



## Annual Meeting Recap

**Tim Stewart, CEO/Manager**

For more than seven decades, 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, 2014, to attend the 77th annual meeting of the members. This year's meeting was held at the Loyal American Legion Hall, with more than 280 members and guests in attendance. The following is an excerpt from CEO/GM Stewart's report to the members as well as a recap of the day's events.

### Manager's Report

**2013 Financial Review**—I am very pleased to report that Clark Electric Cooperative continues to experience solid financial performance. Total electric sales increased 4.58 percent in 2013 while total revenue increased to over \$20.3 million. The good news is that the wholesale power rate actually decreased 2.5 percent from the 2012 level. This wholesale price adjustment, coupled with the increase in kWh requirements, increased our cost of power 1.93 percent to \$13.7 million. Operations and maintenance expense increased 10.4 percent from the 2012 level while fixed costs increased 6.65 percent. This resulted in a positive operating margin of \$1,167,210. The cooperative ended the year with total margins for 2013 at \$1,929,893 as compared to the 2012 level of \$1,615,266.

Net Utility Plant grew 3.39 percent from the 2012 level. The cooperative invested in excess of \$1.5 million in new distribution plant during 2013. This repre-



sents new construction and replacement of electric lines and infrastructure, new service extensions, and member service upgrades. Total Assets increased to \$43.7 million. Total Equity increased \$1,190,511 from the 2012 level to \$31,185,576. Our equity position remains one of the strongest in the state of Wisconsin and one of the strongest in the country. This stability of equity occurred while we experienced asset growth, capital infusion, and continued capital credit retirements. Long Term Debt increased to \$9.8 million. Long Term Debt is 22.3 percent of our total liabilities. The cooperative will continue to rely on internally generated funds and short-term/long-term financing to fund operations in a manner that helps keep the price of electricity as low as possible while meeting our capital needs.

I then reviewed the results of our annual benchmarking analysis 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.

**Reliability**—I am very glad to report that in 2013, Clark Electric Cooperative once again experienced a System Average Interruption Duration Index (SAIDI) score that was well below the RUS threshold score. Fortunately, we experienced fewer extreme storms relative to the last few years and ended the year with a 99.985 percent reliability rating. While we can't control the weather, we can be proactive in how we approach operations. The cooperative has very extensive construction and maintenance programs that cover a host of operations aspects. The major programs include pole testing/replacing, breaker maintenance, tree and brush control, and line inspections. By taking a proactive approach to maintenance, we strive to keep outages and interruptions to a minimum.

**Capital Credit Retirements**—One of the most tangible evidence of true ownership in your electric



*Rich Sorenson won the grand-prize drawing for an electric grill.*



*Phil Moillen of Dairyland Power reported on various DPC projects.*

utility is through the retirement of capital credits. I am extremely pleased to report that Clark Electric Cooperative retired in excess of \$900,000 in 2013, bringing the total dividends retired to date to over \$20,066,000. Then in March 2013, we processed a special refund in the amount of \$832,000. It is exciting to note that Clark Electric Cooperative returned over \$1.7 million to the members during 2013. In

addition to the activity in 2013, the cooperative retired an additional \$695,000 in January of 2014. Not-for-profit operation, member-owned, capital credit retirements, and a focus on our members make Clark Electric Cooperative a truly unique organization in the electric industry.

**Future Power Supply Costs**—Wholesale power cost represents approximately 72 percent of our total cost. Major investments in environmental controls, renewable energy, increases in prices for both the fuel and shipping costs, and new EPA regulations have all put significant upward pressure on wholesale rates. Fortunately the 2013 wholesale rate actually decreased 2.48 percent over the 2012 level. The good news is we are expecting a stable to slight reduction in 2014. (Phil Moillen, vice president & CFO for Dairyland Power Cooperative, provided insights into the operation of Dairyland Power Cooperative during his presentation at the meeting).

**Rate Competitiveness**—As members are aware, the cooperative adjusted base rates effective March 1, 2013. This was the first price adjustment to base rates in over five years. I reviewed a number of slides that illustrate the rate competitiveness of Clark Electric Cooperative as compared to the other electric utilities in the cooperative market segment of the electric utility industry. Even with



*CEO Tim Stewart retiring Board President Wilmer Griepentrog with a plaque in recognition of his years of service on the Clark Electric Board.*

the new price, overall Clark Electric Cooperative compares favorably to these other electric utilities.

## Other Annual Meeting Highlights

**Director Elections**—The cooperative membership elected two new directors. Scott Johnson from the Town of Unity and Jim Hager from the Town of Colby were elected for a three-year term. Directors Wilmer Griepentrog and Jeremy Baxter were honored for their years of service to the cooperative. Wilmer served a total of 15 years, eight of which were as president, and Jeremy served nine years.

**Statewide Recognition**—For the second consecutive year, cooperative editor Tracy Nelson received statewide recognition for her work on the monthly newsletter. Tim Clay, director of environmental services for Wisconsin Electric Cooperative Association presented Tracy an award for use of photos. Congratulations Tracy.

*(Continued on page 29 ▶)*



*Tim Clay, WECA presents Tracy Nelson, administrative assistant, with the Photography Award for Clark Electric's local pages in the Wisconsin Energy Cooperative News.*

## Welcome to our New Directors

Members elected two new directors to fill three-year terms at this year's annual meeting. The open seats were vacated by Wilmer Griepentrog from the town of Spencer area and Scott E. Johnson (Jeremy Baxter) from the town of Unity area.

Jim Hager was elected to fill the seat that was vacated by Wilmer. Jim lives in the town of Colby with his wife, Marty.

Scott Johnson was elected to fill the seat vacated by Jeremy Baxter. Scott lives in the town of Unity.



*Jim Hager*



*Scott Johnson*

## Restoring Electrical Service After a Storm

While not all power outages can be avoided—such as when Mother Nature decides to intervene—the impact can be diminished. As we all know, storms in Wisconsin can be severe and cause brief outages.

As a member of Clark Electric Cooperative, your power is extremely reliable. We are very proud of this because day in and day out, we work hard to maintain exceptional levels of reliability. There are no shortcuts to achieving reliable power. It's labor, time, and capital-intensive... and it's an area in which we can't afford to cut corners or expect anything less than near perfection.

Restoring electric service is a logical process. The diagram below shows a simplified version of a large-area outage. Our linemen start from the substation out onto the main feeder lines. It would be useless to repair a pole if the main lines were not energized. Once there's power at the substation and the feeder lines have been repaired, the tap lines off the three-phase feeder lines are repaired. The last lines to be repaired are the single-service outages. In general the lines that will get the most services energized in that particular area are repaired first.

### How the Process Starts

Clark Electric Cooperative utilizes Cooperative Response Center (CRC) to answer our telephones after

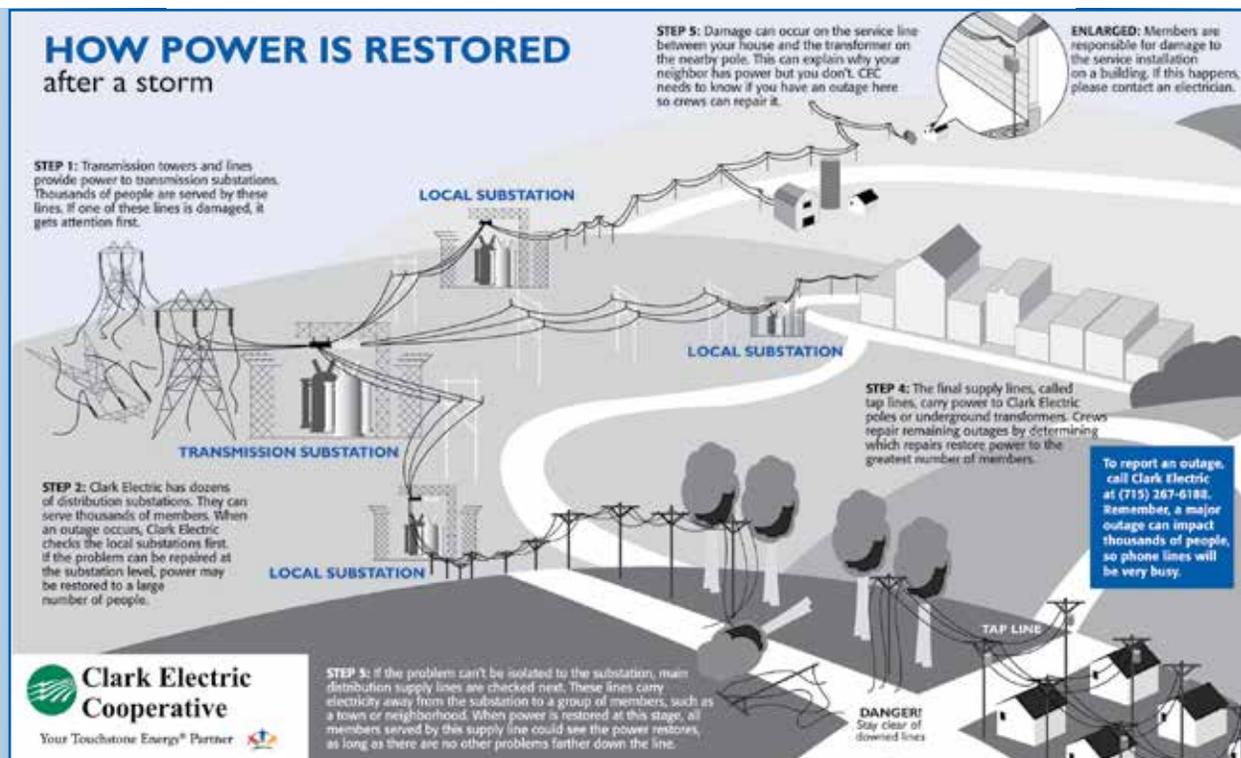
normal business hours and/or during very high-volume telephone traffic. CRC is best equipped to handle the large amount of calls that come during a large-scale outage. Members may be greeted by an automated attendant that will prompt you through the steps necessary to report your outage. By allowing CRC to answer incoming calls, we are able to concentrate on getting service restored as quickly as possible.

Clark Electric Cooperative has a mutual aid agreement with other electric cooperatives throughout the country. We've helped other cooperatives restore power after severe storms affected much of their service territory.

### Power Outage Viewer

Clark Electric Cooperative introduced our Online Outage Map in April 2012. The power outage map can be found on our website, [www.cecoop.com](http://www.cecoop.com). Simply click on Online Outage Map to take you to the viewer, which will display a map with the outline of the Clark Electric Cooperative service territory. The map will not show any activity most of the time. That is a good thing as it means that there are no outages.

The map is updated every five minutes and is tied into our outage management system. Outages are color coded according to the number of members affected. ▶



In addition, as outages occur a table is built that tells you how many members are affected and the percentage of members off. You have the ability to sort the outage information by township, zip code, or county. If you are traveling away from home and want to know if you are affected by an outage, you can log in to your Smarthub account to see if you are predicted out of service or not. This online outage map is especially helpful during times of severe weather that result in widespread power outages. The map shows areas hardest hit, helps chart progress on power restoration, and helps provide feedback at a click of a button. The map not only works with your computer but works with your mobile devices such as your smart phone, iPad, or tablet.

Even with this great technology, it is still vitally important to report power outages anytime they occur. ■



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Clark Electric Cooperative

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cooling needs.

## Annual Meeting

*(Continued from page 5)*

**New Facilities Considered**—As reported in previous articles of this publication as well as our Annual Report, the board of directors is considering how best to update our facilities. Clark Electric Cooperative was founded April 1, 1937, and moved into our existing facilities in 1948. Throughout the years an auditorium building, two warehouse facilities, and a pole yard were added to help meet our needs.

In 1988, the cooperative purchased land west of Greenwood for the purpose of building a pole yard, warehouse space, and a possible industrial park. To that end, the park has had infrastructure installed including electrical, sewer, water, and a road.

Linda Power from River Valley Architects provided a presentation detailing the new facility project.

**Other Membership Action**—In other action, the membership selected the member delegates to the Dairyland Power Cooperative Annual Meeting and approved the proposed Article and Bylaw Amendments. ■