

# Youth Tour Written Exam Study Guide

## What is an electric cooperative?

- Private, independent, non-profit electric utilities
- Owned by the members (customers) they serve
- Incorporated under the laws of the states in which they operate
- Established to provide at-cost electric service
- Governed by a board of directors elected from the membership which sets policies and procedures that are implemented by the co-op's management

## What are the key differences between electric cooperatives and other electric utilities?

- *Locally owned and operated.* Electric cooperatives are owned by their members and focus on their member needs and local priorities. They are an integral part of the communities they serve.
- *Consumers first.* The cooperative business model guarantees every member has a voice in business decisions. Every year Annual Meeting attendees vote on their Board of Directors and bylaws that govern the co-op's business. Members know they can trust their electric cooperative because it was created not to make profits, but simply to deliver reliable and affordable electricity. Co-ops offer stability, reliability and better value.
- *Responsive to local needs.* Electric cooperatives are located in the communities they serve, making them easily accessible and responsive to members' needs. Employees of Boone Electric are residents of area communities, which helps the Cooperative stay focused on creating a better quality of life for its member owners.

## What are the seven Cooperative principles?

- *Voluntary and Open Membership* – Cooperatives are voluntary organizations, open to all persons able to use their service and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
- *Democratic Member Control* – Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as representatives are accountable to the membership. Each member has only one vote regardless of how much power he/she uses.
- *Member Economic Participation* – Members contribute equitably to, and democratically control, the capital of their cooperative.
- *Autonomy and Independence* – Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so in terms that ensure democratic control by their members and maintain their cooperative autonomy.

- *Education, Training and Information* – Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public about the nature and benefits of cooperation.
- *Cooperation Among Cooperatives* – Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- *Concern for Community* – While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

**What year was Boone Electric Cooperative formed?** 1936

**How many meters does Boone Electric Cooperative serve?** Boone Electric serves more than 34,000 meters.

**Where is Boone Electric Cooperative's service area?** Boone Electric Cooperative provides electricity to members in Boone County and portions of Randolph, Audrain, Callaway, Howard and Monroe counties.

**How many miles of line does Boone Electric Cooperative own?** 2,960

**Does the Government own Boone Electric Cooperative?** No. It is owned and operated locally by the people who receive its service.

**Who is the CEO/General Manager of Boone Electric Cooperative?** Todd Culley

**Who is the president of Boone Electric Cooperative?** Joel Bullard of Ashland is the President and one of nine directors who have been elected to the Board by members of the Cooperative. The other directors are Karen McBride Kinkead, Andrew Stanton, Keith Schnarre, Glen Beckmeyer, Frank Glenn, Kimberly Ponder, Jay Turner and Wayne Wilcox.

**What are the duties of the Cooperative's Board of Directors?** The Board is a governing body of the Cooperative. Acting as a group, they employ the manager and establish specific operating policies. The directors must be elected from the membership of the Cooperative during Annual Meeting. The Cooperative's CEO and staff are responsible for day-to-day operations.

**Where does Boone Electric purchase wholesale power?** Associated Electric Cooperative in Springfield, Missouri, generates the power that is transmitted to all Missouri electric cooperatives. Central Electric Power Cooperative in Jefferson City, Missouri, transmits the power to Boone Electric's utility lines.

**What is the relationship of Boone Electric Cooperative to the Association of Missouri Electric Cooperatives in Jefferson City?** The state association is made up of individual electric cooperatives that are its members. The Association has a board of directors, a hired manager and other employees who coordinate rural electric activities throughout the state. The activities include the Rural Electric Youth Tour, *Rural Missouri* magazine, government relations, and employee safety and training programs.

**Are there other rural electric cooperatives in Missouri?** Boone Electric is one of 47 rural electric cooperatives in the state.

**Do all rural electric cooperatives operate the same?** No. Each electric cooperative is an individual entity, owned and controlled by the members in its service territory, who elect a board that sets its operating policies and hires its management.

**How was the Rural Electrification Administration started and why was it necessary?** President Franklin D. Roosevelt created the Rural Electrification Administration by executive order on May 11, 1935. With this action was the recognition that if rural America was ever to become electrified, there was need for government involvement. But, it was the driving force of the rural people themselves that became the true catalyst. Farmers and other rural residents provided the initiative and leadership in organizing, constructing and operating their own rural electric systems to provide service for themselves, their neighbors and future consumers in their rural areas.

Only 10 percent of the farms in this country had electric service by 1935 when REA was created. Most rural areas had been bypassed by electric companies, which were either unable or unwilling to build lines into territory that was economically poor, thinly populated or where the terrain was difficult and hampered construction. Where farmers did get electricity, they generally were required to pay the construction cost of extending the lines, which became company property, and then had to pay as much as 8 to 10 cents per kilowatt-hour (in some instances 25 and even 40 cents per kwh) for service. Today, about 99 percent of the nation's farms have electric service.

**What is the National Rural Electric Cooperative Association?** It is a service organization representing over 905 rural electric systems in 47 states. Through the National Rural Electric Cooperative Association, or NRECA, member systems provide themselves services, which would be unavailable or too expensive if each system, individually, attempted to provide these services. By working together through NRECA, member systems are able to provide better services to their members at the lowest possible cost. NRECA is not supported by government funds nor is it an agency of the federal government. Dues contributed by member systems support non-fee services. The organization of NRECA includes a board of directors, an executive vice president and general manager, and five departments: Government Relations, Energy and Environmental Policy, Public and Association Affairs, Management Services, and Retirement, Safety and Insurance. NRECA policies are determined by vote of member delegates each year at an annual meeting.

**Boone Electric is a Touchstone Energy Cooperative. What does this mean?** The Touchstone Energy brand represents a nationwide alliance of 750 local, consumer-owned electric cooperatives in 46 states.

Championing the cause for lowest-cost, democratically governed energy, Touchstone Energy provides a unified face for the small businesses that own and service rural America's 2.5 million miles of power line. Co-ops that become members of the Touchstone brand gain access to a wealth of advertising stock, education and training tools, member benefit programs, and web development resources. By working jointly, the network of small cooperatives that make up Touchstone Energy generate services that would normally require the resources of a national corporation.

The Touchstone branding communicates world-class quality and consistent standards of excellence wherever it is seen.