

# STUDY GUIDE

## WHAT IS A COOPERATIVE?

- A cooperative is a business that belongs to the people who use it.
- A cooperative operates for the benefit of its members.
- The member-owners share equally in the control of their cooperative.

## COOPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community

## CWEMC HISTORY

Imagine what it must have been like after dark in the farms, ranches and small towns of rural America 84 years ago before there was power and electricity. But that was all about to change and change it did. Farmers, ranchers and rural families banded together in hopes of shining a light on the need to turn the lights on in rural areas. The Clarke-Washington area was denied the conveniences of electricity. There was little prospect for industry because electricity was not available.

Things began to change in 1935 when President Franklin D. Roosevelt established the Rural Electrification Administration (REA). REA would lend power companies low interest money to erect poles, install transformers and extend lines into the rural areas. Power companies declined the offer because even with money at a low interest rate, they

claimed they could not make a profit for stockholders by supplying electricity to rural areas, where they would have fewer customers per mile of line.

People in the rural areas decided to form their own cooperative and borrowed money from REA to construct and operate their own distribution system. That happened right here in Clarke County in 1936. Clarke-Washington EMC was the first electric cooperative formed in Alabama. Clarke-Washington EMC was not built overnight. It took dedication, hard work and most of all courage of many to provide power for those in the Clarke-Washington area. This was not an easy task and without a force of people who believed in it, Clarke-Washington EMC might not be here today. CWEMC was organized on March 2, 1936 in Coffeenville, Ala. Incorporators included:

Joe C. McCorquodale, Sr., of Salipta, President  
Ben Glover, of Leroy, Vice President  
C.R. Myrick, of Coffeenville,  
Secretary-Treasurer  
R.S. McNeil, of St. Stephens  
H.E. Langlois, of Suggsville

The first 79.2 miles of line constructed was energized in July of 1937. By Jan. 1938, there were 165 members receiving electricity from the co-op. The home of C.R. Myrick was used as the first office and there was only one lineman employed at that time. The board of trustees held a special meeting on June 1, 1938 and voted to move the office from Coffeenville to a rented building in Jackson because it was a more central location.

The co-op continued to grow. Construction of new power lines proceeded as rapidly as possible. By

the end of 1941, the co-op was serving 731 members and built 333 miles of power lines. World War II brought a shortage of materials and the cooperative struggled to get material to build the many wanted lines. After the war ended, there was a tremendous demand for electricity in the rural areas. Materials were available again and a larger construction program was started to get electricity to the Clarke-Washington service area. By 1950, the co-op was serving 4,956 members with 1,683 miles of power lines.

Maintenance and operation problems grew with over 1600 miles of lines to be patrolled and cared for in 1950. There was a need for communication between members and management. The need was met by the installation of the two-way radio in May of 1950.

There was also a need for a larger office building with more records to be kept. April 30, 1952, was a happy and very busy day for office staff of CWEMC. It was the day they moved from the small rented office to the spacious building on College Avenue. At that time, it was one of the most modern buildings in Jackson and it was thought to be on the outskirts of town.

After operating out of the office on College Avenue for 67 years, CWEMC Manager, Stan Wilson announced to the members at Annual Meeting in October of 2015, CWEMC was looking for a new facility to better serve the members. The building needed a complete reconstruction. It was decided to build a new facility on property the cooperative owned since the 1970s.

Construction began in late 2016 on property just north of Jackson. Every part of the new headquarters is focused on service. For the first time in over 67 years, Clarke-Washington EMC has been providing electricity to itself.

On February 15, 2019, Clarke-Washington EMC closed its doors at the office on College Avenue for the last time and to reopen on Tuesday, February 19, 2019 at the new headquarters.

What a long way we have come in nearly 84 years from those first 79.2 miles to our present 4,152 miles of lines. While some things have changed, our membership still elects board members to represent their interest every year and we are still a non-profit corporation.

## CWEMC TODAY

Clarke-Washington EMC is a distribution cooperative headquartered in Jackson, AL. As it celebrates 84 years of service, CWEMC serves approximately 20,007 meters on some 4,152 miles of line.

## HOW IS CWEMC GOVERNED?

- Clarke-Washington EMC is governed by a board of nine directors made up of cooperative member-owners.
- The board of directors is voted on and elected by the members.
- Three directors are elected each year at Annual Meeting for a three-year term.
- Each director is from a different district to assure that every area is represented.
- Clarke-Washington EMC's current board of directors:
  - District 1 – D.R. Stallworth
  - District 2 – Howard Daugherty
  - District 3 – Rodney Harrison
  - District 4 – Willie Williams
  - District 5 – Jim Fore
  - District 6 – Jessica Ross
  - District 7 – Carolyn B. Taite
  - District 8 – Tommie Karr
  - District 9 – Susan Davis

## CWEMC SERVICE AREA

- Serves all of Washington County
- Serves all of Clarke County

except the City of Jackson, Grove Hill, Thomasville and the Town of Fulton.

- Parts of Wilcox County
- Parts of Monroe County

## HOW IS A COOPERATIVE A NOT-FOR-PROFIT?

- Any money that is left over after all expenses have been paid is returned to the members.
- The money that is left over is called capital credits.
- The capital credits are credited to members' capital credit accounts based on the purchases from their cooperative.
- This money is used by the cooperative for a period of time and may be returned to the members.

## DO COOPERATIVES PAY TAXES?

- Yes, Electric Cooperatives pay taxes on the same basis as other businesses.
- The only tax cooperatives do not pay is income tax.
- There is no profit, so there is no income tax to pay.

## WHERE DOES CWEMC GET ITS ELECTRICITY?

- Clarke-Washington EMC purchases its power from PowerSouth Energy Cooperative in Andalusia, AL.

## WHAT IS POWERSOUTH?

- PowerSouth is a generation and transmission cooperative that serves 16 distribution cooperatives and 4 municipalities in central Alabama and northwest Florida.

## WHAT IS NRECA?

- The National Rural Electric Cooperative Association, or NRECA, is a service organization representing more than 900 rural electric systems in 47 states.
- Through NRECA, member systems provide themselves services which would be unavailable or too expensive if each system individually, attempted to provide these services by itself.
- 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.

## WHAT IS AREA?

- The Alabama Rural Electric Association of Cooperatives (AREA) is a member-owned federation of 22 electric distribution cooperatives in Alabama.
- They conduct meetings and workshops for cooperative employees and trustees, coordinate cooperative safety programs, work closely with the state legislature and other agencies on matters that affect electric cooperatives, coordinate the Youth Tour program, and assist with the publication of Alabama Living magazine.

## QUICK NOTES

1. What is the cooperative difference? The cooperative is owned by those it serves.
2. How many meters does Clarke-Washington EMC serve? About 20,000
3. Where are Clarke-Washington EMC's offices? Jackson and Chatom
4. Who is the current General Manager of Clarke-Washington EMC? Steve Sheffield
5. How much is membership? \$5
6. Who owns Clarke-Washington EMC? member-owners

## HELPFUL LINKS

- [www.cwemc.com](http://www.cwemc.com)
- [www.nreca.com](http://www.nreca.com)
- [www.powersouth.com](http://www.powersouth.com)
- [www.cooperative.com](http://www.cooperative.com)
- [www.areapower.com](http://www.areapower.com)
- [www.youthtour.org](http://www.youthtour.org)
- Please visit youtube and search "The Electric Cooperative Story" for more information about Electric Cooperative history.
- Please know your essay. You may be asked questions about it.