

WINTER - 2021

Volume 64 No.1

# HIGHLIGHTS



A Touchstone Energy® Cooperative  
The power of human connections®

"Owned By Those We Serve"



## Garkane Refunds \$1.1 Million In Capital Credits

Garkane Energy Cooperative returned \$1,100,000 to its members in 2020, following last year's retirement of the same amount, which was the highest ever for the cooperative. Garkane members who had accounts in 1991, 1992, 1993 and a portion of 1994 received the refund in the form of a check or a credit on their December bill.

In a given year whenever revenue exceed costs, it is considered an operating margin. That operating margin gets allocated to the members, which shows up as equity on the cooperative's books. For example, if Garkane had a net operating margin of \$500,000 in 1991, that "margin" would be allocated to all the members who used power in 1991. At a later date, the Board au-

thorizes a return of those funds in the form of a capital credit refund.

Instead of borrowing money the co-op utilizes those funds for a number of years to fund capital intensive projects like transmission/distribution lines, which helps keep rates lower than if the co-op had to borrow more money. This capital structure is one of the hallmarks of cooperatives. It effectively helps keep the rates as low as possible and is one of the reasons Garkane's rates are often considerably lower than neighboring investor-owned utilities.

Garkane is currently working toward a 20-year capital credit retirement rotation cycle, which is standard in the electric co-op world. (10001608)

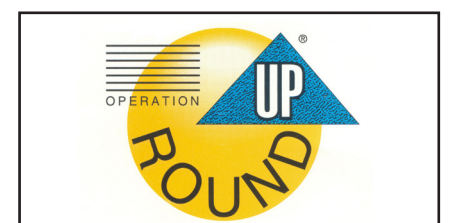
## CAPITAL CREDIT TIPS

- 1) Your capital credits are reserved for you even if you move out of the area. Garkane will make a diligent effort to send you a check by mail.
- 2) If your check is not cashed or is returned by mail, your name will be published in the Garkane HIGHLIGHTS newsletter and on our website at [www.garkaneenergy.com](http://www.garkaneenergy.com).
- 3) If your check is still unclaimed after two years, it will be published in the local newspapers where you last received electric service. To claim your check, you must provide proper identification.
- 4) To help yourself in future years, keep Garkane informed of address changes. You may receive checks for several years.

### Inside HIGHLIGHTS This Quarter



Board of Director Candidate  
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What Is Operation Roundup?  
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# GET PAID TO READ THE PAPER



## Win A \$25 CREDIT

We have inserted eight randomly selected Garkane Account Numbers in the text of various articles in this month's edition. If you find your account number, call Garkane toll-free at 1-800-747-5403 and we'll credit \$25.00 to your account as a lucky winner! Just one more reason to read HIGHLIGHTS.

**There are 8 hidden account numbers located in the text of the newsletter, find your # and win!**

# Calendar

January 25, 2021	<b>Board Meeting</b> Hatch, UT
February 22, 2021	<b>Board Meeting</b> Hatch, UT
February 26, 2021	<b>Board Nominations Due</b>
March 29, 2021	<b>Board Meeting</b> Hatch, UT
April 26, 2021	<b>Board Meeting</b> Hatch, UT
May 24, 2021	<b>Board Meeting</b> Hatch, UT
May 25, 26, 2021	<b>Annual Meeting</b> Bicknell, Kanab

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**Garkane Energy**  
P.O. Box 465  
Loa, Utah 84747  
1-800-747-5403

As the official publication of the Cooperative, the purpose of **this newsletter** is to communicate to members information concerning their electric cooperative.

**GENERAL MANAGER/CEO**  
Dan McClendon

**HIGHLIGHTS**  
Neal R. Brown, Editor

## Garkane Energy Cooperative, Inc.

VOLUME 65 - NO. 1

### **BOARD OF DIRECTORS**

**LaDon Torgersen** - Koosharem, Antimony  
(435) 638-7531

**Chad Williams** - Teasdale, Loa  
(435) 425-3213

**Tracy Potter** -Torrey, Bicknell  
(435) 425-3128

**Reed Munson**-Escalante, Boulder  
(435) 826-4422

**Terry Griffiths**-Orderville, Glendale  
(435) 616-1034

**George Thompson** - Cannonville, Tropic, Hatch  
(435) 679-8806

**Andy Gant-Kanab** (Ranchos)  
(435) 689-0348

**Rodney Ence**-Duck Creek Village (435) 682-2526

**William Hammon** -Centennial Park, Big Water,

Cane Beds (435) 467-1886

**Ray Clark**-Kanab City Limits (435) 689-0174

**Guy Timpson** - Colorado City, Hildale (435) 467-2113

# Call For Board of Director Nominations

**District 2:** Includes members/consumers having accounts in Loa, Lyman, Teasdale, Grover and surrounding areas. **Chad Williams** currently represents this district.

**District 5:** Includes members/consumers having accounts in Orderville, Glendale, Mt. Carmel, Alton, and surrounding areas. **Terry Griffiths** currently represents this district.

**District 7:** Includes members/consumers having accounts in Kanab Creek Ranchos, Johnson Canyon, Cedar Heights, and consumers living outside Kanab city limits. **Andy Gant** represents this district.

All signatures and account numbers must be verified according to Garkane's Bylaws before the deadline of **Friday, Feb. 26, 2021.**

It is the responsibility of the candidate to ensure all signatures qualify. **Names/Signatures listed must be the actual account holder in order to qualify.**

Only one signature per voting account is permitted (example: a husband and wife from the same account cannot both sign the form).

## MEMBER PETITION DIRECTOR NOMINATION PETITION

The following candidate is hereby nominated to stand for election as a Director for Garkane Energy Cooperative's District No. \_\_\_\_\_.

### Candidate Information

Name to appear on ballot: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Candidate Signature: 1. \_\_\_\_\_

Email: \_\_\_\_\_

Account#: \_\_\_\_\_

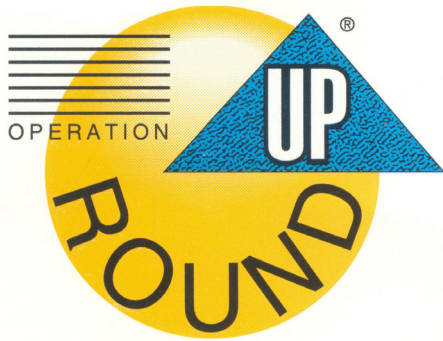
We, the undersigned members of the above-referenced District, hereby petition for the candidate listed above to be nominated for Director.

<u>Name/Signature</u>	<u>Account #</u>	<u>Name/Signature</u>	<u>Account #</u>
2. _____	_____	9. _____	_____
3. _____	_____	10. _____	_____
4. _____	_____	11. _____	_____
5. _____	_____	12. _____	_____
6. _____	_____	13. _____	_____
7. _____	_____	14. _____	_____
8. _____	_____	15. _____	_____

Completed Member Petition Nomination forms must be submitted to:  
Garkane Energy Attn: Board Applications 1802 S. Hwy 89a Kanab, UT 84741  
Email: [neal.brown@garkane.com](mailto:neal.brown@garkane.com)

**Deadline for submission: Friday, February 26, 2021 by 5:00 p.m.**






## EASY WAY TO HELP YOUR COMMUNITY

*Giving back to the community is a big part of what Garkane Energy Cooperative is all about, which is why we participate in Operation Round-up.*

Garkane Energy Cooperative adopted a community program called Operation Roundup. The program "rounds-up" a members bill to the nearest dollar and 100% of the funds are donated to local charitable activities in our service area. All funds stay in the community to benefit your friends and neighbors who may be in need.

The average amount any given member donates is just \$0.50 per month, with the maximum being \$11.88 per year. This may seem like small change, but multiplied over 14,000 members, it adds up and the co-op can make a huge difference.

Your small change, together with other members will make a big impact in our communities.

ROUND-UP YOUR BILL TO THE NEXT  
**\$0.54**  **\$1.00**  
TO HELP ANOTHER



*"It makes  
real cents"*



*"Garkane's Operation Round-up donation allowed us to add five extra EMT's, so we have all the help and resources we need."*

*-Nancy Porter, Escalante EMT*

## SIGN UP ON OUR WEBSITE

[www.garkaneenergy.com/content/operation-roundup](http://www.garkaneenergy.com/content/operation-roundup)

or call

# 800-747-5403



# SMALL CHANGE THAT CHANGES LIVES

# SURPLUS ITEMS FOR SALE

Bids from Garkane Members only are currently being accepted for the following items:

**Item #1:** Metal Trusses, 12 ft high at the peak, 75 ft long. Can be viewed along the fence line on N. Black Knoll Rd. near Sigurd, Ut. (9996594)



## Submit A Bid

Submit in a sealed envelope with "BID ITEM #" Clearly written on the outside to:

Garkane Energy  
Attn: Surplus Items  
PO Box 465,  
Loa, UT 84747

Sealed bids will be accepted until 5:00 p.m. Friday, February 5th, 2021. Garkane reserves the right to accept or reject any and all bids.

Interested parties can view the trusses at the location spot pictured below. They are in the field next the Sigurd, UT substation on Black Knoll Rd. Trusses will be sold as-is.

**Trusses located here** →



# ATTENTION: Owner/Builders; New Construction

## When To Submit An Application?

When planning the construction of a project, the member should complete Garkane's New Construction Application and review a cost estimate from Garkane prior to starting a project.

The cost of building a new electrical service is significant, one should expect the cost of running power will affect the projects budget and feasibility to some degree. Projects should never be started without first obtaining an estimate from Garkane's Planning Department. Consumers should plan on at least 28 days, (possibly more) from the day of receipt of completed application, to final completion of the project if trenches and meter base are built to code and to the proper Garkane specs.

Please read Garkane's New Construction Handbook very carefully as (10003065) it outlines the responsibilities for the member and for Garkane.

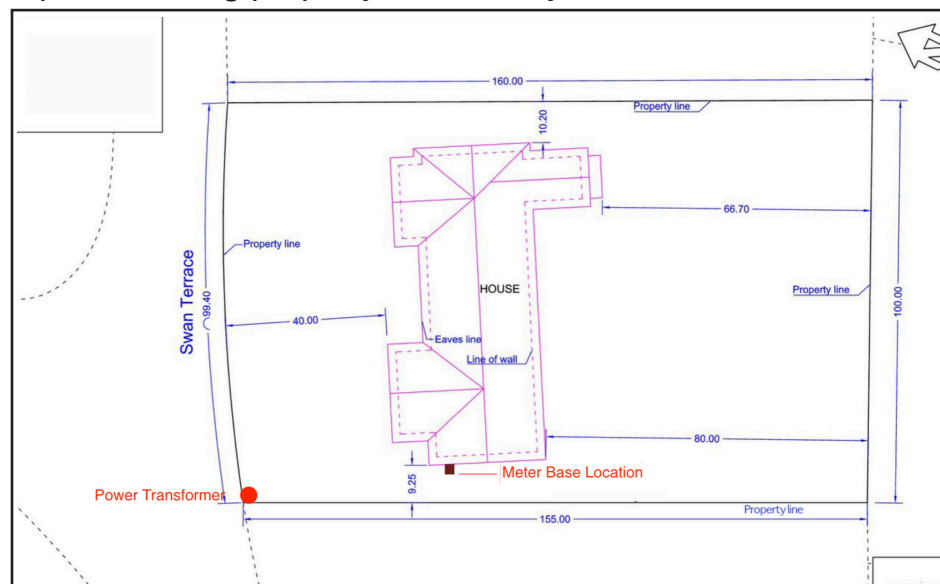
### MEMBER RESPONSIBILITY

1. Submit completed application with site plan, & \$200 engineering deposit
2. Pay project construction fees
3. Clear & grade power line right-of-way when applicable, permitting & easements
4. Electrician builds meter/base connection
5. Dig trench for underground service
6. Receive passing inspection of meter base from building department

**If you aren't ready to build, but want a rough estimate of the cost to run a new line, our online estimating calculator will give you a NON official cost for budgeting purposes. Visit: [www.garkaneenergy.com](http://www.garkaneenergy.com), under "construction application requirements"**

## Site Plan Example\*

\*We don't need house plans, or other construction plans, just a plan showing property lines, and your meter base location.



## NEW CONSTRUCTION PROCESS

### I'm needing new electric service. What do I do first?

If this is your first time, we strongly recommend hiring an electrician. Then download our New Construction Handbook and read the requirements for new service. It provides step-by-step instructions.

### How much will new electric service cost?

First, you will need to apply for service by filling out a new construction application, providing us with a site plan of where you plan to put your electric meter and pay a \$200 engineering fee. A Garkane Staking Engineer will visit your location to provide you with an accurate quote for your project.

### What can I expect from the new construction process?

After we receive a completed application and \$200 engineering deposit, it usually takes approximately 14 business days to get a cost estimate. After receiving the cost estimate, once it is paid, your job will enter the queue to be completed by operations.

### How long does the whole process usually take?

In general, it will take a minimum of 28 days for Garkane to complete its portion of the work, this does not include the time required for the applicant and contractors to complete their part.



## YEARLY METER TESTS

Garkane is on a rotation schedule to visit and check every meter. If you see a Garkane truck on your property, don't worry, crews are just testing your meter for regular maintenance. Although, most meters are now remote read meters, it is good practice to check and test them regularly.

# Does Your Health Rely on Electricity?



## What will you do if the power goes out?

A sudden power outage due to severe weather or a nearby accident could leave you without power for hours or even days.

### ***Do you have emergency plan?***

### ***Are you prepared to go without electricity for a few hours or even days?***

### ***Who is responsible for my medical necessity equipment?***

Many medical devices use electricity or are battery dependent, including; breathing machines, power wheelchairs, oxygen and home dialysis equipment. some equipment is vital to keeping you alive! Read the equipment instructions and talk to your equipment suppliers about your backup power options. Since you are responsible, here are a few tips to help you stay prepared and have peace of mind during an outage.

**Cellphone:** Keep your cellphone charged so you can call for help.

**Batteries:** If your medical devices are battery operated, make sure you have plenty of extras on hand.

**Generator:** Consider investing in a generator and know how to use it safely. There are two types of generators.

1. Standby generator's are installed directly into the house. An approved generator transfer switch or Genera-link must be installed by a professional, which keeps your generator from backfeeding on our lines.(434400)

2. Portable generators can power your appliances by being plugged directly into the generator. Set up and run your generator in a well-ventilated area outside of your home. Have enough fuel for at least 24 hours.

## Garkane Will Conduct a Cost of Service Study Based on Increasing Wholesale Electric Rates

Garkane received notice from its wholesale electric supplier Deseret Power that wholesale power costs would be increasing in 2022. CEO, Dan McClendon stated, “The cost of wholesale power represents 41% of all of our costs, so its a big portion and unfortunately any increase in our wholesale costs will reflect in a pass through increase to our membership.”

A cost of service study done by a 3rd party consultant takes an in depth look at all rate classes and compares projected revenue against projected costs. The study will reveal how much of an increase will need to be made up in the rates.

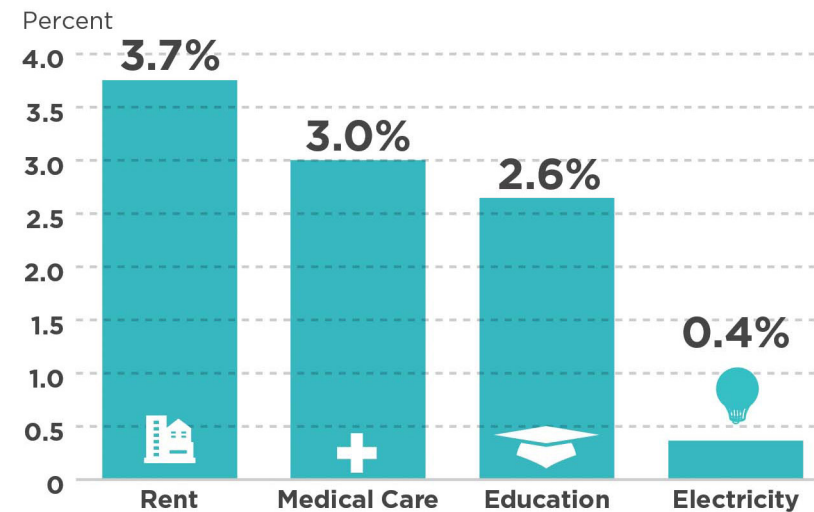
McClendon also noted “many factors are considered when setting rates, but the most important is making sure future revenue covers the cost of operations since the cost of wholesale power will be increasing.”

When the rate increase takes affect in 2022, it will be six years since the last time Garkane had to raise rates. It is important to note that through significant cost-saving measures over the last several years by Garkane Energy and Deseret Power, we have successfully delayed any increase in rates since 2016. We will post more information about the rate increase in the next edition.

## ELECTRICITY REMAINS A GOOD VALUE

The cost of powering your home rises slowly when compared to other common expenses. Looking at price increases over the last five years, it's easy to see electricity remains a good value!

### Average Annual Price Increase 2014-2019



Sources: U.S. Bureau of Labor Statistics  
Consumer Price Index

## Steps in Conducting a Rate Change

### Rate Setting Framework

- Financial need and objectives
- Pricing for rate classes

### Financial Plan

- Cash flow analysis for financial sufficiency

### Cost of Service & Rate Design

- Cost allocations
- Rate design
- Member impact analysis

### Public Hearing

- Publish proposed rates
- Publish Public Hearing notice for Member input

### Final Rate Adoption

- Board approval
- Notice to Public Service Commission
- Adopt rates



# 10 Quick Tips to Avoid High Winter Bills

Looking to lower your bills this winter?

Use the 10 tips below to conserve energy.



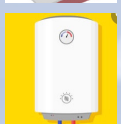
**1** Seal air leaks and insulate well to prevent heat from escaping and cold air from entering your home.



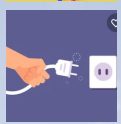
**2** Reduce waste heat by installing a programmable thermostat



**3** Turn off lights when not in use



**4** Lower your water heater temperature. The Department of Energy recommends using a warm (120 degrees) setting during fall and winter months.



**5** Unplug electronics like kitchen appliances and TV's when you're away.



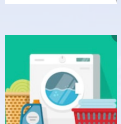
**6** Open blinds and curtains during the day to allow sunlight in to warm your home.



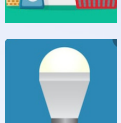
**7** Close blinds and curtains at night to keep cold, drafty air out.



**8** Use power strips for multiple appliances, and (10005568) turn off the main switch when you're away from home.



**9** Wash clothes in cold water, and use cold-water detergent whenever possible.



**10** Replace incandescent lightbulbs with LEDs, which use at least 75% less energy.

# Senior Scholarship Applications Now Open



The Garkane Senior Scholarship program offers twenty-two (up to \$1,000) scholarships, which can be used at any institution of higher education. Judging criteria includes; academic achievement, financial need, extra-curricular activities, and a required essay. Any high school student who receives power on Garkane's system is eligible to apply. Two scholarships will be awarded from each of Garkane's 11 districts.

## **DEADLINE TO APPLY**

Friday, April 2, 2021

## **DOWNLOAD APPLICATION**

[www.garkaneenergy.com](http://www.garkaneenergy.com)  
(Community Involvement Tab)

# Leadership Opportunity For High School Juniors, Michael F. Peterson Leadership Camp Applications Now Open: Camp Held At Snow College, June 21-25



The Michael F. Peterson Youth Leadership Camp was cancelled in 2020 due to Covid, but we are currently planning 2021's camp with proper Covid restrictions. The camp will maintain similar standards that local school district's follow with social distancing, increased cleansing, and proper mask wearing protocols. The camp will be held on the campus of Snow College, June 21-25th. If your student is (1575700) selected, all costs will be paid for by the cooperative.

## **DEADLINE TO APPLY**

Friday, March 26, 2021

## **DOWNLOAD APPLICATION**

[www.garkaneenergy.com](http://www.garkaneenergy.com)  
(Community Involvement Tab)

# Garkane Propane Is Ready To Help

As the weather turns cold, don't be stuck out in the cold. When prices get too high, and response time too long, give us a call. We would like to provide you with exceptional service and a price you can appreciate. By pre-buying bulk propane when costs are down and using bulk storage, we are able to pass the savings to all

of our customers. Garkane propane has offices in Kanab, Hatch, and Loa. Our service-techs and delivery drivers in Kanab and Hatch can meet our customer's needs, while monitor-

ing your tanks and providing the best customer service in the area.

Garkane propane would like to thank each member of the cooperative for allowing us the opportunity to provide ser-

vices to everyone in our service territory. We enjoy what we do and look forward to meeting your needs.

If you have questions about rates, service or need a fill, feel free to call anytime, 800-747-5403 and (10002434) our service reps will be glad to assist you. Stay warm, stay full.



**Please call us at 800-747-5403**

# From the CEO's Desk

by Dan McClendon



Dear Members of Garkane,

Since joining Garkane Energy Cooperative in 2014 as your CEO, the co-op's Board of Directors and I have made it our mission to significantly improve the value the members receive from the co-op. In this short amount of time, we've cut operating expenses, while improving system reliability by focusing on infrastructure upgrades, technology improvement and energy efficiency.

Proper financial management is our utmost concern and in order to meet our financial obligations, we must ensure that we charge our members accurate rates, while delivering excellent service in running the co-op. With this goal in mind, we will soon complete a new cost-of-service study performed by an outside consultant

to examine how an upcoming wholesale power increase in 2022 from Deseret Power will affect each of our members. Because of this power cost increase to Garkane, we are expecting Garkane's member retail rates to also increase slightly. Although we do not know for sure how much the increase will be in 2022, we are expecting it to be in the 3%-5% range. Most likely, the rate change will be split between our monthly Base Rate, and a slight bump in the kWh energy charge.

Raising rates for our members is never an easy action and it is a process that we take very seriously, however given the rising costs of raw materials, fuel, and just about everything else, a small rate in-

crease will likely be necessary to pass on the wholesale power cost imposed upon us.

It is important to note that through significant cost-saving measures over the last several years by Garkane Energy and Deseret Power, we have successfully delayed rate increases since 2016.

These cost-saving measures include: targeted personnel reductions through attrition, creating insurance savings through a top rated safety program, implementing new technologies that provide increased efficiencies, and focusing strongly on energy efficiency programs like the Half-Price Power program.

Garkane Energy is a not-for-profit cooperative, meaning we don't raise rates to generate profits like an investor owned utility. We raise rates to simply cover the cost of doing business. Electricity is still

a great value compared to other commodities and energy costs. In fact, Garkane's rates have remained very stable over the last several decades. Even with rate increases expected in 2022, Garkane's rates will be some of the lowest in the states of Utah and Arizona and in the entire nation. As in the past, you can be assured that we will continue to operate and manage your co-op at the lowest cost possible while ensuring safe, reliable electricity.

Finally, the year 2020 has been tough on all of us. Your Garkane family of employees and Directors want to thank all our members for their loyalty and support and we wish you a productive, safe and happy new year. (542500)

Sincerely,  
Dan McClendon

