



Tim Stewart,
CEO/Manager

ANNUAL MEETING RECAP



Clark Electric
Cooperative

Your Touchstone Energy® Partner

For 82 years, Clark Electric Cooperative members have been gathering on an annual basis to participate in the governance of their electric cooperative. Members gathered once again on April 10, 2019, to conduct the business of their electric cooperative. This year's meeting was held at the Loyal American Legion Hall, with more than 275 members and guests in attendance. The following is a recap of the day's events.

CEO/General Manager's Report

The CEO/general manager's report focused on two topics: 2018 financial performance and the metering system upgrade. The following is an excerpt from my report to the members.

2018 Financial Review – Clark Electric Cooperative continues to report solid financial performance. Total revenue increased 3.1 percent to over \$23 million. This was primarily due to an increase in kWh sales sold as 2018 set an all-time high at 197,835,000 kWh sold. This marked a 4.43 percent increase in kWh sales from the 2017 level and a 1.98 percent increase from the previous high set in 2014. The total cost of providing electric service increased 2.99 percent over last year. However, as a result of cost containment programs, the cooperative helped offset ever-increasing costs, which resulted in a positive operating margin of \$1,452,584 as compared to \$1,382,438 in 2017. The Operating Times Interest Earned Ratio (OTIER) was 4.09 compared to 3.83 in 2017. Our debt ratio decreased from 26.63 percent in 2017 to 25.15 percent in 2018. As a result, the equity ratio increased from last year's 66.15 percent of total assets to the 2018 year-end level of 67.70 percent of total assets. Total non-operating margins were \$561,388, which brought total margins to \$2,013,972.

Net utility plant grew 1.74 percent from the 2017 level. The cooperative invested in excess of \$1.65 million in new distribution plant during 2018. This represents new construction and replacement of electric lines and infrastructure, new service extensions, and member service upgrades. Total assets increased to \$53.61 million. Total equity increased \$994,609 from the 2017 level. Long-term debt decreased \$728,917 to \$13.48 million. Long-term debt is 25.15 percent of our total liabilities. Our debt load is one of the lowest in the state of Wisconsin. We will continue to strive to keep the price of electricity as low as possible while meeting our capital needs.

I then reviewed the results of benchmarking analysis that we do annually that compares Clark Electric Cooperative to state and national medians in the cooperative segment of the electric utility industry. I examined blended cost of capital, operating and maintenance expense per kWh sold, purchased power cost trends, how the average dollar collected was spent, total cost of providing electric service per kWh sold, and various revenue measurements such as revenue per kWh sold, and residential revenue per kWh sold as it relates to others in the industry. Overall, our costs are very comparable—lower in many cases—with others electric providers.

Capital Credit Retirements – One of the most tangible evidence of true ownership in your electric utility is through the retirement of capital credits. I am extremely pleased to report that Clark Electric Cooperative retired in excess of \$950,000 in 2018, bringing the total dividends retired to date to over \$24,651,969. In fact, the cooperative has retired over \$7.9 million since 2010. We are very pleased with our ability to rotate patronage at this level.

Plant Decommissioning and Special Refund – Projects are underway to successfully complete decommissioning of the La Crosse Boiling Water Reactor (LACBWR) and the Alma Station in a manner that ensures public safety and compliance with all regulatory requirements, while minimizing the cost impact on Dairyland's members and reducing future liabilities. LACBWR has not been operational since 1987, yet the government has not complied with the Nuclear Waste Policy Act of 1982. This Act gave the government responsibility for storage of the nation's spent nuclear fuel with a deadline of January 31, 1998, to begin accepting the fuel. However, since this has not yet begun, the storage and related expenses have remained with Dairyland.

In October 2016, Dairyland accepted a settlement offer of \$73.5 million from the U.S. Court of Federal Claims for damages related to the government's breach of contract with LACBWR. The net proceeds of the settlement are being returned to Dairyland's member cooperatives in February 2017. The settlement is the result of Dairyland's second round of litigation with the U.S. government regarding LACBWR and represents the 2007–2012 time frame.

We are very pleased to report that the Clark Electric Cooperative Board of Directors took action at our February 2017 board meeting to authorize a special cash refund in the amount of \$1,368,595 directly to the members based upon 2007–2012 patronage. Those checks were issued in May 2017. However, an additional \$600,000 was held in reserve to offset future LACBWR cost exposure. If it was not needed, then this amount would also be returned to the members. The board of directors authorized this special cash refund utilizing the same methodology as the 2017 special refund and was processed with the January 2019 capital credit general retirement that was made earlier this year.

Metering Upgrade – Starting this year, Clark Electric Cooperative began replacing our current automated meter



reading system with a new one that requires the installation of different meters. You may ask why a new system is needed when your current meter works just fine. The answer is simple: Technology is changing so rapidly that our current system is outdated and will no longer be supported by the manufacturer. Remember cassette tapes, 8 tracks, beta, VCRs, land line telephones, record players, and a host of other things? They were state of the art when introduced but now have been replaced by better, more advanced technology. The same thing is happening to your meter.

Other Annual Meeting Highlights

Clark Electric Cooperative/Greenwood FFA Program – Agriculture teacher Logan Hallett and a couple of FFA students provided a presentation on our newest youth program, which partners with the Greenwood FFA and FFA Alumni. This program allows the Greenwood FFA students real hands-on experience in managing crop land which is located adjacent to the cooperative’s headquarters. The students learn about cooperatives, the Seven Cooperative Principles, and the not-for-profit business model that makes cooperatives unique. These outreach programs continue to be well received and are tangible examples of our commitment to our area young people.

Director Elections – The cooperative membership re-elected



Guest speaker was Rob Palmberg, vice president of strategic planning for Dairyland Power Cooperative, our wholesale power provider. He spoke about decommissioning projects, including last fall’s demolition of the 700-foot stack at Dairyland’s retired Alma Generating Station.

two directors for a three-year term. They were Allen Jicinsky, the Town of Spencer, and Chuck Lindner, the Town of Eaton.

Dairyland Power Cooperative Report – The vice president of strategic planning for Dairyland Power Cooperative, Rob Palmberg, offered insights into the operations of Dairyland Power Cooperative, including resource diversification, decommissioning, and transmission projects.

3-Step HVAC Test

As summer temperatures rise, so do electric bills. Follow these steps to test the efficiency of your HVAC unit.

The outdoor temperature should be above 80 degrees, and you should set your thermostat well below the room temperature to ensure the system runs long enough for this test.

1. Using a digital probe thermometer (about \$12), measure the temperature of the air being pulled into your HVAC filter.
2. Measure the temperature of the air blowing out of your A/C vent.
3. Subtract the A/C vent temperature from the HVAC filter temperature. You should see a difference of about 17 to 20 degrees. If the difference is less than 17 degrees, you may need a licensed technician to check the coolant. If the difference is greater than 20 degrees, your ductwork may need to be inspected for airflow restrictions.



Contact Greg at Clark Electric Appliance and Satellite, Inc., 866-279-6544 or 715-267-6544, for more information.

CLARK ELECTRIC AWARDS \$6,000 IN SCHOLARSHIPS

Congratulations to these 12 area students who have each been awarded a \$500 scholarship through Clark Electric Cooperative's Federated Youth Scholarship Program.

Each year we offer scholarships to high school students whose homes are served by Clark Electric and who attend schools within our service area. These scholarships are financed through the Federated Youth Foundation Scholarship Program, which is funded from unclaimed capital credits. Federated Youth Foundation is a non-profit charitable foundation serving cooperatives in Wisconsin.

Concern for Community is one of the co-op principles; helping our youth further their education is one way we demonstrate that principle. Clark Electric is proud to help these fine young people meet their educational goals.



Nicole Treankler

Abbotsford High School
Daughter of Dwight and Vicky Treankler
Northcentral Technical College
Elementary Education



Emma Koller

Granton High School
Daughter of Joseph and Sara Koller
Elementary/Special Education



Jadyn Goodwin

Colby High School
Daughter of Joe and
Jill Goodwin
Vitberbo University
Nursing



Braiden Pedretti

Greenwood High School
Son of Timothy and
Jill Pedretti
UW-La Crosse
Radiation Therapy



Hailey Rueth

Loyal High School
Daughter of Rick and
Pam Rueth
Western Technical College
Radiology



Rayle Winegarden

Neillsville High School
Daughter of Mark and
Linda Winegarden
UW-Green Bay
Psychology



Weston Baehr

Owen-Withee High School
Son of David and
Gayle Baehr
UW-Eau Claire
Geology



Lucas Baehr

Spencer High School
Son of Dean and Lara Baehr
UW-Stout
Engineering



Jadeyn Schneider

Stanley-Boyd High School
Daughter of Keith and
Marcy Schneider
Chippewa Valley Technical
College, Animal Science
Management



Wyatt Heier

Gilman High School
Son of Stuart and
Laura Heier
Mid-State Technical College
Respiratory Therapy



Dara Stichert

Marshfield High School
Daughter of Dana and
Denise Stichert
UW-Madison
Sociology



Courtney Frankewicz

Thorp High School
Daughter of Jason and
Shelly Frankewicz
UW-Platteville
Business Administration



IN BRIEF

U.S. sees highest electricity generation since 2007

The U.S. Energy Information Administration (EIA) reports that the U.S. net electricity generation grew by 4 percent in 2018, reaching a record 4.178 billion megawatt-hours (MWh). Bitter winters and scorching summers were to blame, as air conditioning and heating demand rose. In all, EIA notes that U.S. households saw a 6 percent increase in retail electricity sales. Likewise, commercial buildings experienced a 2 percent electricity boost over 2017, although industrial sales actually decreased 3 percent. Last year also marked the first time utility-scale generation of all fuels passed the pre-recession peak of 4.157 billion MWh, set in 2007.

Contact Greg for a
Spring Air Conditioner
Maintenance Check-Up
TODAY!



Forget wall-mounted thermostats that can be difficult to program or operate. Daikin systems feature built-in intelligence that allows individual control with the ability to automatically maintain preferences. These systems make subtle and continuous adjustments to ensure your home stays at a constant and comfortable temperature at the touch of a button.



Contact Greg for all of your heating and cooling needs.



CLARK ELECTRIC APPLIANCE & SATELLITE
1209 West Dall-Berg Road, Greenwood

From Greenwood, west on CTH G, south on River Road, and west on Dall-Berg Road
866-279-6544 or 715-267-6544 • Hours: M-F 8 a.m.-4:30 p.m.



- Set your thermostat to 78 degrees between 11 a.m. and 7 p.m.
- Utilize a programmable thermostat to do the "Summer Shift" for you.

The Summer Shift means shifting flexible electricity use to the hours before 11 a.m. or after 7 p.m., during the months of June, July, and August. This helps Clark Electric Cooperative keep rates affordable by purchasing less power when electricity is in high demand and most expensive.

NEW!

**DISCOVER
INTERNET
WITHOUT
LIMITS**

UP TO 30Mbps
Download Speed



Clark Electric
Appliance & Satellite Inc.

Your Touchstone Energy® Partner

1-866-279-6544

Viasat

After 150 GB of data usage, we may prioritize your data behind other customers during network congestion. Minimum 24-month service term. Equipment lease fee is \$7.95/mo. and taxes apply. Speeds are "up to," are not guaranteed and will vary. Service is not available in all areas. Offer may be changed or withdrawn at any time. Viasat is a registered service mark of Viasat, Inc.

Tim Stewart, CEO/Manager

1209 West Dall-Berg Road, P.O. Box 190, Greenwood, WI 54437

email us at info@cecoop.com or tnelson01@cecoop.com

www.cecoop.com



**Clark Electric
Cooperative**

Your Touchstone Energy® Partner