report on the

operations of the Cooperative.

General Manager Stilley introduced Joe Wilkinson of Associated, Regi Goodale of IAEC, Kevin Condon of IAEC and Doug Aeilts of NE Power, who served as panelists and answered questions about the utility industry.

Becky Teno introduced Ben Mason and Cayleigh Whitlow, the Cooperative's Youth Tour winners for 2017. They made some comments on their 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 2** Rebecca DeTar
- **District 4** Michael Miller
- **District 5** Richard Welsh

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 there was none.

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. ⚡