

The Cooperative Difference



MESSAGE FROM GENERAL MANAGER AND CEO JERRY D. WILLIAMS

EVERY OCTOBER SINCE 1930, nonprofit cooperatives of all stripes have celebrated Cooperative Month. This year, Members from more than 29,000 cooperatives nationwide join to celebrate the advantages of cooperative membership and recognize the benefits and value that co-ops bring to their Members and communities.

Unlike other enterprises, cooperatives like Lamar Electric Cooperative are nonprofit, democratically controlled, member-owned businesses. Co-ops provide value to their Members through a highly personal level of customer service; retirement of capital credits; and democratic representation in business decisions.

Electric co-ops are owned by those they serve. That's why those who receive electric service from Lamar Electric Cooperative are called Members, not customers. Without Members, there would be no cooperatives. Co-ops exist to serve their Members, and we strive to keep our level of service high even during the toughest times.

Co-ops are more personal and accessible than other types of businesses. We are dedicated to giving our Members a voice in addition to reliable and affordable service. All the while, all of our employees are local; living and working alongside the Members we serve. Cooperatives are just different.

The cooperative business model also gives member-consumers a real stake in their economic destinies. Because cooperatives are owned and controlled by the people who use their services, decisions are made with the best interests of co-op Members in mind—not to financially benefit corporate stockholders. Instead of issuing stock or paying dividends to outside shareholders, co-ops return margins (“profits”) to their Members in the form of Capital Credits at the end of each year.

After being in business over 75 years, the term Margins or Capital Credits are still misunderstood by a lot of our Members. In the early days, the REA (Rural Electrification Administration—a part of the United States Department of Agriculture) loaned money to Rural Electric Cooperatives, like Lamar Electric, to build electric lines and upgrade lines as the load increased. Rather than borrow 100% of the money needed for the Capital Projects, our loan documents with REA required Lamar Electric to establish electric rates that would generate a little more revenue than expense each year, thus generating a

Margin. This money was used to fund part of the Capital Projects, and form each Member's equity in their Co-op. Our loan documents have the same requirement today.

These Margins were divided up on paper and assigned to (or Credited to) each member of Lamar Electric, based on each member's proportionate share of the revenue (based on their total electric bills that year). The concept is that line upgrades and new electric lines will eventually generate more revenue and a part of that additional revenue will be used to pay each member their share of the Margins assigned (Credited to them) each year. Thus the phrase “Capital Credits” was coined to describe each Member's share of the Margins.

All of the Capital Credits (Margins) prior to 1970 have been returned to our Members, as well as portion of the Capital Credits between 1970 and 2014. Between 1970 and the late 1990's many of the rural areas we serve were still using rural route postal addresses. This leaves us with invalid addresses for many of the Members who have moved or died since 1970. If checks were mailed to these bad addresses, the post office would return the envelope and we would eventually be required to turn the money over to the State of Texas as Unclaimed Property.

In an effort to get the money to Members or heirs, Lamar Electric is accepting applications from Members who have a deceased spouse or the heirs of Members who have died. We have to follow the Texas laws concerning heirship, but using this process over the past 28 months we have successfully processed 407 applications totaling \$661,645. This averages \$1,625 per Member. Of this total \$488,556 was for Margins allocated prior to the year 2000.

Eventually we will go back and send checks for the remainder of 1970 margins and work our way thru 1971, 1972 etc. based on our financial condition, without causing a rate increase. There is no bank account where this money is designated. All the margins have been invested in electric lines and equipment. The amount we are able to process each month is based on our financial ability to pay Capital Credit at the time.

If your spouse has died or you are the heir to mom and dad's estate, you may wish to call our office and speak to Laura Williams at (903) 783-4907. She can send you an application with instructions on the documents we will need.

Ditch the Fridge in the Garage

IT'S CONVENIENT TO HAVE AN EXTRA REFRIGERATOR in the house for overflow food storage during holidays and parties—but the garage isn't necessarily the best place to put it.

Unless your garage is air conditioned or insulated, it gets awfully hot in there during the summer, and that can force the refrigerator to work overtime to keep the food cold. You'll see the cost of that hard work on your electric bill.

However, if you must keep a refrigerator in the garage, keep a few things in mind:

▶ It's not just the heat that stresses out a refrigerator in the garage: Manufacturers also advise against placing one in any space where the temperature dips below 55 degrees in the winter. In an unheated garage, the fridge can actually warm up frozen food if the room temperature dips below freezing.

▶ Have an electrician upgrade the electrical circuits in your garage before you plug in a refrigerator. If the appliance overtaxes the circuit and flips a breaker, you could

wind up with a lot of smelly, spoiled food.

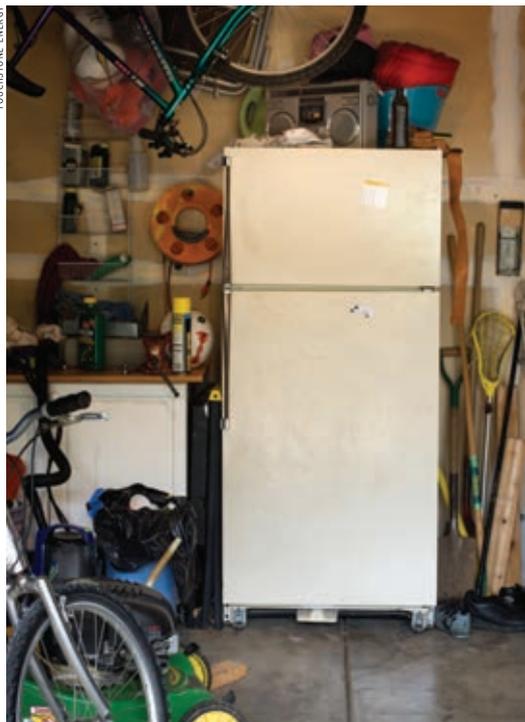
▶ Plug your refrigerator only into a grounded wall outlet.

▶ Avoid plugging the appliance into an outlet that's controlled by a switch. Someone could accidentally turn the switch off and cut power to the fridge.

▶ Clean a garage-based refrigerator more often than the one in the kitchen. The garage gets a lot dirtier than the house does, and older fridges often have looser seals.

▶ Don't stack items around a refrigerator or lean anything against it. Like any appliance, it needs room to "breathe," or it won't operate efficiently.

▶ The freezer part of your refrigerator should be kept full. It takes more energy to keep an empty space cold than one that is full of frozen items. Take up the empty space with milk jugs



Extreme temperature changes, substandard circuits and extra dirt can make the garage a less-than-ideal place to put that old refrigerator.

or two-liter soda bottles filled with water. When you need to add food, just remove the bottle of ice.

▶ If your garage refrigerator used to be your kitchen refrigerator, it's probably pretty old and very inefficient. You're better off buying a small, new refrigerator and recycling the old one so you won't waste energy and unnecessarily run up your electric bill. Keeping that old fridge running in your garage for just a few cold drinks could cost you \$250 per year, or more, depending on its energy efficiency.



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Member Benefits

- Level billing
- Automated meter reading
- Free bank draft service
- E-Bill
- Visa and MasterCard accepted

Your Local Pages

This section of Texas Co-op Power is produced by LEC each month to provide you with information about current events, safety, special programs and other activities of the cooperative. If you have any comments or suggestions, please contact the local office.

CONTACT US

CALL US

(903) 784-4303 local or
1-800-782-9010 toll-free

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www.lamarelectric.coop



Local Teen Wins State FFA Award

TREY DENNY WAS SELECTED as the state winner of the Star Greenhand in Production by the National FFA Organization at the 2015 Texas FFA State Convention this summer in Corpus Christi.

Denny is the 15-year-old son of Lamar Electric Cooperative members Todd and Tracy Denny from the Red Oak community near Detroit. His grandparents are David and Linda Hicks, and Eddy and Nancy Denny.

This award makes Denny the top Greenhand in the state, as chosen from among all first-year FFA members at schools in Texas. He won via an interview about his record books, community service, leadership and animal projects. He is a student at Chisum High School.

Denny went to the contest as one of the top 10 first-year ag students in the state, each of which was chosen from the 10 FFA areas in Texas. He advanced by winning the contest for the Paris District, which is made up of 21 schools, then winning the contest for Area VI FFA,



which is made up of 96 schools. By winning state, Denny represents more than 1,020 FFA chapters in Texas.

Honored onstage by the Texas FFA president, Denny received a plaque and a \$1,000 scholarship. He is the first to win this award in the history of Chisum ISD.

Denny's 4-H record books also made it to state in beef production. He has been elected a board member for the Texas Junior Livestock Association, representing the Texas Club Calf Association in the steer division for 2015-16. He also serves as president of the Chisum FFA for 2015-16, vice president of the Lonestar 4-H Club, second vice president of the Lamar County 4-H Council, member of the Chisum FFA and Lamar County 4-H livestock judging teams, as well as a member of the RRV Fair Association. Denny also

won first place in the state in the AOB steer point division of the Texas Club Calf Association and is involved in several community service projects.

Lower Electric Bills: Clean Your Dryer Vent

MANY MEMBERS OVERLOOK THEIR CLOTHES dryer when trying to lower their energy consumption. Most remember to clean out the lint filter before it accumulates to mattress thickness but think the cleaning is over at that point. After months of drying fluffy towels and socks, the vent hose may be clogged with lint.

A kinked vent hose that is almost plugged up is common because people like to push the dryer back as far as possible, making the hose (and those lost socks) hidden from view.

A clogged vent can cause your dryer to operate less efficiently and for longer periods of time. All dryers (gas or electric) operate by blowing hot air through the drum while tumbling the clothes to expose all

surfaces to the hot air. This allows the air to absorb the moisture, which is then expelled to the outside through the vent.

While your clothes dry, the moisture combines with lint and debris (those overlooked papers hidden in pockets, etc.) that accumulates throughout the dryer's venting system. Not all the lint accumulates at the filter. As the layers of lint grow in the lint filter and elsewhere, the airflow is impeded and the dryer runs hotter and longer. This is the reason dryer vent fires are a common cause of house fires.

Here are some simple steps to follow:

1. Unplug your dryer from its power source.
2. Move your dryer as far from the wall as possible without damaging the vent hose connection.
3. Unscrew the vent hose clamp at the back of the dryer.
4. Use a vacuum to remove all lint from the inside of the hole in the back of the dryer, inside the vent hose and all the way to the outside if you can reach.
5. Lift up or remove the vent cover on the outside of your house and make sure the vent is not clogged at the cover.
6. Reconnect everything and keep the vent hose from kinking as you push the dryer toward the wall.



Country Corner Events

OCTOBER 1

Light It Pink Paris—Love Civic Center, 5–7:30 p.m. Kick off Breast Cancer Awareness Month by lighting the Paris Eiffel Tower PINK. Benefiting the Bridge Breast Network, providing diagnostic and treatment services to underinsured and uninsured women in Northeast Texas. For details or to get involved, visit the Light It Pink Paris Facebook page. Call (903) 609-5585 or email lightitpinkparis@yahoo.com.

OCTOBER 1

Paris Education Foundation's "I Love Paris"—Paris High School Cafetorium, 6–8:30 p.m. This event raises funds to give scholarships to PHS students. Support our youths through your attendance and bidding at the silent auction.

OCTOBER 1-3

Red River Valley Fair—Paris/Lamar County Fair Grounds, 570 E. Center St., Thursday and Friday, 6–10 p.m. Saturday, 11 a.m.–midnight. Lots to do for the whole family. Exhibits, entertainment, food, exciting carnival rides and much more.

OCTOBER 3

Red River Valley Veterans Memorial Fundraiser—Drake's Party Barn, 6 p.m.–midnight. An evening of food and entertainment. Gary P. Nunn concert/dance. Call (903) 517-0904 for more information.

OCTOBER 3

Second Annual Pappa Joe's Fishing Tournament—Pat Mayes Lake, Sanders Cove Loop C, 6 a.m.–3 p.m. Weigh-in begins at noon. Visit joehowardmemorial.org or call (903) 517-3478 for more information.

OCTOBER 3

Immanuel Baptist Church Car Show and Dessert Auction—1771 Bonham St., 8 a.m.–3 p.m. Featuring classic cars, antique autos, trucks, motorcycles, street rods and imports. Benefiting Immanuel Baptist Men's Mission and Ministry Projects. Call (903) 785-6484 for more information.

OCTOBER 3

Murder at the Masquerade Fundraiser for New Hope Center of Paris—Celebrate IT! 7–10 p.m. Tickets available at Kwik-Kopy, Toyota of Paris, Rocking E Moving and Storage, Spencer's Trailer and New Hope Center of Paris. There will also be a silent auction. For more information, call (903) 783-0353 or (903) 517-1965.

OCTOBER 9

Fourth Annual Paris Antique Fair—Historic Gibraltar Hotel, 10 a.m.–9:30 p.m. Join the Paris Downtown Association beginning at 6:30 p.m. for live music, dancing on the plaza, late-night shopping and free refreshments. Visit paristexasantiquefair.com.

OCTOBER 10

Crime Stoppers Ranch Rodeo—Paris Rodeo and Horse Club arena at the Red River Valley Fairgrounds, 570 E. Center St., Paris. Rodeo starts at 7:30 pm. For more information, contact Larry Bramhall at (903) 739-3527.

OCTOBER 17

Second Annual Mannequin Night—Downtown Paris, 6:30–9 p.m. "Superheroes" is the theme for the evening. Music by the 12th Street Jam Band starts at 7 p.m.

OCTOBER 17

22nd Annual Delta County Chiggerfest and 5K Run/Walk—Cooper historic square, 8 a.m.–5 p.m. For information, call (903) 395-4314.

OCTOBER 24

Festival of Pumpkins—Downtown Paris, 9 a.m.–6 p.m. A whole day of food, games and fun for the whole family! Call (903) 784-9293 for more information.

OCTOBER 24

A Victorian Halloween—Sam Bell Maxey House, 812 S. Church St., 6–9 p.m. Did you know that Halloween was not always about costumes and trick-or-treating? The Victorians had a different take on the holiday. Come learn about and participate in Victorian Halloween traditions while touring the Sam Bell Maxey House at night.



PAPPA JOE'S FISHING TOURNAMENT
October 3



FESTIVAL OF PUMPKINS
October 24