

WINTER - 2019

Volume 62 No.1

HIGHLIGHTS



A Touchstone Energy® Cooperative 
The power of human connections®
"Owned By Those We Serve"

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Call For Board of Director Nominations

Pursuant to Article IV, Section 6 of the Garkane Energy Cooperative Inc. Bylaws, members living in Districts 1, 4, 9, and 11 are hereby notified that elections will be held in said districts to select members for the Cooperative's Board of Directors, each board member to serve a term of three years.

Districts Open for Nomination

District 1: Koosharem, Antimony, Grass Valley, Burrville

District 4: Escalante, Boulder

District 9: Big Water, Centennial Park, Cane Beds

District 11: Hildale, Colorado City

Under Garkane's Bylaws, any member desiring to be a candidate may file a written Notice of Candidacy, provided it contains the signatures of at least fifteen (15) members of the district, including the candi-

date. No member may sign more than one notice of candidacy, and only one signature per voting account is permitted (example: a husband and wife from the same account cannot both sign the form).

As provided by the Bylaws, a form of the Notice of Candidacy is included on Page 8 of this newsletter. Completed Notices of Candidacy must be filed (in person or by mail) **prior to 5:00 p.m. on Friday, February 15, 2019** at Garkane Energy Cooperative's Loa Business Office; 120 W. 300 S. Loa, UT 84747. Qualifications and Duties of a Director are included on Page 8 of the newsletter. Districts with more than three candidates will hold primary elections in March, with the two candidates receiving the greatest number of votes proceeding to a final election in April. (620500)



2018 Board of Directors (L-R, Back Row) Guy Timpson Dist. 11, Andy Gant Dist. 7, Carl Boyd Jr. Dist. 6, Rod Ence Dist. 8, Reed Munson Dist. 4 (L-R, Front Row) Chad Williams Dist. 2, Terry Griffiths Dist. 5, Nanell Robinson Dist. 10, Tracy Potter Dist. 3, William Hammon Dist. 9, LaDon Torgerson Dist. 1

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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.

8 Hidden Account Numbers Located In The Text Of This Newsletter

Calendar

January 21, 2019	Martin Luther King Jr. Day
January 28, 2019	Board Meeting Hatch, UT
February 15, 2019	Board of Director Nomination Petitions Due
February 25, 2019	Board Meeting Hatch, UT
March 25, 2019	Board Meeting Hatch, UT
April 5, 2019	Scholarship Applications Due
April 23, 2019	Board Meeting Hatch, UT

Garkane Energy Cooperative, Inc.

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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

LaDon Torgersen- Koosharem
(435) 638-7531
Chad Williams-Teasdale
(435) 425-3213
Tracy Potter -Torrey - Vice Pres.
(435) 425-3128
Reed Munson-Escalante
(435) 826-4422
Terry Griffiths-Orderville
(435) 648-2591
Carl Boyd, Jr.-Tropic-President
(435) 679-8418
Andy Gant-Kanab
(435) 689-0348
Rodney Ence-Duck Creek Village
(435) 682-2526
William Hammon -Centennial Park
(435) 467-1886
Nanell Robinson-Kanab
(435) 644-2752
Guy Timpson - Colorado City
(435) 467-2113

New Employee Spotlights: Learn a little about us!



Lexie Little

HR Specialist / Executive Assistant

I was born in Kanab and my family moved away when I was in Kindergarten to California. We returned to Utah when I was in 4th grade and back to Kanab at the end of my 8th grade

year. I have been married to my amazing husband, Randy, for 15 years and we have three kids; Logan (13), Rylee (10) and Kaden (8). I came to Garkane after spending many years in the medical field. I have been a medical assistant, managed a local branch for a home oxygen company, and recently worked at a Health Educator for Southwest Utah Public Health Department. I enjoy cheering my kids on in all their activities, going on dates with Randy, and spending as much time outdoors as possible.

What's your favorite quote and why?

"Life isn't about waiting for the storm to pass, it's about learning to dance in the rain." -Author unknown. Life is hard, and we are all fighting our own battles,

but having a positive attitude and being grateful for your blessings can give you a whole different perspective on life.

What's your favorite style of music to jam out to?

Anything that I can sing to and trust me I cannot sing. That doesn't stop me though, just ask my family.

What's your favorite thing to do?

I love to do any sort of physical activity; exercising, hiking, running (not so much lately), or riding my bike. I feel so much better if I am physically active.

If you could learn to do one thing, what would it be?

I would love to learn another language, probably Spanish. I took two Spanish classes in high school and all I can re-

member is how to ask where the bathroom is. There is some major room for improvement. (1034306)

What do you miss most about being a kid?

I miss someone else having to buy things like toilet paper and laundry detergent.

What's your favorite part about working for Garkane?

Garkane is a phenomenal company that really strives to do what is best for the members and their employees. The people here are the cream of the crop and I feel so blessed to have the opportunity to work for such a great organization.



Kaber Esplin

IT Analyst

I grew up in Orderville, the oldest of

eight kids born to Richard and Susan Esplin. After graduating from Valley High I served as a missionary for the Church of Jesus Christ of Latter-day Saints in Kennewick Washington. Upon return I attended Dixie State College. I worked for the college for 6 years as an IT Tech and System Administrator. My next career move took me to Southern Utah Title Company where I worked again in the IT department. I married my sweetheart Ashlee in 2015 and we now have one little girl. I started working for Garkane this last May and have enjoyed this move and living back in my hometown.

What's your favorite quote and why?

"Try not to become a man of success. Rather become a man of value."

- Albert Einstein

It's easy to get caught up trying to do something as fast as you can just to get things done, but behind every computer is a person and each of them is important.

What's your favorite style of music to jam out to?

90s Country

What's your favorite thing to do?

Ham Radio, Practical Pistol Shooting, Computer Games, and Wood Working.

If you could learn to do one thing, what would it be?

Cook like Gordon Ramsey.

What do you miss most about being a kid?

Running away to grandma's house!

What's your favorite part about working for Garkane?

I love the variety of work I get to do at Garkane. One day I am in Loa setting up a new computer and the next day I could find myself in Hilldale working on the network. It's nice to be able to get out of the office and see the beauty of Southern Utah.



Alivia Swapp

Member Service Representative

Hello I am the newest Memeber Service Representative at Garkane Energy. My name is Alivia Swapp,

I grew up in St. George Utah and graduated from Snow Canyon High School. I married my husband Brett Swapp who was born and raised in Kanab. After several years in Cedar City we moved our family to Kanab, for my husbands job. I never thought I would love this little town as much as I do. I have worked in many industry's from retail to accounting, most recently being in sales & marketing for a Hunting magazine and the Accounting for the Service District. We have 3 great kids 10, 8 and 4. They keep me very busy

with all of their extracurricular activities. In my spare time I enjoy hiking, we have been able to hike to Havasu Falls, the Subway and Orderville Canyon in Zion's. I got to hike The Wave on my birthday and many other interesting places here locally. I hope to hike into the Grand Canyon next year.

What's your favorite quote and why? *"No act of kindness, no matter how small, is ever wasted."*

What's your favorite style of music to jam out to? I don't have

a favorite, but anything with a good beat.

What's your favorite thing to do? Going on adventures with my family.

If you could learn to do one thing, what would it be? I would like to learn sign language.

What do you miss most about being a kid? Playing with my friends and family all day with no cares in the world.

MEMBER MUSINGS

What is your opinion? We welcome letters from our readers concerning any subject. Defamation of character or libel will not be considered for publication. Please limit your letters to 300 words or less. Letters can be sent to neal.brown@garkane.com In most cases, Garkane will provide a response to any concerns or questions.



LETTERS TO THE EDITOR

The Case For Solar Electric Energy

Garkane Energy is joining many big and small energy producers from California to Texas to the Carolinas by including solar electric in their energy mix. Solar electric is the fastest growing energy producer in the world. China and even the oil producing countries in the Middle East are building huge solar electric systems.

The reasons for this boom in solar vary widely but have some common elements. Long term savings in energy cost is an important reason. A good example is Garkane's proposed solar electric in Wayne County, (there is already a similar one in Kanab). The solar part of this system is estimated to cost about \$65,000 and has a capacity of 30 kW. (This will produce about 240 kWh of electricity per day). By selling this electricity at \$0.075 per kWh Garkane will make about \$18 per day and \$6,570 a year. Even at today's electric

prices, the system will pay for itself in about 10 years and with the price of electricity likely to go up, this time is likely to be shorter. Since most solar panels are rated at 25 years, this looks like an excellent investment!

The cost of the solar electric system plus the cost of the community center that it will set on is being supported by a grant from Deseret Power, Garkane's wholesale energy supplier, and paid back from the Shine program at Garkane Energy. So there is no cost to the rate payers of Garkane Energy.

Another important reason for going solar electric is the environment. This is true of Garkane Energy since we get most of our electricity from burning coal. The reason that most of the world still uses coal is that it's upfront costs are low but that does not include the externalities. These externalities include the production of greenhouse gasses which are causing climate

change, the spreading of heavy metals such as Mercury, coal sludge (what is left over after the coal is burned) and the mining of coal itself, which is dirty and often dangerous work. Another cost of using coal for Garkane is the long distance that the electricity has to be sent. This is called line loss. All of these expenses added together make producing electricity locally using solar very competitive.

Even at the up-front cost of a typical heating and cooling system many home owners are putting in their own solar electric systems. Deseret Power's General Manager, Kimball Rasmussen has installed a 6 kW solar electric system at his private residence. In many sunny parts of the US, solar systems are being built into new construction as a value added accessory.

As renewable sources of energy like solar and wind increase, there will still be the necessity for base load power that coal has supplied, and natural gas

will likely begin to fill that need. There are several reasons for this. One is that natural gas power stations can be placed locally anywhere there is a gas line. This reduces line loss and there is little "Not in My Back Yard" (NIMBY) reactions from local communities since they produce little smokestack pollution. Another benefit is that natural gas produces about 55% less greenhouse gasses than coal for the same amount of energy.

By building local community solar electric systems, Garkane Energy is joining much of the energy world in being at the beginning of the future in energy production.

**David Hart,
Notom, UT**

SHINE Program

In an article by Dawn House published in The Insider, I read that a Garkane Shine program was being launched to build three solar pavilions, one now

completed in Kanab with others to follow in Escalante and Torrey. The article went on to say that "Forever Resorts made it possible for Garkane to be able to build the solar pavilion in Kanab." How much did it cost to build this

Kanab pavilion? Please itemize costs such as land, engineering and design, components, foundation, solar panels, batteries, plumbing and sewer, if applicable, and etc., as well as construction costs and responsibility for mainte-

nance and upkeep. Also, what was the amount of the Forever Resorts contribution?

Sincerely,

LaVoy Tolbert, - Loa, UT

Dear Mr. Tolbert

Garkane's SHINE program was not launched just to build three solar pavilions. It is actually an extension of a prior member program that has been refined and offered to our members. SHINE provides funding opportunities for various efficiency and renewable sources more than just our three community solar projects. The SHINE program provides a path for members

to voluntarily pay a little bit more on their power bill each month to help fund renewable and efficient energy projects. Currently, members that sign up for the SHINE program, pay \$1.95 more per month for a 100 kWh block of renewable energy. Garkane has 120 members participating in the program at different use levels. Garkane receives an extra \$47,000 per year in SHINE program funds. The three community solar projects

referenced in your letter will be sized at approximately 33kW each. The total cost for the project in Kanab was \$135,000 which included a pavilion structure. The cost of a stand-alone solar array without a pavilion structure of course costs less. Each of the three solar arrays will be different in location, design and construction time frame. The solar panels are rated to basically function maintenance free for twenty years. With help from the SHINE

program and an upfront grant of cash from Deseret Power, all three facilities should be paid for in eight years. All costs associated with the solar pavilions will be funded through the SHINE program, (1983000) so members who choose not to participant can be assured that general membership funds aren't being used to fund these projects.

Garkane Energy



Frequently Asked Questions About Deseret Power

If Garkane Energy Cooperative owns Deseret Power, what is my relationship as a member-owner of Garkane?

Q: As a member of Garkane Energy am I a member of Deseret Power Cooperative?

A: Retail customers of Garkane Energy are not members of Deseret Power. Deseret is organized as a wholesale electric generation and transmission provider; it does not provide retail electric utility service. Garkane Energy is one of the six cooperative organizations that make up the membership of Deseret Power.

Q: As a member of Garkane Energy, do I have a voice at Deseret? Who is my Representative at Deseret?

A: LaDon Torgersen of District 1 and Terry Griffiths of District 5 are the Deseret Trustees for Garkane Energy. Garkane members can reach out to them with questions regarding Deseret Power. Deseret's governing board, acting as a group, represents the interests of all member wholesale customers that purchase wholesale (bulk) electric power. These interests are consistently addressed by the entire governing board, with input from its designated committees, and officers of Deseret. This process routinely draws on the knowledge and experience of each chief executive officer from the six Deseret cooperative members, including Garkane Energy. In establishing corporate policy for Deseret, the governing body endeavors, as a group, to take appropriate account of, and due consideration to, balancing the interests of all the organizations that make up the Deseret corporate members.

Q: Does Deseret have electronic or other types of communication to the members of the Cooperatives?

A: Deseret Power does not routinely publish or provide a formal newsletter or other such communication to its six-member cooperatives. Garkane Energy's governing board of trustees is regularly briefed on matters involving Deseret Power.

Q: How clean is Deseret's coal plant?

A: Deseret's Bonanza power plant is one of the newest and lowest emitting coal-fired power plants in the United States. Bonanza uses state-of-the-art technology to fully control or "scrub" sulfur emissions, physically filter and contain airborne particulates, and maintain efficient flame controls in the combustion process within its main boiler. Moreover, Bonanza utilizes relatively clean, western fuel reserves, enabling Bonanza to easily surpass the most strict emissions standards and qualify for "Low Emitter" status for toxic air pollutants, including mercury. (433301)

Periodically, Deseret invests in equipment and technology to make the Bonanza power plant even cleaner and more efficient. For example, in 2015, Deseret Power installed a forced air combustion control system at Bonanza resulting in a significant reduction in nitrogen oxide (NOx) emissions.

Q: How long will we be able to burn coal?

A: The Bonanza power plant is designed and constructed to continue operations well into the future. There are no current plans to decommission the unit at any certain date. In practical terms, there are adequate fuel supplies in the region to support operations indefinitely.

Q: When will the plant be paid off and how will it affect rates? Will rates go down?

A: The financing arrangements for the Bonanza assets involve a very complex set of contractual provisions contingent on future results of operations that make the exact pay-off date uncertain. Until the results of these future operations are known, it is difficult to predict long-term rate impacts. As described more fully below, Deseret's primary objective will be to maintain stable, reliable long-term wholesale power supply at affordable rates to each of its member cooperatives.

Q: What comes after coal?

A: Deseret continues to work to preserve as much flexibility as practicable for long-term energy supply that could supplement or replace existing energy supply as such need may arise. The anticipated need to commit to any given future alternative supply is not projected to occur, at the earliest, until comfortably beyond a ten to fifteen-year planning horizon. Deseret is well positioned at present to make use of a number of potential future alternatives. For example, Deseret has standing agreements with various organizations that could undertake to explore future development for such resources as nuclear, natural gas, wind, hydro, biomass, solar, geothermal, and battery storage, to name a few.

Q: How does Deseret's management feel about renewables?

A: Deseret Power supports an "all of the above" approach to energy supply, including the responsible and cost-effective development of renewable energy resources.

Beginning in 2017, the Bonanza power plant joined a new regional energy market created to facilitate the integration of renewable resources in the western United States and portions of Canada and Mexico. Bonanza plays a vital role in assisting with the integration of renewable resources across the west by adjusting generation output every 5-minutes to accommodate variations in wind and solar generation driven by weather conditions.

Deseret Power has joined with its retail cooperative members to establish programs that allow Garkane Energy to offer renewable energy programs to customers desiring to encourage further growth in renewable power. Such programs empower those wishing to purchase their electricity needs from renewable energy resources. For instance, Deseret Power has installed a community solar project within the Garkane Energy service area. This project delivers power to Garkane, which in turn provides interested retail customers with renewable energy at favorable rates when compared with most rooftop solar projects. (276400)

Q: When will power costs go up, and why?

A: Deseret's existing wholesale rates to its members are very competitive and have remained stable for years. Maintaining relatively affordable rates has been and will remain a primary focus of Deseret moving forward. Some modest and infrequent rate increases may be inevitable in years to come as Deseret addresses normal repairs, replacements, and other costs.

Court Rules on AMI Meter Privacy



Source on Case Brief: (NRECA) Editorial; Court Addresses "Smart Meter" Privacy Considerations, Author: Tyrus H. Thompson, VP and Deputy General Counsel. September 2018

Advanced Metering Infrastructure (AMI) meters, which are sometimes referred to as "smart meters" is an increasingly important part of electric cooperative operations. In recent years a case involving privacy considerations associated with an Illinois city's smart meter program has received significant attention.

Case Brief

On August 16, 2018, the U.S. Court of Appeals for the 7th Circuit Court held that a city's collection of smart meter data was a "search" under Illinois and United States constitutions. Because the search was reasonable, however, the city did not violate the constitutions. (1921699)

Invasion of Privacy Theoretical-

ly, an electric cooperative could face potential liability from an "invasion of privacy" or similar tort claims related to its AMI meter data collections. Under the Restatement (Second) of Torts, a person may be liable for "invasion of privacy" by, among other things: (1) intentionally intruding upon another's solitude, seclusion, private affairs, or private concerns, if the intrusion would be "highly offensive to a reasonable person," and regardless of whether the person publicly communicates any material or information obtained; and is not of "legitimate concern to the public."

While the Court conducted its smart meter reasonableness analysis for constitutional purposes, it seems many of the same considerations would apply to a reasonableness analysis for tort and similar purposes. The Court's opinion, therefore,

seems to suggest that collecting smart meter data similar to a city would not be "highly offensive to a reasonable person, and would be a "legitimate concern" to governmental and public interests.

Garkane's AMI Meters can collect energy usage data at 15 minute intervals. Garkane's main purpose for collecting data is for billing reasons. The data is also collected for high-bill scenarios, and to provide information for outage restoration efforts. We do not collect data on the member's side of the meter, which includes appliances inside your home, nor would we sell the data to 3rd party users. Accessing the data remotely saves costs by reducing employee hours to manually read meters. The technology also allows us to reflect the data through the Smarthub app, so users can see their daily usage to find ways to cut back their energy use.

Garkane & CoBank Donate To The Education Efforts In Wayne, Kane, And Garfield Counties



(l-r) John Horan, Tana Seaford, LeAnne Chamberlain, Dan McClendon, Steve Dahl, Megan Smith, Lexie Little, Ben Dalton

Garkane Energy, along with a matching grant from CoBank donate a total of \$10,000 to the local school districts of Kane, Wayne and Garfield Counties. Each school district will receive 1/3 of the total proceeds to increase their education programs.

The Kane Education Foundation Executive Director Megan Smith states, "we are happy to announce Garkane Energy as the latest Kane County business to become a business champion for education. (942500) These businesses are champions to us because they provide the strong financial base

and stability that enables the foundation to continue providing much-needed programs to students and teachers over a five year period."

Dan McClendon, CEO of Garkane, said "concern for community is one of the seven guiding principles that governs Garkane. Garkane works not only to provide reliable service, but to improve the quality of life in our communities. We are delighted to support opportunities for learning and growth among our local students and teachers." Across rural America, co-ops of all kinds are supporting local schools.

Board of Director Qualifications, Duties, & Nomination Form

- QUALIFICATIONS**
1. A director *MUST* be a member of the cooperative in good standing.
 2. A director *MUST* be a resident of the district he or she will represent and reside within said District for at least one year prior to running.
 3. A director *MUST* be willing to serve all members and not merely want to serve his/her own personal needs or his/her own district.
 4. A director *MUST NOT* be involved in a competing business or one which sells energy to the co-op. There must be no material conflicts of interest.

- DUTIES:**
1. Make sure the cooperative operates legally and that policies are followed and modified as needed.
 2. Attend board meetings each month and attend training and other associated meetings as assigned.
 3. Serve on board committees as assigned.
 4. Make and provide for the effective planning and communication of long-range goals to protect the investment of the members and to ensure a level of service to which co-op members are entitled.

All signatures and account numbers must be verified according to Garkane's Bylaws before the deadline of Friday, Feb. 15, 2019.

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. No member may sign more than one notice of candidacy, and 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: _____
 Garkane 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

Fax: (435)836-2497 Email: lexie.little@garkane.com

Deadline for submission: Friday, February 15, 2019 by 5:00 p.m.



Now Accepting Applications For Senior Scholarships



HIGH SCHOOL SENIORS

The program provides twenty-two (up-to \$1,000) scholarships, which can be used at any institution of higher education. Judging criteria includes academic achievement, financial need, extracurricular and service activities, and a required essay. In the past, only one applicant was chosen to receive the \$1,000 scholarship from each district. A few years ago the board decided to award two winners from each district. Applications are available at area high schools, and at any Garkane business office. You may also download an application from the website at: www.garkaneenergy.com under Member Services for applications.

DEADLINE TO APPLY: April 5th, 2019



NON-TRADITIONAL STUDENT

The \$1,000 Non-Traditional scholarship was created to provide an additional scholarship for older students seeking post-secondary education.

Applicants must be a member of Garkane Energy at the time of application and must be entering their sophomore year of college or be over the age of 25 at the time of application. Dependents or spouses of Garkane Energy employees, directors, and management are not eligible for the scholarship award. Scholarship recipient will be selected on an "At-Large" basis among all director districts.

Visit: www.garkaneenergy.com under Member Services for applications.

DEADLINE TO APPLY: April 5th, 2019

Board Members Become Certified



Board Vice President Tracy Potter presents Guy Timpson (L) and William Hammon (R) with their Credentialed Cooperative Director Certificate (CCD)

NRECA's world-class instructors bring a wealth of wide ranging co-op experience to the certification process for Garkane's Directors. The first part of NRECA's three-part Director Education Program, the Credentialed Cooperative Director (CCD) program consists of five courses that focus on basic governance knowledge and the essential skills required of cooperative directors. The CCD prepares directors to fulfill their duties as elected officials serving on behalf of their membership and receive training in engineering, management, politics, finance, tech-

nology, and communications. Directors are taught skills in critical thinking, managing open discussions and learning from case studies designed to prepare directors to meet today's governance challenges.

Upon completion of all five CCD courses, directors are awarded the Credentialed Cooperative Director Certificate by NRECA. (1374108) Guy Timpson from District 11 and William Hammon of District 9 recently completed the CCD courses and were presented with their certificates at the November Board meeting.

Rural Economic Development Programs

In, 2017, Governor Gary R. Herbert challenged Utah businesses to create 25,000 jobs throughout rural Utah in the next four years. The office of Economic Development (GOED), supports this initiative by working with businesses and organizations in Utah's 25 rural counties, and providing resources and programs to sustain business and improve employment opportunities. **Visit business.utah.gov for official info.**

RURAL FAST TRACK GRANT PROGRAM (RFT)

The Rural Fast Track grant program is designed to support companies located in rural areas of Utah that are expanding and growing their businesses and hiring new employees.

Who is eligible?

- Be located in Wayne, Kane, Piute, or Garfield Counties.
- Have been in business and profitable for at least two years (as indicated on federal tax returns)
- Have at least two full-time employees (as reported on Utah Department of Workforce Services forms); no exceptions for sole proprietorships
- Create and retain for at least one year, at least one new high-paying job
- The company will enter into a written agreement

INCENTIVES

Businesses may receive up to \$50,000 in matching funds for a qualifying capital investment project that expands the business.

EXAMPLES of ELIGIBLE PROJECTS

- Construction of a new building or an addition to an existing building
- New or upgraded equipment or machinery
- Value-added agriculture expansion projects
- Professional Services expansion projects

BUSINESS EXPANSION AND RETENTION (BEAR)

The Business Expansion and Retention (BEAR) Program is designed to grow rural businesses, influence rural job creation and increase economic diversity in rural regions.

Who is eligible?

- Be located in Wayne, Kane, Piute, or Garfield Counties.
- Public, nonprofit, and private organizations primarily engaged in economic development efforts in rural areas of the state
- Federally recognized Indian Tribes within the State of Utah
- Associations of Governments (AOG)
- Business Resource Centers (BRC)
- Small Business Centers (SBDC)

INCENTIVES

Applicants may apply for funding in the following amounts: \$10,000, \$20,000, and \$30,000. Each applicant will propose a budget for their project.

REQUIREMENTS

- Each applicant must request a certain grant amount, and justify the need for that amount.
- All projects must be completed within that fiscal year.
- Any qualifying entity may apply.

UTAH RURAL JOBS PROGRAM

The Utah Rural Jobs Program supports growth and expansion of eligible small businesses by providing flexible and affordable capital.

Who is eligible?

- Be located in Wayne, Kane, Piute, or Garfield Counties.
- Fall within these industries
 - Aerospace
 - Agribusiness
 - Defense
 - Energy & Natural Resources
 - Financial Services
 - Information Technology
 - Life Sciences
 - Manufacturing
 - Outdoor Products
 - Software Development

INCENTIVES

May receive up to \$5,000,000 in capital via a loan from an approved Rural Investment Company for business and development needs.

ELIGIBLE COMPANIES

- Have fewer than 150 employees and have less than \$10,000,000 in net income
- Conduct principal business operations in the State of Utah
- This program is available to start-up companies

TARGETED BUSINESS TAX CREDIT (TBTC)

The Targeted Business Tax Credit (TBTC) program encourages private investment in projects that will have significant community impact and/or create jobs in rural Utah counties with less than 25,000 people.

Who is eligible?

- Be located within a current Enterprise Zone Area
- Hire at least 51% of their employees at the business entity's facility located in an Enterprise Zone, or in an Enterprise Zone that is immediately adjacent and contiguous to the county in which the Enterprise Zone is located.

INCENTIVES

GOED may award up to \$300,000 with no more than \$100,000 being allocated to one project, to businesses with eligible Community Investment Projects. The TBTC is a post-performance refundable tax credit. Post-performance means that tax credit certificates may only be applied after a Community Investment Project receives an award from GOED.

BUSINESSES NOT ELIGIBLE

- Construction
- Retail
- Public Utilities

Keri Ramsay Retires After 22 Years With The Co-op



Keri helped the co-op in many capacities over the years



Keri flying high in a bucket truck for the first time

Keri Ramsay enjoyed a wonderful career with the co-op, working in the Loa office for 18 years, and most recently working out of the Kanab office. She managed all the HR responsibilities as well as working as the Executive and Board Secretary. She was well respected by all the employees and always made the office a funner place to be. She will be greatly missed and everyone at the co-op would like to wish her an enjoyable and satisfying retirement.



PROTECT SENSITIVE EQUIPMENT & APPLIANCES

Garkane is now providing surge protectors at the meter for 200 amp services to protect your appliances and electronics from surges caused by lightning or other external voltage issues.

Cost: \$150 (Installation by a Garkane employee included in the cost)

Garkane Commits To Zero Contacts

In April 2018, NRECA, Federated Rural Electric Insurance Exchange and electric co-op statewide safety leaders introduced the Commitment to Zero Contacts initiative. This initiative is designed to provide cooperative CEOs, senior leaders, and field personnel with ideas and resources they need to help eliminate serious injuries and fatalities (SIFs) due to electrical contact and enhance co-op safety programs. Garkane is pleased to join the effort, along with other Cooperatives across the nation to pledge our commitment to safety so all of our employees return home to their families.



Downed and Dangerous

If you see a downed power line, always assume it is energized and dangerous. Avoid going near it or anything in contact with the power line.



Downed power lines can energize the ground up to **35 ft.** away - so keep your distance.



Never drive over a downed line or through water that is touching the line.



!!!! If you see a downed line, notify the local authorities immediately.



Never try to move a downed power line, even if you think the line is deenergized or if you're using a non-conductive item - this will not prevent injury or death!

Cold Weather Affects Winter Bills

Winter weather has been in full effect with the start of the new year. When it comes to your electric bill, WEATHER MATTERS! Cold weather in December will affect your January bill because our billing cycle reflects the previous 30 days usage. Even if you never adjust your thermostat, the weather is always changing. The greater the difference between your thermostat setting and the outside temperature, the harder your AC/Heating system will work in order to reach and maintain your thermostat's set point.

From the CEO's Desk

by Dan McClendon



Dear Members of Garkane,

As we start the New Year, it is a good time to reflect on the past as well as look to the future. Looking back on 2018, I'm pleased with the cooperative's accomplishments. Garkane employees continue to work hard serving in an exceptional way which helps keep costs low. Looking forward to 2019, we will focus on Garkane's 2018-19 strategic plan. This plan sets our sights on improvement and excellence in the following eight areas; Safety, Leadership & Governance, Rates, Finance, Power Supply, Technology, Member Satisfaction and Reliability.

SAFETY

When it comes to Garkane's strategic plan, safety is the number one priority. The safety and well-being of our employees encompasses every discussion and decision that is made at Garkane. Our number one goal is to achieve a zero fatality safety culture. In 2018 we reorganized several employee responsibilities which included moving Tom Barton into the role of Safety Manager. Tom's experience and ability to communicate will be a great addition to help build upon the already strong culture of safety that Garkane has developed over the years.

LEADERSHIP & GOVERNANCE

The goal behind focusing on great leadership and governance is to ensure that the Board of Directors and the Employees work collaboratively to work on a common direction and to provide consistent and effective results on behalf of the Garkane members. We focus on setting clear leadership expectations for the management team that models teamwork and accountability. The goal is to create a culture where employees are empowered to serve the membership in a better and more efficient manner.

RATES

With a goal of maintaining low rates while ensuring quality service, we are always looking at our rate structure to ensure we cover costs without charging too much. There is an art and a science to structuring rates so the co-op is financially strong in the short-term, while managing long-term expectations as well. We don't foresee any rate increases in the next year or two. Because a wholesale power increase is expected in 2022 from Deseret Power, we may need to institute a pass through increase to our membership beginning in 2022.

FINANCE

Finance goals are focused on meeting key operating ratios, proper budgeting, and meeting short-term cash obligations. Key performance indicator goals for 2019 are the following.

	GOAL	CURRENT
TIER:	2.0	2.99
DSC:	2.0	2.26
EQUITY <small>MINIMUM</small>	40%	57%
CASH:	1.5	2.0

Operating a financially healthy co-op helps to ensure low rates and promotes stability now and in the future. Because Garkane is operating in such a positive manner, I am pleased to

announce that the Board of Directors approved a much larger than normal capital credit refund of \$1,000,000. This refund will go to pay back members who contributed to the co-op up to the year 1988. With strong margins over the past few years, it makes sense to pay back larger than normal capital credit amounts. In this manner, we hope to shorten the capital credit retirement cycle from 30 years down to 20 years.

POWER SUPPLY

Garkane's cost of wholesale/purchased power makes up nearly 40% of our total expenses. In the future, it will continue to be the main cost driver of the co-op. Garkane and Deseret work together to prepare for and keep a long-term, reliable, and diversified power supply for the members of Garkane. In 2018, Garkane completed our first solar pavilion in Kanab, and broke ground on a second community sized solar project to be built in Escalante. A third project will be completed in Torrey. Over the years, Garkane has been fortunate to have a reliable and affordable source of power from its supplier. Our generation cooperative, Deseret Power, has been the major contributor to our low rates. We will continue to foster a good working relationship with Deseret in order to help maintain a functioning rural economy.

TECHNOLOGY

Employment of technology provides a way to accomplish tasks in a more efficient manner. Garkane continues to upgrade its technology platforms to provide better service in a safe and more efficient way. In 2018, we were able to upgrade substation communications, allowing for better outage restoration procedures. In 2019, the IT department plans to upgrade and finalize the microwave backbone system. New technology investment may require high up frontcost but equally high financial benefits. Part of the Garkane strategic technology plan is

to use industry wide best practices which will ensure cost effective use of new technologies.

MEMBER SATISFACTION

Improving Member Satisfaction is an ongoing process. Every Garkane member interacts differently with the Co-op, but it is our goal to ensure each member has a positive experience connecting with our people whether in person or online. Some specific ways we are looking to improve member satisfaction are reducing the customer response time on the phone and being quick to answer social media and website inquiries. Community involvement has always been an important part of Garkane operations, and we will continue to help improve the quality of life in the communities we serve.

RELIABILITY

Reliability is a major focus area of the cooperative, knowing that members are most satisfied when the "lights are on." The co-op is always balancing costs with reliability. Garkane's large service territory and weather related outages are the biggest factors that influence reliability. Recently, crews finished construction on the multi-year Tropic-to-Hatch project with plans to energize the new 138 kV transmission line in March. The planning for this project started over ten years ago so it's satisfying to see it completed. Also, the Board approved budget funds to begin upgrading the Buckskin to Kanab transmission line which will help meet the needs for growth in the Kanab area. Both of these projects will help increase reliability in Garkane's higher growth areas.

Like a new years resolution, the strategic plan is a plan that guides the Cooperative's efforts for continuous improvement. We are excited for the accomplishments and challenges that the new year may bring. We are blessed to have a great group of employees and directors that are focused on making 2019 the best it can be.

Sincerely,
Dan McClendon