



Tim Stewart,  
CEO/Manager

# ANNUAL MEETING RECAP



Clark Electric  
Cooperative

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For 81 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 11, 2018, to conduct the business of their electric cooperative. This year's meeting was held at the Loyal American Legion Hall, with more than 280 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: 2017 financial performance and the power restoration process. The following is an excerpt from CEO/GM Tim Stewart's report to the members.

**2017 Financial Review** Clark Electric Cooperative continues to report solid financial performance. The total cost of providing electric service increased 2.53 percent over last year. However, since kWh sales increased 1.72 percent (which was the first increase in a three-year period), we experienced \$1,382,438 in operating margins. Our wholesale power rate increased 1.87 percent from the 2016 level. This wholesale price adjustment, coupled with the increase in kWh requirements, resulted in a net increase in our Cost of Power 3.55 percent to \$14.83 million. Operating and Maintenance expense remained flat while fixed costs increased 2 percent to \$2,094,634. However, due to increase kWh sales and as a result of cost containment programs, the cooperative helped offset ever-increasing costs which resulted in a positive total margin of \$2,346,152. The Operating Times Interest Earned Ratio (OTIER) was 3.83 compared to 2.90 in 2016. Our debt ratio decreased from 28.81 percent in 2016 to 26.63 percent in 2017. As a result the Equity Ratio increased slightly from last year's of 64.36 percent of total assets to the 2017 year-end level of 66.15 percent of total assets.

Net Utility Plant grew 2.38 percent from the 2016 level. The cooperative invested in excess of \$1.63 in new distribution plant during 2017. This represents new construction and replacement of electric lines and infrastructure, new service extensions, and member service upgrades. Total Assets increased to \$53.36 million. Total Equity increased \$1,421,381 from the 2016 level. Long Term Debt decreased 4.15 percent to \$13.6 million. Long Term Debt is 25.45 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 & 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 \$1,009,188 in 2017, bringing the total dividends retired to date to over \$23,693,925. In fact, the cooperative has retired over \$7.0 million since 2010. We are very pleased with our ability to rotate patronage at this level.

**Plant Decommissioning** 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 Dairy-



Left to right: Retiring director Charles Bena was presented with a Years of Service plaque; Greenwood FFA students giving a presentation on 2017 project; guest speaker Ben Porath, vice president of power delivery for Dairyland Power Cooperative.



1 & 2. Members catch up before the meeting. 3. CEO/GM Tim Stewart. 4. Attorney Niles Berman. 5. Members register for a chance to win prizes. 6. Board Chairman Charles Bena presents a grand prize of a \$100 bill credit.

land’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 were 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. So, between the capital credit retirement AND the special refund, Clark Electric returned \$2.37 million back to our membership during 2017. This is the largest amount ever refunded back to the membership in one year in the history of the cooperative.

**Power Restoration** The electric cooperatives in Wisconsin have a program called Restoration of Power in an Emergency (ROPE). This is a mutual aid agreement between and among the nation’s rural electric cooperatives. This provides that when an electric cooperative needs help due to severe weather, others stand ready to send help to restore power when needed. We at Clark Electric Cooperative have been very fortunate in that most of the time we have been in the position of providing

assistance rather than needing it. We have participated in the ROPE program in Wisconsin many times as well as two hurricanes in the southern United States. During Hurricane Irma, we again were called for assistance. Assistant Line Superintendent Kevin Sterland and linemen Scott Bailen, Chad Steffen, and Kole Hinker responded. I then showed a short video of Hurricane Irma and how Wisconsin electric cooperatives aided in that call.

## Other Annual Meeting Highlights

**Clark Electric Cooperative/Greenwood FFA Program** Agriculture teacher Loghan Halletand 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 that’s 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 elected three directors for a three-year term. They were Marvin Verkuilen from the Town of Worden, Tom Odeen from the Town of Loyal, and Herman Seebandt from the Town of Weston.

**Dairyland Power Cooperative Report** We were fortunate to have the vice president of power delivery for Dairyland Power Cooperative, Ben Porath, with us to offer insights into the operations of Dairyland Power Cooperative, including resource diversification and transmission projects.

# CLARK ELECTRIC AWARDS \$6,000 IN SCHOLARSHIPS

**C**ongratulations 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.



**Jade Nicole Sales**  
Abbotsford High School  
Daughter of Jeffrey and Michelle Sales  
University of North Central  
Music Business



**Emily Rae Gurtner**  
Colby High School  
Daughter of Alan and Connie Gurtner  
UW-Stevens Point  
Math



**Cassidie Kae Pongratz**  
Granton High School  
Daughter of William Sr. and Amie Pongratz  
UW-Wood County  
Early Childhood Education



**Madeline Rae Pedretti**  
Greenwood High School  
Daughter of Timothy and Jill Pedretti  
UW-Eau Claire  
Communication Sciences & Disorders



**Rosa Marie Rarick**  
Loyal High School  
Daughter of Roger and Sonia Rarick  
Iowa State University  
BS Dairy Science & MBA



**Kaelyn Krultz**  
Neillsville High School  
Daughter of Scott and Barb Krultz  
UW-La Crosse  
Radiation Therapy



**Megan Kay Simington**  
Owen-Withee High School  
Daughter of Adam and Karen Simington  
North Central Technical College, Nursing



**Alek Mason Siegel**  
Spencer High School  
Son of Jeff and Chris Siegel  
UW-Stout  
Computer Engineering



**Ella Grace Koenig**  
Stanley-Boyd High School  
Daughter of Jeffrey and Erika Koenig  
St. Olaf College  
Religious Studies or Political Science



**Raleigh Fay Frankewicz**  
Thorp High School  
Daughter of Jason and Shelly Frankewicz  
Pre-Optometry/Biology



**Marissa Ann Immerfall**  
Columbus Catholic High School  
Daughter of Gerald and Lori Immerfall  
UW-La Crosse  
Physical Therapy



**Rachel Jo Stiemann**  
Home School  
Daughter of Joseph and Susan Stiemann  
Ethnos 360 Bible Institute  
Food Service Industry or Church Ministry

MY CO-OP



# HEY SHUTTERBUGS!

Don't forget about Clark Electric's 2018 member photo contest!

Winning photos may be used in future newsletters, cooperative publications, or displayed at the cooperative. All entries for the month will be entered into a random drawing for a chance for one of the contestants to win a

**\$25 energy credit** to be applied to their electric bill!

For more information, contact CEC, 866-279-65644 or info@cecoop.com.



The Summer Shift is not a new dance move. It 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, thus "shifting" the demand for electricity to times of the day when electricity costs less to purchase.

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



WHY INSTALL A DAIKIN DUCTLESS HEATING AND COOLING SYSTEM?

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.



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1209 West Dall-Berg Road, Greenwood

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## 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



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