

## President's Report



William R. Dodds  
President/CEO

## Operation Round Up® Begins in September

The membership voted at the Annual Meeting on June 15 to proceed with the Operation Round Up® program, which will launch with the bill received in September 2017.



will show as a separate line item, it's easy to contribute on a regular basis. You can track your tax-deductible Operation Round Up® donations by simply keeping the top portion of your bill.

### What is Operation Round Up®?

It's a charitable program, unique to electric cooperatives, designed to provide financial assistance to local school programs, philanthropic groups, non-profit organizations, rescue squads, volunteer fire departments and other deserving causes that benefit members within Spoon River's service territory.

Spoon River will "round up" your monthly electric bill to the next whole dollar. For example, a bill amount of \$65.46 would be rounded up to \$66. The additional 54 cents would be your Operation Round Up® contribution for that month.

The concept behind the program extends the principle on which electric co-ops were built more than 75 years ago, neighbor helping neighbor to benefit communities in which we live and work. Donations are only a few cents a month and average about \$6 to \$12 a year. It's a small change, but it delivers big benefits to local community and charitable organizations.

### How are donations collected?

Because donations are automatically collected through your monthly electric bill and

### Who administers the funds?

The small change you contribute to Operation Round Up® is deposited into Spoon River Electric Foundation Fund account. A volunteer Foundation Board committee consisting of Spoon River members will carefully review grant applications and determine who receives funding. Foundation Board members volunteer their time and, except for optional mileage reimbursement, receive no pay or compensation for serving on the board.

### Who will benefit from Operation Round Up®?

The program can help replenish food supplies for local food pantries, help support senior citizen hospice programs, purchase supplies and equipment for rural fire departments and emergency response services, provide funds for community programs and helping children of all ages by supporting community youth activities and school programs. The funds will not be used to pay members' bills, nor will they be used

**Operation Round Up® continued on 18B**

## Operation Round Up® continued from 18A

for political purposes.

Electric cooperatives across the United States have been offering this program since 1989 to help co-op consumers reach out to worthy causes in the community and work together to help others.

We will begin taking grant applications in 2018. Be watching our various media outlets – Illinois Country Living, [www.srecoop.org](http://www.srecoop.org), Facebook, and local newspapers for details on where your donations are going.

### How to participate:

If you wish to participate in the program, do nothing and you will automatically be enrolled.

Beginning September 2017, your contribution will be automatically included on your bills.

If you DO NOT wish to participate and have not let us know, please contact the office to opt out. You will be able to opt in or out at any time.

No matter how you pay your bill, if it's by check, automatic debit, or online through eBill – should you want to contribute more than the “rounded up” amount during the year, you can make an additional contribution by writing a separate check made out to Spoon River Electric Foundation and mailing it to Spoon River.

### Your small change can make a BIG difference

For less than \$1 a month, you can make a difference in someone's life. It may seem like a small change, and it is, but when you multiply that by thousands of Spoon River members participating in Operation Round Up®, it makes a BIG difference.

You might have questions about Operation Round Up®. We have some answers. If you need any further information than what is provided, please contact us at 309.647.2700 or check out our website at [www.srecoop.org](http://www.srecoop.org).





# YOU get the credit

*Spoon River Electric retires more than \$138 thousand to members*

It's time for you to get the credit—capital credits, that is for helping build, sustain and grow your local electric cooperative. This summer, Spoon River Electric retires – or pays by cash or credit – more than \$138,000 to members like you across portions of five counties served by the co-op.

When you signed up to receive electric service from Spoon River Electric, you became a member of an electric utility. While investor-owned utilities return a portion of any profits back to their shareholders, electric co-ops operate on an at-cost basis. So instead of returning leftover funds, known as margins, to folks who might not live in the same region or even the same state as you do, Spoon River Electric allocates and periodically retires capital credits (also called patronage dividends, patronage refunds, patronage capital, or equity capital) based on how much electricity you purchased during a year.

This year, members from the year 1975 will receive capital credits retirements through check in the mail, reflecting their contribution of capital to, and ownership of, the cooperative during those years. That may seem like a long time ago. However, those funds helped us keep the lid on rates, reduced the amount of money we needed to borrow from outside lenders to build, maintain, and expand a

reliable electric distribution system, and covered emergency expenses.

For more information on this part of the cooperative business, read the following Q & A:

## Common capital credits questions:

### What are capital credits?

An electric cooperative operates on an at-cost basis by annually “allocating” to each member, based on the member’s purchase of electricity, operating revenue remaining at the end of the year; later, as financial condition permits, these allocated amounts—capital credits—are retired. Capital credits represent the most significant source of equity for Spoon River Electric. Since a cooperative’s members are also the people the co-op serves, capital credits reflect each member’s ownership in, and contribution of capital to, the cooperative. This differs from dividends investor-owned utilities pay shareholders, who may or may not be customers of the utility.

### Where does the money come from?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans, and provide an emergency reserve. At the end of each year, we subtract operating expenses from the

operating revenue collected during the year. The balance is called an operating “margin.”

### How are margins allocated?

Margins are allocated to members as capital credits based on their purchases from the cooperative—how much power the member used. Member purchases may also be called patronage.

### Does Ameren retire capital credits?

No. Within the electric industry, capital credits only exist at not-for-profit electric cooperatives owned by their members.

### Are capital credits retired every year?

Each year, the Spoon River Electric Board of Directors makes a decision on whether to retire capital credits based on the financial health of the cooperative. During some years, the co-op may experience high growth in the number of new accounts, or severe storms may result in the need to spend additional funds to repair lines. These and other events might increase costs and decrease member equity, causing the board not to retire capital credits. For this reason, Spoon River Electric’s ability to retire capital credits reflects the cooperative’s strength and financial stability. The board alone decides whether to retire capital credits.

YOU get the credit continued on 18D

# Spoon River Electric Cooperative

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## **President/CEO**

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## **Chairman**

Bernard Marvel, Browning

## **Vice Chairman**

Terry Beam, Cuba

## **Secretary**

Jack Clark, Lewistown

## **Treasurer**

Lyle Nelson, Abingdon

## **Assistant Treasurer**

Robert Lascelles, Ipava

## **Board of Directors**

James Banks, Canton  
Greg Leigh, Avon  
JoDee Pedigo, Canton  
John Spangler, Marietta

## **Editor of Spoon River News**

Taryn Mellert  
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## Spoon River Electric Cooperative – By the Numbers

Miles of line energized: 1,271  
Number of members served: 4,808  
Number of power poles  
in territory: 29,255

## YOU get the credit continued from 18C

### Do I lose my capital credits in the years the co-op decides not to make retirements?

No. All capital credits allocated for every year members have been served by Spoon River Electric are maintained until such time as the board retires them. Prior to this year, Spoon River Electric retired all capital credits from the year 1975.

### What years will be retired in 2017?

Spoon River Electric will be retiring all of the remaining capital credits to members who purchased electricity from the cooperative in 1975.

### How much will be retired in total in 2017?

\$138,800.81

### I did not get electric service from Spoon River Electric in 1975. Will I get any retirement?

No. This year, capital credit retirements will only be made to members who purchased electricity in 1975.

### How much has Spoon River Electric paid in total capital credits retirements since it began in 1938?

Spoon River Electric has paid \$994,775 thousand in capital credits retirements to current and former members to date.

### How often do members receive capital credit retirements?

The Spoon River Electric Board of Directors makes a decision each year whether or not to retire capital credits. When the cooperative is strong enough financially and member equity levels high enough, the board directs staff to retire some portion of past years' capital credits.

### How will the retirement work?

Active members who purchase electricity from Spoon River Electric and those inactive or former member who no longer purchase electricity from Spoon Rive Electric (but who purchased electricity during the year of 1975 which is being retired) will receive a check before the end of the summer in 2017.

### What if I have moved?

If you move or no longer have electric service with Spoon River Electric, it is important that you inform the cooperative of your current address so that future retirements can be properly mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement, even if you move out of the Spoon River Electric service area. If it has your current address, then Spoon River Electric will send your retirement check by mail.

## Energy Efficiency Tip of the Month

Setting your thermostat to a colder setting than normal when you turn on your air conditioner will not cool your home any faster and could result in excessive cooling and unnecessary expense.

Source: U.S. Dept. of Energy

