

The CIRCUIT

Ark Valley Electric Cooperative



*** Proudly Serving Rural Kansas for Over 75 Years

June 2018

Holiday Office Closing

In observance of Independence Day, the Ark Valley office will be closed on Wednesday, July 4th. If you experience an outage, please call 888-297-9212.



Happy Father's Day!

Happy Father's Day from everyone at Ark Valley Electric. We hope your day is filled with many special blessings!



Summer Line Crew Hours

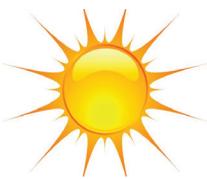
Ark Valley's line crews will begin working summer hours when we experience extreme heat.

Each year, during this period, the line department will begin work at 7 a.m., continuing until 3:30 p.m. We change the schedule in an effort to complete most of the day's work before the major heat of the day arrives.

The office will remain open and operating

on the normal 8 a.m. to 5 p.m., Monday through Friday schedule.

The after-hour emergency telephone numbers are not affected by this in any way. If you need assistance, please give us a call at 620-662-6661 or 888-297-9212.



What You Can Do to Help Control Peak Demand Costs

For the next four months, we encourage you to participate in peak control. This voluntary participation can help hold down the wholesale power costs incurred by the cooperative. You can participate by voluntarily monitoring when you use electric equipment and appliances which require larger amounts of electricity.

The peak periods occur during the hours of 3 p.m. to 6 p.m. every weekday from June 1 through September 30. The type of days when peak demands take place is typically when temperatures are forecasted above 95 degrees, so be especially conscious when using large amounts of electricity on the hottest summer days.

The actual peak demand for June, July, August and September is the billing demand for each respective month. Special emphasis is placed on July and August, as the peak electricity demand registered by Ark Valley during those two months drives the electricity billings from our wholesale supplier for the following eight months, October through May.

Peak Demand Period

- June 1 through September 30
- Weekdays, 3 p.m. to 6 p.m. (excluding holidays)
- Typically on days with temperatures above 95 degrees

Special note for Irrigators only:

- Will receive no less than a four hour notice
- Notification via text, e-mail or phone
- Call Ark Valley with any changes to your notification preference



Drawing Winner

BYRON WILLHAUS is the winner of our \$25.00 readership drawing.

Byron, to claim your prize, please contact Ark Valley by June 29, 2018 & give us the account number from your electric bill.

Energy Efficiency Tip of the Month

When streaming online content, use the smallest device that makes sense for the number of people watching. Avoid streaming on game consoles, which use 10 times more power than streaming through a tablet or laptop.

Source: energy.gov



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Tax Cuts

Board Meeting Highlights

Federal Tax Cuts

As the Kansas Legislature was working toward adjournment, a number of political headlines were made regarding utility rates and taxes.

When the Federal Tax Cuts and Jobs Act was signed into law on December 22, 2017, there was an almost immediate focus across the country on lower income tax rates for utilities. Kansas has been no different with political and regulatory leaders immediately calling for the savings to be passed on to ratepayers.

And while action was swift to make headlines, affected utilities already had a precedent from the 1986 Tax Reform Act to return those savings. The impact of the reduction in federal tax rates from 35 to 21 percent is projected to cut Westar's tax bill by at least \$65 million. KCP&L has indicated approximately \$35 million in savings could be allocated to Kansas customers. So while a refund isn't in question, some in the Legislature have expressed frustration that the return may be bundled with other rate adjustments and/or won't occur until later this year.

Will My Cooperative Be Affected by the Tax Law?

The impact on Ark Valley is much different. Like most of the 30 electric cooperative entities headquartered in Kansas, we are IRS tax exempt entities and therefore have no federal income tax liability. Cooperative members won't receive a tax-related refund because there is no federal income tax expense included in your electric rate.

Your electric cooperative operates as a not-for-profit entity and rates are designed to recover the cost of operation. We do not have stockholders demanding a return on investment. We have member-owners who elect directors to determine the cooperative's course, including appropriate electric rates. Changes to our cost of operation from generation and transmission, vendors, regulatory agencies, as well as property and income taxes are reflected in rates set by the members rather than the Legislature or the Kansas Corporation Commission.

This regulatory framework fits two of the seven important cooperative principles – democratic member control and member economic participation – and helps Ark Valley meet its mission to deliver affordable and reliable electric service.

The Board of Trustees for the Ark Valley Electric Cooperative Association held its regular meeting for the month of April on April 30, 2018.

Staff and Trustees reviewed the 2018 Annual Meeting of Members held on April 17th at the State Fairground. Approximately 607 people were in attendance. Of the members in attendance, approximately 45% completed and returned a meeting evaluation. Overall, good marks were given to the meeting. However, several concerns were expressed about the quality of the sound system. The Board took those comments to heart and have already taken action to have that concern addressed by next year's meeting.

This was the last year that Ray's Countryside Catering will be providing the meal, because its owner is retiring. The Board received several bids from regional catering companies and elected to have Carriage Crossings out of Yoder cater next year's Annual Meeting. The Board also agreed to hold the meeting on April 16, 2019 at the Sunflower North Building on the Kansas State Fairgrounds.

The results from a recent CPA Audit prepared by Kevin S. Kelso, CPA, P.C., P.A., was presented by General Manager, Jackie Holmberg. The audit covered financial activity from December 31, 2016 to December 31, 2017. The auditor issued the best audit opinion available, "an unmodified report with no identified material weaknesses or significant deficiencies." After the Trustees asked questions and discussed the audit report, a motion was made and seconded to accept the audit. The motion passed.

Heads Up for a Safe Harvest

Things people see every day can fade from view and in the business of harvest, it's easy to become distracted and forget about overhead power lines. We encourage farmers to review all activities that take place around power lines with their employees this harvest season.

To learn more about electrical safety visit www.SafeElectricity.org



Summer Rate in Effect

Just a reminder...summer rates begin with your **June usage**, which will show on the bill you receive next month.

The Ark Valley Electric Cooperative Association, Inc. is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.