



Tim Stewart,  
CEO/Manager

## ANNUAL MEETING RECAP

### Clark Electric Cooperative marks 80 years



Clark Electric  
Cooperative

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For eighty 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 12, 2017, exactly 80 years to the day of our first annual meeting, to conduct the business of their electric cooperative. This year's meeting was held at the Loyal American Legion Hall, with more than 300 members and guests in attendance. The following is a recap of the day's events

### Managers' Report

The following is an excerpt from CEO/GM Stewart's report to the members.

**Some History** – Prior to the 1930s, American agriculture had long been struggling. Very few farms had access to electricity. Rural life was extremely difficult and very labor intensive. Cows were milked and watered by hand. Milking was done by the dim light of kerosene lanterns. Water was pumped by hand and food was cooked over wood stoves. Laundry was done outside with a large tub of water suspended over fire to heat it. Children studied by the small circle of light cast by kerosene lamps. Outside the small circles of light, the rooms of a farmhouse were dark.

Eighty years ago, Americans were struggling to recover from the effects of the Great Depression. The lack of electricity made life an even greater struggle for rural citizens. Many of the agricultural leaders of that era declared that widespread farm electrification would be a primary force in rural rehabilitation, both economically and socially. On May 11, 1935, by Executive Order 7037, President Roosevelt created the Rural Electrification Administration. It was expected that the electric industry—investor-owned utilities that electrified urban centers—would embrace the program and begin some sort of rural electrification program. Unfortunately, investor-owned utilities saw no profit in providing electricity to sparsely populated areas. So, when it became evident that the power companies held little or no interest in building their lines into the rural community, farm folks began to talk in terms of organizing themselves into a cooperative corporation to do the job. This is where our story begins.

In the mid 1930s, there were three electric cooperatives being organized in Clark County: Willard Electric Cooperative, in the Willard area; Big Four Cooperative Electrical Association, in the Spencer vicinity; and Clark Electric Cooperative. Willard Electric Cooperative came first. The Articles of Incorporation were filed March 27, 1936, making it the second electric cooperative to be chartered by the state. The Big Four was third, just three days later on March 30, 1936. (The first electric cooperative in the state of Wisconsin was Richland Electric Cooperative, the only one of the three still existing today).

In terms of unofficial organizational meetings, Big Four preceded Willard with a session at Spencer on January 10, 1936. The meeting, attended by some 300 farmers, was arranged by the leadership of the Big Four Co-op Oil Company. Willard's first unofficial organization meeting was held March 19, 1936, after a long period of person-to-person work by organizers.

Clark Electric Cooperative was organized independently and chartered on April 1, 1937. The first annual meeting of the newly formed cooperative was held April 12, 1937. Vern G. Howard was chosen as the first president of Clark Electric Cooperative. Martin Klarich was elected vice president and Wallace J. Landry was elected secretary-treasurer. The remaining original directors were L.T. Klein, C.F. Baldwin, Ed Klein, Rex Cooper, Gustave H. Voight, and Milton F. Page.

Throughout this period of time, The Big Four and Willard Electric Cooperative retained their status and identity. However, it was becoming apparent to the leaders of the REA movements in the county that one large cooperative project would be more satisfactory than the numerous smaller cooperatives in each of several communities that had originally been visualized. On June 26, 1937, representatives of these two pioneering cooperatives, along with representatives of Clark Electric Cooperative, met at the village hall in Loyal. Representatives from the Big Four and Willard boards of directors quickly approved resolutions to sell their respective assets to Clark Electric Cooperative. The Clark board voted to purchase. Thus, it took only this brief session to consolidate the leadership of these three electric cooperatives into a more effective structure. The charters of the Big Four and Willard Electric Cooperatives, among the first three to be issued in Wisconsin, were forfeited to the secretary of state on January 1, 1938.

Additional historical information is available on our web site, [www.cecoop.com](http://www.cecoop.com).



Above left: Clark Electric was presented with a Certificate of Safety for its dedication to employee and public safety. Above right: Former General Manager Dick Adler (right) was on hand, shown here visiting with CEO/Manager Tim Stewart. Directors Allen Jicinsky (left) and Jim Hager (right) visit with Ron Schmidt.



Far left: Guests fill up the Loyal American Legion for the annual meeting. Left: Board President Chuck Bena (right) presents a \$100 energy credit to the grand prize winner.

**2016 Financial Review** – Clark Electric Cooperative continues to report solid financial performance. Total kWh sales decreased for the second consecutive year by 2.19 percent from the 2016 level to 186,221,070 kWh sold. However, as a result of cost-containment programs, the cooperative helped offset ever-increasing costs, which resulted in positive operating margins of \$968,234 as compared to \$978,972 in 2015. The Operating Times Interest Earned Ratio (OTIER) was 2.90 compared to 3.10 in 2015. Our Equity Ratio increased slightly from last year’s level of 64.25 of total assets to the 2016 year end level of 65.36 of total assets.

Net Utility Plant grew 1.31 percent from the 2015 level. The cooperative invested in excess of \$1.45 million in new distribution plant during 2016. This represents new construction and replacement of electric lines and infrastructure, new service extensions, and member service upgrades. Total Assets increased to \$51.83 million. Total Equity increased \$801,208 from the 2015 level. Long Term Debt decreased \$705,537 to \$14.31 million. Long Term Debt is 27.61 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 \$906,591 in 2016, bringing the total dividends retired to date to over \$22,684,737. In fact, the cooperative has retired over \$6.8 million since 2008. 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-

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. An additional \$600,000 will be held in reserve to offset future LACBWR cost exposure. If it is not needed, this amount will also be returned to the members either via check, bill credit, or as an offset to future rate increases. Checks were issued May 10, 2017.

## Other Annual Meeting Highlights

**Clark Electric Cooperative/Greenwood FFA Program** – Agriculture teacher Lindsay Meissner 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 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 two directors for a three year term: Jim Hager from the Town of Colby and Scott Johnson from the Town of Unity.

**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 including resource diversification, transmission projects, and highlights of a recent ice storm that DPC crews assisted with in North Dakota.

# 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.



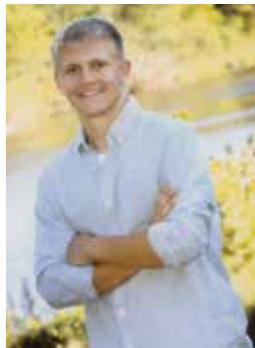
**Morgan N. Wogernese**  
Abbotsford High School  
Daughter of Joseph and Lana Wogernese  
North Central Technical College, Nursing



**Jared J. Goodwin**  
Colby High School  
Son of Joseph and Jill Goodwin  
Chippewa Valley Technical College, HVAC-R Technician



**Angela L. Kowal**  
Granton High School  
Daughter of Patrick and Barbara Opelt  
UW-Stout, Vocational Rehab Substance Abuse/Mental Health Coordinator



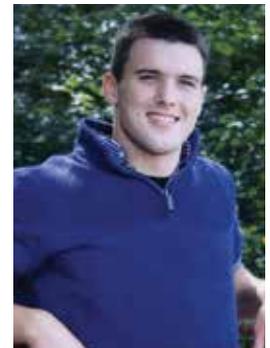
**Trevor D. Barth**  
Greenwood High School  
Son of David Barth and Lori Travis  
UW-Madison  
Civil Engineering



**Alexis K. Dietsche**  
Loyal High School  
Daughter of Jim and Kelly Dietsche  
UW-Oshkosh  
Nursing



**Mindy M. Schoengarth**  
Neillsville High School  
Daughter of Alan and Tina Schoengarth  
UW-La Crosse  
Genetic Counselor or Physician's Assistant



**Josiah P. Goerlitz**  
Owen-Withee High School  
Son of Albert and Peggy Goerlitz  
Mechanical Engineering



**Dyllan R. Griepentrog**  
Spencer High School  
Son of Ryan and DeAnn Griepentrog  
UW-Stevens Point, Political Science/Communication Press Secretary/Public Relations Specialist



**Taylor K. Burzynski**  
Stanley-Boyd High School  
Daughter of Gregory and Katie Burzynski  
UW-Eau Claire  
Biology/Dermatology



**Brady R. Wisniewski**  
Thorp High School  
Son of Allen and Tara Wisniewski  
Concordia University-Wisconsin  
Clinical Psychology or Education



**Ada B. Inman**  
Columbus Catholic High School  
Daughter of Christopher and Saville Inman  
College – Undecided  
Biology/Medical



**Jacob L. Neve**  
Pittsville High School  
Son of Matthew and Wanda Neve  
UW-Stevens Point  
Conservation Management & Protection



# CONSTRUCTION SEASON IS HERE: *Make room for roadside crews*

When the power goes out, so do Clark Electric Cooperative's line crews. Line workers are the first to respond after an outage occurs, and they work tirelessly to restore power to the communities we serve.

If you're traveling and see one of our crews on the side of the road, we kindly ask that you move over if possible and give them a little extra space to work. We deeply care about the safety of all, and this extra precaution ensures just that.

Utility crews aren't the only ones who could use the extra space. Emergency responders, such as police officers, firefighters, and emergency medical technicians, often find themselves responding to emergency situations near busy roadways. We ask that you follow the same procedures mentioned above to help keep these crews safe.

Drivers must provide a safety zone for stopped law enforcement, emergency and maintenance vehicles.

To help safeguard law enforcement officers, emergency responders, road maintenance workers, and others who work on the side of highways, Wisconsin has a "Move Over Law."

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

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## 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.

**PLEASE MOVE OVER FOR EMERGENCY AND UTILITY CREWS**

If you see police, firefighters, utility crews or other emergency personnel on the side of the road, please slow down and move over when possible.

Together, we can keep our crews safe.

The law requires drivers to shift lanes or slow down in order to provide a "safety zone" for a squad car, ambulance, fire truck, tow truck, utility vehicle, or highway maintenance vehicle that is stopped on the side of a road with its warning lights flashing.

Drivers have two options for creating a safety zone:

- If the road has more than one directional lane, like the Interstate, and you can switch lanes safely, you must move over to vacate the lane closest to the law enforcement or other vehicle with its lights flashing.
- If the road has a single directional lane or you can't safely move over, you must reduce your speed.

Failure of motorists to move over is one of the reasons that motor vehicle crashes kill more law enforcement officers on duty than any other cause.

There's plenty of room for all. Let's work together to keep everyone safe on our local roadways.

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**CLARK ELECTRIC APPLIANCE & SATELLITE INC.**  
1209 West Dall-Berg Road, Greenwood, WI 54437  
866-279-6544 or 715-267-6544 • Hours: M-F 8 a.m.-4:30 p.m.

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