



# Board Report – Aug. 2017

- Approved July disbursements totaling \$589,953.66, reviewed credit card charges, accepted 12 new member applications, and June construction in the amount of \$66,881.52
- Reviewed financial results through July 31, 2017 with year-to-date showing a margin of \$280,580. There were 12 outages in July, with a total of 95 for the year, totaling 0.77 hours per member of outage time.
- The Board reviewed Dairyland Power Cooperative financial data: Margins for July 2017 were \$3.4 Million which is \$2.2 Million under budget; year to date Operating Margins are \$9.3 Million which is \$2.4 Million under budget; and, total YTD Margins are \$15.1 Million. Director Zenner, who had attended the Dairyland board meeting reported on the Strategic Planning session that was held: the facilitator predicted that batteries would be in widespread use within 2 years, and that more acceptance and sales of electric vehicles are coming; disruptive scenarios were analyzed during the strategic planning event including: terrorism, load growth, loss of large loads, changes to the co-op business model, and economic conditions changes. Finally, Zenner indicated that due to the projected shortfall of margins, there will likely be a wholesale rate surcharge before year end.
- Early retirement payment to one estate was approved with total capital credits of \$470.06 to be paid out at the net present value of \$232.77.
- The Board approved a capital credit general retirement based on 3.36% of all allocated capital credits as per the Co-op's Strategic Financial Policy, projecting a \$269,805 total payout. The retirement will consist of all remaining 1988 Dairyland allocations, 45% of 1989 Dairyland allocations, 100% of remaining 1994 Taylor allocations, and 65.3% of 1995 Taylor allocated credits, and inactive accounts under \$30, resulting in a projected \$247,948 net retirement, after reduction for estates retired to date.
- Donations from unclaimed capital credit funds held at the Federated Youth Foundation were approved for: Rib Lake Athletic Boosters, high school gym bleachers project - \$250, Medford Kiwanis Club, coin donation funnel - \$410.
- The member complaint log was reviewed and several issues discussed including: power surge, NSF check, solar credits, and high bill complaint.
- Director Zenner reported on the August safety meeting which included: close calls review; bucket rescue hard hat safety review; noise reduction thru hearing protection; and, request from employees for personal ear plugs and replacement of ropes due to wear.
- A Member Appreciation event is set for October 5, 2017 to be held at the Stetsonville Centennial Community Center. New this year, will be breakfast served from 6:30-9:30 a.m.
- The 2018 pension and health Insurance rates were presented. Comparison of higher deductible and co-pay rates for the health insurance plan indicate that the current plan is the least costly, due to the Co-op's contribution to the HRA Plan. Further review of options for cost savings from possible changes from the HRA Plan to an HSA Plan will be made.
- The Board completed the CEO appraisal, and was asked to complete the Board evaluation for discussion at the September board meeting.

## Our history, our future— *Looking back provides the path forward.*

We have all heard: “Those who do not remember the past are condemned to repeat it.” Yet sometimes remembering our history with the goal of repeating it can actually be a good thing. As the nation's 30,000 cooperatives celebrate **National Co-op Month this October**, it is a great time to take a look back – and a look forward.

Take the history of your electric co-op. Taylor Electric was founded when neighbors worked together to bring electricity to our rural community. Big investor-owned power companies thought they couldn't generate enough profit so they bypassed rural areas. Back then, there were frequent meetings among neighbors to discuss the formation of the cooperative. Once established, annual meetings were the “must attend” event of the year. The co-op – on behalf of the member-owners – committed to provide the community with electricity.

Fast forward to today – and tomorrow. Taylor Electric currently serves 3,767 members. We have returned \$6.8 million in capital credits to our members since 1956. We understand the spirit that helped create this co-op must be continually nurtured. While times and technology will continue to change, our commitment to you will not. Although we started out to provide electricity, our impact has grown.

As we continue to look toward the future, you can be confident that Taylor Electric will commit to explore new ways to help our members and our community like Bright Horizons, our community solar project.

Over the years, as we've listened to you and your fellow co-op member-owners, we know that we have to keep pace as technology and consumer tastes evolve. As always, we welcome your participation as we plan for the future.