



2020 Annual Report & 2021 Annual Meeting Guide



A large graphic for the 2021 Annual Meeting. It features a yellow arrow pointing to the right, outlined in white with a dotted pattern. Inside the arrow is a green box with the words "Annual Meeting" in a cursive font. To the right of the text are four small circles containing the numbers 2, 0, 2, and 1, stacked vertically. Below the green box is a red banner with the text "MEMBER-DRIVEN" in white capital letters. The text "CLAIBORNE ELECTRIC COOPERATIVE" is written in white capital letters on a dark green background just above the red banner.

Manager's Message

In the past year, we have witnessed a global pandemic change nearly everything, including every aspect of the way we do business. We have had to revise and replace processes in every department of our Co-op. We've had to find new and different ways to conduct business and keep Claiborne Electric healthy.

One of the parts of 2020 I missed most was seeing our members at our Annual Membership Meeting. As you know, we ultimately had to cancel that meeting. Clearly, we still won't be able to have our traditional group meeting this April, but we have important business to tend to. So, like so many other things during the past year, we are doing something totally different. In the spirit of cooperative business, I would like to invite you to Claiborne Electric's Drive-Through Annual Meeting on April 24.

Many electric cooperatives in other states transitioned to drive-through annual meetings in 2020 with overwhelmingly positive results. We believe we will see the same results from our amazing members!

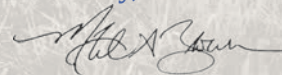
We will host our meeting between two sites – one at our office in Homer (12525 Hwy. 9, Homer) and one at D'Arbonne Woods Charter School (9560 Hwy. 33, Farmerville). At these drive-through meeting sites, several lanes will be available for members to register for the meeting and prizes, and turn in their ballot on the proposed bylaw amendments. Your ballot is included between pages 8-9 of this issue of Louisiana Country. Please tear the ballot out and bring it with you to the meeting, along with the official registration postcard you will receive by mail in mid-April.

I would encourage members to vote yes for these proposed changes. Because the proposed amendments are interconnected, we are asking members to vote collectively on the changes. One of the most important things about a Co-op is the democratic nature of the business. Decisions are made by you, the members. Please don't take that responsibility lightly. Attend the meeting and participate in the democratic process of voting.

While there, members will be entered for several prizes, including drawings for \$1,000, \$2,000, \$3,000, \$4,000, and \$5,000 case prizes. Members who bring their official registration card will be entered into an additional drawing for a \$500 gift card. All registered members will also be entered for one of 50 \$100 gift cards, and every member who attends will receive a gift from the Co-op for participating. Like every year, the person who registers and presents identification at the meeting must be the primary member on the account.

I look forward to this meeting every year. In 2021, our meeting will look different, and we hope to be back to our social gathering soon. In the meantime, we need to take care of our Co-op's business, so we innovate. I hope you will participate in this meeting, and I look forward to seeing many of you on April 24.

Sincerely,



Mark Brown
General Manager & CEO

Annual Meeting

April 24, 2021

Members may drive through at one of these locations:

Claiborne Electric Cooperative
12525 Hwy. 9, Homer

D'Arbonne Woods Charter School
9560 Hwy. 33, Farmerville

9 a.m. - noon

Members should bring:

- **Registration card** (will be received by mail mid-April)
 - **Picture ID** matching the registration card
- **Bylaw ballot** (between pages 8-9 of this issue of Louisiana Country)

Members will remain in their vehicles during this come-and-go meeting.

Several lucky members will win cash prizes:

\$1,000 prize

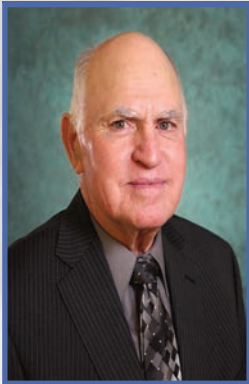
\$2,000 prize

\$3,000 prize

\$4,000 prize

\$5,000 grand prize!

Board of Directors



Hez Elkins, President
Farmerville, LA
District One



Phillip Fincher, VP
Homer, LA
District Seven



Richard Noles, Sec./Treas.
Heflin, LA
District Nine



Willie Sensley, Jr.
Farmerville, LA
District Two



Scott Jones
Marion, LA
District Three



Leroy Perritt
Arcadia, LA
District Four



Ben Abshire
Homer, LA
District Five



Rand Killgore
Haynesville, LA
District Six



Lane Davidson
Minden, LA
District Eight

Co-op Staff



Mark Brown,
General Manager & CEO
Serving since 2006

Kathy Tanner
Chief Financial
Officer
Serving since 2020

Joey White
Manager of Member
Relations
Serving since 1990

Stacy Jones
Office Manager,
Farmerville
Serving since 1990

Candy Hicks
Office Manager,
Homer
Serving since 1993

George Upshaw
General Foreman,
Farmerville
Serving since 1994

Stephen Faulk
General Foreman,
Homer
Serving since 2001

EmmaLee Tingle
Communications
Specialist
Serving since 2006

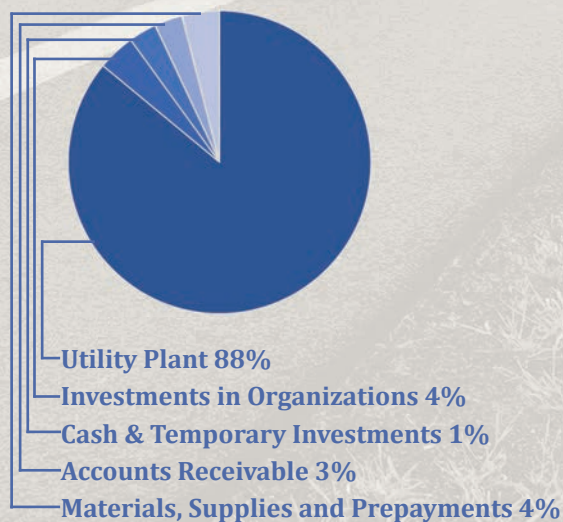
Jeremy Skipper
Staff Engineer
Serving since 2020

Financials

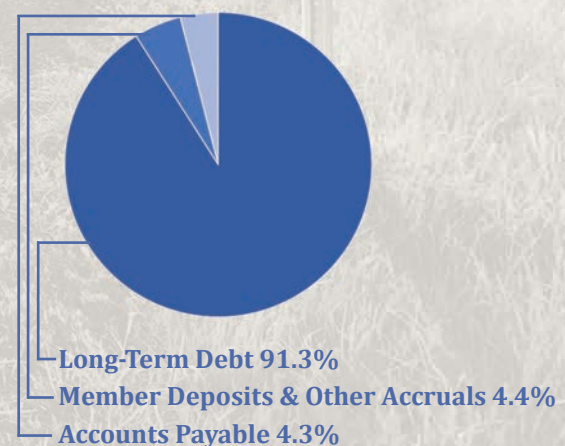
BALANCE SHEET

ASSETS (What we own)	2019	2020
Utility Plant, Gross	\$160,867,086	\$173,091,463
Less: Depreciation of Plant	(\$60,857,336)	(\$65,646,563)
Investments in Organizations	\$4,177,076	\$4,318,941
Cash & Temporary Investments	\$4,005,590	\$1,578,508
Accounts Receivable	\$3,907,927	\$3,580,490
Materials, Supplies, Prepayments	\$4,785,697	\$5,269,881
TOTAL ASSETS	\$116,886,040	\$122,192,720
LIABILITIES (What we owe)		
Long-Term Debt	\$82,213,582	\$87,361,617
Accounts Payable	\$4,094,387	\$4,110,668
Member Deposits & Other Accruals	\$4,065,549	\$4,258,354
TOTAL LIABILITIES	\$90,373,518	\$95,730,639
MEMBER EQUITY		
Capital Credits – Prior Years	\$23,581,616	\$25,622,405
Capital Credits – Current Year	\$2,930,906	\$839,676
TOTAL MEMBER EQUITY	\$26,512,522	\$26,462,081
TOTAL LIABILITIES & MEMBER EQUITY	\$116,886,040	\$122,192,720
MEMBER EQUITY % TO ASSETS	22.68%	21.66%

2020 Assets



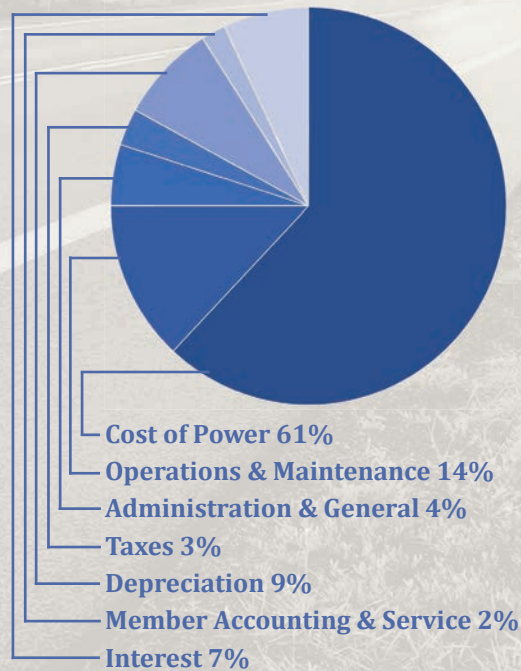
2020 Liabilities



INCOME STATEMENT

	2019	2020
OPERATING REVENUE	\$57,868,033	\$52,877,832
EXPENSES		
Cost of Power	\$34,786,523	\$32,206,286
Operations & Maintenance	\$7,350,051	\$7,070,426
Administration & General	\$2,733,112	\$2,319,679
Member Accounting & Service	\$1,343,338	\$1,280,581
Depreciation	\$4,627,706	\$4,813,140
Property Tax & Other Taxes	\$1,201,048	\$1,327,950
Interest	\$3,714,554	\$3,565,846
TOTAL EXPENSES	\$55,756,332	\$52,583,908
Operating Margins (Losses)	\$2,111,701	\$293,924
Interest Earned & Capital Credits from Associated Organizations	\$819,205	\$545,752
TOTAL PATRONAGE CAPITAL	\$2,930,906	\$839,676

2020 Expenses



The 2020 financial figures have not yet been audited.

Proposed Bylaw Amendments

These proposed Bylaw amendments will be put before Claiborne Electric's members for a vote at the 2021 Annual Meeting.

Proposed change 1 – To replace the first sentence of Article I, Section 1 to read as follows:

“Any person, firm, association, corporation or body politic or subdivision thereof may become a member of record in Claiborne Electric Cooperative, Inc., (hereinafter called the “Cooperative”) by:”

This change adds the term “of record” to the sentence to form the term “member of record.” This change strengthens the term, making clear that “member” refers to a bona fide, current member of the Cooperative.

Proposed change 2 – To replace the first sentence of Article I, Section 3 to read as follows:

“Any two adults living in the same residence may apply for and sign a joint membership application and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership.”

This change adds the terms “and sign” and “application” to the sentence, clarifying the process of applying for joint membership.

Proposed change 3 – To replace Article III, Section 1 to read as follows:

“The annual meeting of the membership shall be held at such place and time as approved by the Board of Directors and designated in the notice of meeting for the purpose of passing on reports for the previous fiscal year, conducting Director elections, if needed, and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.”

This change adds the term “, conducting Director elections, if needed,” to the language of the paragraph. This would allow for Director elections at the Annual Meeting.

Proposed change 4 – To replace Article III, Section 4 to read as follows:

“Except for Director elections, three per centum of the Cooperative’s total membership, present in person at a meeting, shall constitute a quorum for purposes of conducting a special meeting of the membership or the regularly-scheduled annual meeting of the membership. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.”

This change adds the term “Except for Director elections,” to open the paragraph. This language makes clear that a quorum applies to members in attendance at membership meetings, not for Director elections.

Proposed change 5 – To replace Article III, Section 5 to read as follows:

“Each member of record shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the articles of incorporation or these bylaws.”

This change adds the term “of record” to the sentence to form the term “member of record.” This change strengthens the term, making clear that a vote may only be cast by a bona fide, current member of the Cooperative.

Proposed change 6 – To replace Article III, Section 7 to read as follows:

“The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

- (1) Report as to the number of members present in person in order to determine the existence of a quorum.
- (2) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of reports of officers, Directors and committees, if any.
- (5) Report on Director elections, if conducted
- (6) Unfinished business.
- (7) Such new business as shall have been published in the agenda incorporated into the official notice of the meeting.
- (8) Adjournment.”

This change adds a report on any conducted Director elections to the Order of Business at the Annual Meeting. It also re-numbers the Order of Business following such report.

Your ballot is inserted on page 8 of this issue of Louisiana Country. Please bring it with you to the Annual Meeting!

Proposed change 7 – To replace Article IV, Section 2 to read as follows:

“No person shall be eligible to become or remain a director or to hold any position of trust who:

- (a) Is not a member and bona fide resident in the area served by the Cooperative and who does not reside within the Board District the director represents or;
- (b) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or electric materials and supplies to the Cooperative;
- (c) Is the incumbent of or candidate for an elected public office;
- (d) Has been in any manner employed by the Cooperative during the previous ten (10) years;

Upon establishing the fact that a director is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Directors to remove such director from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.”

This change has two parts. First, it removes language from line (a) which read “(this provision shall not be applied retroactively and shall not affect any elections of directors held prior to the approval date of these changes of bylaws)”. This removed language is unnecessary. Second, this change removes language from line (c) which read “in connection with which a salary or compensation in excess of \$1,000.00 per annum is paid”. This removed language eliminates any provision for an incumbent or candidate for an elected public office to hold a position on Claiborne Electric’s Board of Directors.

Proposed change 8 – To replace the last paragraph of Article IV, Section 3 to read as follows:

“The Board of Directors shall provide for elections as the term of office of the director from that district expires. Director elections shall be held at the annual meeting of the general membership. Such elections shall be held on a staggered basis, three district elections per year, and Directors, once elected, shall serve for a term of three years. Such terms shall begin at the meeting of the Board of Directors held at its next regularly scheduled meeting following the annual meeting of the members. For purposes of Director elections, no quorum is required. Directors shall be elected by majority vote of all registered members casting ballots at that annual meeting. Should balloting result in a tie vote, the winner shall be determined by drawing lots, conducted by the current Board President or his designee. If no nominees are submitted, the vacancy shall be filled in accordance with Article IV, Section 6 of these bylaws.”

This change moves Director elections from District Meetings to the Annual Meeting. This move allows Directors to be elected by the members in attendance at the Annual Meeting. This change also eliminates a quorum for the purpose of Director elections.

Proposed change 9 – To replace Article IV, Section 4 to read as follows:

“Any three (3) members of record living within a district and acting together, may make a nomination for the Director from that district in writing during the month of January. Nominations will be due by close of business on the last business day of January. The secretary shall post such nominations at the principal office of the Cooperative in both Union and Claiborne Parishes. If only one nomination is submitted, the Board of Directors will declare the nominated candidate as the winner and shall not hold an election for that district. If no nominations are submitted, the seat will be considered a vacancy and will be handled according to Article IV, Section 6 of these bylaws.”

This change removes language concerning the nomination period for the Board of Directors that could be confusing, changing the nomination period to the month of January each year. This change simplifies the nomination process and allows plenty of time for notification of Director elections in the Cooperative’s newsletter, website or other digital platforms. This change also dismisses the election process in the case that only one candidate is nominated. Also, this change adds the term “of record” in the same manner as proposed changes 1 and 5.

Proposed change 10 – To replace Article IV, Section 5 to read as follows:

“Any member may bring charges against a director by filing such charges in writing with the Secretary, together with a petition signed by at least ten per centum of the members residing in the district from which the director was elected. The director against whom such charges are brought shall be informed in writing thereof at least thirty days prior to the meeting at which the charges are to be considered and shall have opportunity at the special meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall be given the same opportunity. The question of the removal of such director shall be considered and voted upon at the special meeting of the members from that district. Any vacancy created by such removal shall be filled in accordance with Article IV, Section 6 of these bylaws.”

This change increases the consistency of the Bylaws, making sure a vacancy on the Board of Directors is handled in the same manner under varying circumstances.

We believe the proposed changes presented to the members simplify language and processes. We ask that our members make themselves familiar with the proposed changes. Because these changes are interconnected, we are asking members to vote collectively on them. As we believe these changes are in the best interest of the Co-op and its membership, we urge members to approve these changes at the 2021 Annual Meeting.

Member Programs

Electric Water Heater Program

- Free water heater for any member converting from gas to electric water heating
- Free water heater for any member building a new home
- Rebates for members replacing an existing electric water heater
- Free replacement heating elements kept in stock for members at Claiborne Electric
- Water heaters must meet program standards



Heat Pump Program

- Rebates for residential members installing an energy efficient electric heat pump
- \$100-per-ton rebates for newly constructed homes (\$500 max/unit)
- \$100-per-ton rebates for gas-to-electric conversions (\$500 max/unit)
- \$50-per-ton rebates for replacing existing electric heat with a new electric heat pump (\$250 max/unit)



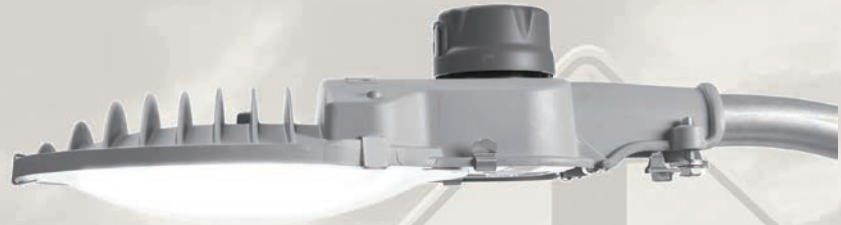
GenerLink



- Enables a member to safely connect a portable generator directly to a home's wiring system
- Powers selected items from the home's breaker box during a power outage
- Alternative to transfer switches and extension cords
- Multiple sizes to meet the member's needs

AreaMax Lighting Program

- Free maintenance
- Bright white LED bulb
- Charged on monthly electric bill
- Range of outdoor lighting options
- Automatic outdoor lighting from dusk to dawn
- Installed for free on an existing service pole or transformer pole



Double Pole Double Throw Generator Switches

- Manual switch to safely operate a stationary generator during a power outage
- Disconnects the member's wiring from the Cooperative's wiring
- No chance of back-feeding power and injuring a line worker

SmartHub

Download Claiborne Electric's free SmartHub app on any Apple or Android mobile device. SmartHub delivers accurate, timely account information and allows Claiborne Electric members to handle a variety of account management tasks right from the palm of their hands.: monitor usage, pay electric bills, report an outage, and much more!

EZPay

EZPay is similar to purchasing gasoline for a vehicle. Members can purchase electricity for an account in advance, like pumping gasoline into a vehicle's tank. As the home uses electricity, the account balance diminishes. When the balance is low, members receive alerts that a payment is needed. Members who use the EZPay program have no deposit, no set due date, no late fees, no disconnection fees, and no reconnection fees. EZPay gives members the ability to manage their electric service in a way that best fits their budget and lifestyle.

Operation Round Up

Operation Round Up is a community service program that gives Claiborne Electric members the option to allow their bills to be rounded up to the next whole dollar. The difference in the actual bill and the rounded amount is deposited into the Operation Round Up Trust Fund. These funds are dispersed to charitable causes in the communities served by Claiborne Electric.



The program is governed by the Claiborne Electric Operation Round Up Trust Board. This board consists of nine Claiborne Electric members from across our service area. The board receives and reviews applications, makes decisions about grants, and disperses the funds. About 300 electric co-ops in the United States have an Operation Round Up program. Claiborne Electric has one of the highest member participation rates in the country, with 94% of our members contributing to the program.

The program has awarded more than 500 grants totaling more than \$1.7 million to worthy causes, including schools, fire departments, youth organizations, police departments, families whose homes have burned, libraries, museums, veterans' efforts and elderly and disabled individuals. In 2020, Operation Round Up donated \$133,384.62 to local causes. One hundred percent of the money raised through Operation Round Up is distributed in grants and stays in Claiborne Electric's service area. Thank you for your support of Operation Round Up!

In 2020, Operation Round Up
donated \$133,384.62 to local
charitable causes.

2020 Operation Round Up allocations

Seeds of Light Ministries	Community gardens	\$978.72
Union Museum of Art & History	Office equipment	\$9,928.88
North Union Fire Dist.	Jaws of Life	\$10,000.00
Union Parish E-911	Office computers & monitors	\$3,446.00
Lakeside High School	Computers	\$4,919.97
Lincoln Parish OSH/OEP	AEDs	\$3,426.00
Union Humane Society	Dog kennels	\$4,800.00
Mt. Olive Christian School	Chromebooks, charging cart	\$8,641.81
Town of Marion	Garbage truck lift arm	\$10,000.00
Union Parish Library	iPads	\$2,025.70
Lincoln Parish Fire Prot. Dist. #1	Radios	\$9,428.40
Union General Hospital	Defibrillator	\$10,000.00
Betty Street Community Center	Little League renovations	\$5,191.48
Lincoln Parish OSH/OEP	AED units	\$2,284.00
Homer Police Department	Patrol radios	\$4,290.20
Homer High School	Art program kiln	\$4,121.80
Bernice Historical Society	Depot Museum	\$8,162.00
Union Parish E-911	Computers	\$748.00
Webster Parish Sheriff's Office	Dispatch equipment	\$5,292.84
Cedar Creek School	AEDs	\$3,210.45
Claiborne Memorial MC	HVAC units	\$3,875.00
Area families/individuals	Emergency/medical grants	\$18,613.37
2020 total		\$133,384.62

ACRE

ACRE is the Action Committee for Rural Electrification - a Political Action Committee set up to support the campaigns of political candidates on the state and federal levels who support electric cooperatives. In today's political climate, especially at a time when coal-fired power generation routinely comes under attack through proposed legislation, we feel it is important to support political candidates who understand that our energy must remain safe, reliable and affordable. At Claiborne Electric, we believe in this effort so much that 100% of our Co-op's Staff members and Directors donate at least \$100 per year to ACRE.

As a member of Claiborne Electric, you have the opportunity to join ACRE by having \$1.00 placed on your monthly electric bill. This



opportunity is only available to residential Co-op members. The money is pooled, and about half is used to support election campaigns on the federal level, and the other half is used to support candidates on the state level. ACRE is a bipartisan PAC – a candidate's political affiliation is not taken into consideration in ACRE's procedures for making election contributions. Election donations are made solely based on the candidate's support of electric cooperatives.

All ACRE contributions go to election campaigns, with the exception of federal taxes that must be paid on the contributions (less than 1%). ACRE's staff is funded through the National Rural Electric Cooperative Association.

Call (318) 927-3504 for a sign-up form!

Frequently Asked Questions about ACRE

What is a Political Action Committee (PAC)?

A PAC is a group of people with common goals or interests who pool their money to support candidates running for state or federal office. PACs support political candidates who support the interests of their members.

Who is eligible to join ACRE Co-op Owners for Political Action?

This program is open only to residential consumer-owners of electric cooperatives. Consumers of public power districts are not allowed to join. Commercial and industrial members cannot participate.

Are Contributions to ACRE Tax-Deductible?

No. The Internal Revenue Service (IRS) has ruled that all political contributions, such as those to ACRE, are not tax deductible for federal income tax purposes.

What Do I Receive for My Contribution?

The most important benefit that you receive as an ACRE member is a voice in helping elect state and federal officials that will support your cooperative and your community. In addition, you will receive quarterly issues of the ACRE Co-op Owners for Political Action Report, which includes legislative alerts, profiles of cooperative leaders, and other timely features.

Do I Really Make a Difference?

Yes! ACRE members stand together to form the backbone of a powerful grassroots network that promotes policies to secure the future of your electric cooperative and the families and communities they serve. This is an opportunity to make a huge difference.

Annual Meeting Details

April 24, 2021

9 a.m. - noon

Members may drive through at either:

Claiborne Electric Cooperative - 12525 Hwy. 9, Homer

OR

D'Arbonne Woods Charter School - 9560 Hwy. 33, Farmerville

Members should bring:

- **Registration card**
(will be received by mail mid-April)
- **Picture ID**
(must match the registration card)
- **Bylaw ballot**
(found between pages 8-9 of this issue of Louisiana Country)

Members should remain in their vehicle at all times. Claiborne Electric employees will direct drivers to the appropriate place to register and vote, then members will exit. This is a come-and-go meeting.

Prizes:

- 50 gift cards - \$100 each
- \$500 registration card prize
- \$1,000 cash prize
- \$2,000 cash prize
- \$3,000 cash prize
- \$4,000 cash prize
- \$5,000 cash grand prize

All prizes will be drawn after the conclusion of the meeting. Winners will be posted online and contacted.

Annual Meeting is an event exclusively for Claiborne Electric members.