

Making “Cents” Out of Tax Reform Policies



A WORD FROM

Vicki Daily, General Manager

Tax policy can be complicated. If you’ve ever done your own federal and state income taxes or if you own a business, you understand firsthand how every detail matters in compliance, especially when it comes to profits.

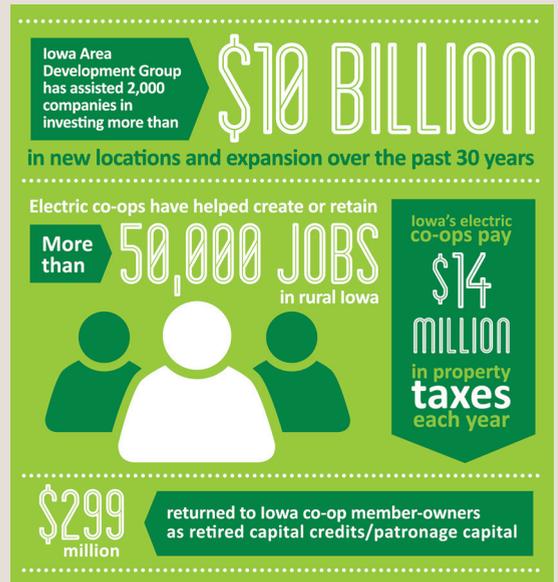
Because Grundy Co REC is a not-for-profit business entity there is sometimes confusion about whether we pay taxes. The answer is: yes, we pay taxes. We pay property taxes, employee taxes, replacement taxes and taxes on materials and supplies to name a few. However, we don’t pay taxes on business profits, because we are not profit-based.

We operate at cost to deliver affordable and reliable power across all six of the counties in

our service territory – we don’t have operating profits. Since our rates are based on the cost of acquiring and delivering electricity, we don’t make money on the services we provide. If we receive a cost reduction from our suppliers, those savings are passed along to our member-owners. If we have excess funds – commonly called margins – we return those funds to you in the form of capital credits. Since our inception, operating at cost has been a cornerstone of the cooperative business model.

Because electric cooperatives aren’t profit-making corporations, the new tax bill does not change our tax status. We won’t pay any more or any less in taxes based on the electricity we are distributing to our members.

Taxes come in many forms and are an important part of a thriving economy. Each year, Iowa’s electric cooperatives pay \$14 million in property taxes. Since the late 1980s, the Iowa Area Development Group has assisted 2,000 companies in investing more than \$10 billion in new business locations and expansions. Those efforts have led to Iowa’s electric cooperatives creating or retaining more than 50,000 tax-paying jobs in rural Iowa.



Nominating Committee to be selected

At the regular monthly meeting to be held on March 22, 2018, in accordance with the Articles of Incorporation, the Board of Directors will appoint the Nominating Committee.

The Nominating Committee shall prepare a list of nominees identifying each candidate by name, address, and the Director district in which they reside. The Nominating Committee shall make a good faith effort to nominate two (2) candidates for each Director position to be filled at the next Annual Meeting, September 6, 2018. In the event the Committee is unable to identify two (2) candidates for each position who consent to be nominated, the Committee may nominate only one (1) candidate for the position.

The written list of nominations by the Nominating Committee shall be posted at the office of the Cooperative not less than thirty (30) days prior to mailing the notice of the Annual Meeting to the members. For ten (10) days after posting the list of nominations, additional nominations of members residing in the district of the vacancy may be made by written petition on forms provided on request by any member and signed by not less than twenty (20) members of the Cooperative. Any member nominated shall give prior consent to such nominations whether by committee or by petition.

A list of nominations as selected by the Nominating Committee will be posted by July 2, 2018, and nominations by petition will be accepted through July 12, 2018.

The value of electricity

Even as we rely more on electricity, it remains a bargain, especially compared to other things we pay for regularly.

Since 2011, medical care, residential rental rates and education have increased at rates of 3 percent or more per year. Butter, meat and egg costs have been up by more than 1 to 2 percent annually and even bread costs have risen more than a half point on average.

Electricity costs rise about 1 percent a year, but co-ops across the country have reported a decline in average residential use per household since 2010. That means we're doing more things with less energy.

Electricity is a value, and we're always looking for ways to work with you to make it even better. That's why we urge energy efficiency, encourage you to look for ENERGY STAR® appliances and promote technology designed to give members more control over their electricity use.

That's going to become even more important as digital devices and internet-connected technologies become increasingly numerous.

The average home now has 10 Wi-Fi connected devices. That number is expected to explode to 50 by 2020. You'll depend upon your Touchstone Energy cooperative for more than the power that keeps your lights on.

That's why we're always working to provide service that's reliable, keep it affordable and make it even more valuable.



**MOVE OVER
SLOW DOWN**

WHAT THE SIGN REALLY SAYS IS – MOVE OVER OR SLOW DOWN. Iowa law requires motorists to change lanes or slow down when approaching a stationary utility vehicle that has its flashing lights activated. Failure to do so can result in hefty fines or the loss of your driver's license.

Take the Pledge. Join your fellow Iowans who have pledged to move over or slow down for Iowa's utility workers at moveoveriowa.com.



ABOUT AMERICA'S ELECTRIC COOPERATIVES

The nation's member-owned, not-for-profit electric co-ops comprise a unique sector of the electric utility industry – and face a unique set of challenges.

Distribution cooperatives form the foundation of the rural electric network delivering electricity to 42 million co-op consumer-members. Generation & transmission cooperatives (G&Ts) provide wholesale power to distribution co-ops through their own generation or by purchasing power on behalf of the distribution members.

Whether it's a co-op serving a remote fishing village above the Arctic Circle or a co-op serving a marine research lab in the Florida Keys, electric co-ops share a single purpose: providing safe, reliable and affordable electric service to their consumer-members.

CO-OPS ARE GUIDED BY 7 PRINCIPLES

- 1 **Voluntary & Open Membership**
- 2 **Democratic Member Control**
- 3 **Members' Economic Participation**
- 4 **Autonomy & Independence**
- 5 **Education Training & Information**
- 6 **Cooperation Among Cooperatives**
- 7 **Concern for Community**

Your 2018 farm bill update

Every five years, the U.S. Congress considers the farm bill, which sets food and agriculture policy for the entire nation, affecting everything from what crops are grown to funding for food nutrition programs. The farm bill is due to be reauthorized by the federal government this year.

The bill also promotes rural economic development and allows co-ops to finance basic electrification activities. Through the National Rural Electric Cooperative Association (NRECA), our national service organization, America's electric cooperatives are working to ensure lawmakers in Washington know what our priorities are for the 2018 farm bill.

Economic development

The farm bill's Rural Economic Development Loan and Grant Program is an important source of financing for economic development projects in rural communities. Over the last two decades, electric cooperatives have partnered with community stakeholders on hundreds of projects.

Innovation

The United States Department of Agriculture (USDA) runs a number of programs that help fund innovative projects. Co-ops use these programs to save members money by financing investments in energy efficiency, constructing new renewable energy resources and deploying electric grid modernization technologies.

USDA Rural Development

Rural America grows most of the food, generates much of the power and manufactures many of the goods consumed by the nation. USDA's office of Rural Development operates many programs that provide fundamental assistance to those rural communities.

We look forward to working with Congress and other stakeholders to pass a farm bill that promotes economic growth in rural America and allows co-ops to continue meeting the needs of their members.

Keep your sump pump ready for action

As you maintain your home, it's easy to overlook the importance of the lowly sump pump. Sitting just below the surface, the sump pump helps protect against flooding and moisture in the home.

When groundwater seeps into the home, its damage can be far reaching, affecting mechanicals and structural integrity, not to mention contributing to the growth of mold and fungus. A well-maintained, properly operating sump pump help avoids those risks.

Safe Electricity offers these tips to keep your sump pump at the ready:

- Make sure to keep the pump clean and free of debris. Check it at least once a year.
- Ensure that the float is not tangled or jammed in one position. A sump pump with a jammed float will not sense when it should turn on and shut off.
- Test the pump by pouring water into the pit to make sure it activates and pumps out the water.
- When testing the pump, do not ever reach into the pit. The float can be reached and moved with a household item such as a golf club (with a rubber handle) or other non-conductive tool.
- The sump pump should have a dedicated ground fault interrupter protection, an alarm that signals water build-up and a back-up power source or battery in the event of a power outage.

If water does get into the basement due to a power outage, use caution before entering. Never enter a flooded space, as this presents a risk of electrocution. Electrical equipment can energize standing water unless all of the electricity has been disconnected.

For more information on electrical safety, visit SafeElectricity.org.





Aaron Bird (l) and Eric Freese (r) with their display of lineman gear at the career fair.

Employees volunteer at career fair

Grundy Center High School hosted a career fair on Jan. 10, 2018. First Class Lineman Aaron Bird and Apprentice Lineman Eric Freese volunteered to talk with the students about what they do on a daily basis. The lineman discussed what it has been like to go through schooling and some of the experiences someone could face out in the field. Aaron has been with the Grundy County REC for 10 years, and Eric for 4 years. They both attended the Powerline Program at Northwest Community College in Sheldon.

High bills?

If you receive a bill with higher than expected charges, there are several factors and variables that could account for the increase. Often, the major cause is extremely cold or hot weather that drives up heating and cooling costs. Keep in mind that Grundy County REC offers many rebates for energy-efficiency measures. To discuss your electric use in more detail and to investigate measures you could take to lower your bills, please contact our office.



Julie (l) and Curt (r) Tjepkes and their grandson with the Black & Decker cordless vacuum they won.

Contest winners!

Curt and Julie Tjepkes from rural Grundy Center are the winners of a Black & Decker Powerseries Pro cordless vacuum from *Living with Energy in Iowa* magazine. Curt stated that he fills out the Editor's Choice Contest monthly but hasn't won previously. Curt and Julie are longtime members of Grundy County REC and are very happy to have the cooperative as their power provider.

YOUR POWER OUTAGE PANTRY

We do our best to avoid power outages, but unfortunately, Mother Nature occasionally has different plans. Stay ahead of the storm by stocking your pantry with a variety of non-perishable items.

Set these items aside for extended outages only, and your storm prep will be a breeze!

- BEANS
- CANNED FRUIT
- CANNED TUNA
- CANNED VEGETABLES
- CEREAL
- DRIED FRUITS
- DRIED MEATS/JERKY
- GRAHAM CRACKERS
- PASTA
- RICE
- SPAM
- OATMEAL



Don't forget to stock up on disposable goods, like paper plates, napkins, plastic cutlery and cups.



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