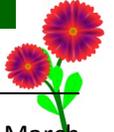


Taylor Report

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May 2018



Board Report – February 2018

- Approved January disbursements totaling \$894,431.76, accepted 10 new member applications, and December construction in the amount of \$29,957.59.
- Reviewed and approved the expenses paid by credit card.
- Reviewed financial results through January 31, 2018 with \$18,933 of total margins.
- Three requests for donations were approved: \$235 for Medford Junior Achievement, \$100 to the Leaders For Life Project, and \$250 for Moving For a Cure, with all funds to be requisitioned from unclaimed capital credits invested with the Federated Youth Foundation.
- Unclaimed funds from an uncashed check in the amount of \$30 was declared forfeited to Federated Youth Foundation for future scholarships and charitable uses.
- Approved a \$100 payment to each member of the 2018 Annual Meeting Nominating Committee.
- Approved a resolution authorizing Nicolet National Bank as a funds depository.
- Approved a bad debt write-off in the amount of \$574.39.
- Approved delegates to the 2018 Dairyland Power Cooperative Annual Meeting: Directors Tesch, Waldhart, Engel, Henrichs, Hallgren, and CEO Schaefer.
- Considerable discussion was held on the proposed extension of the Wholesale Power Contract, with no action taken.
- The Dairyland Power report included concern that the 2018 Dairyland budget proposal included an average 1.58% wholesale rate increase effective May 1, 2018. Taylor's portion of the wholesale increase is typically close to the "average", however, follow-up disclosure from Dairyland revealed the actual increase to Taylor would be around 5.9% due to the rate application where fixed cost allocations are not charged the first year of a new load being added. This item is up for additional discussion and Dairyland Board decision in the month of March.
- 68 delinquent Accounts were processed for collection in February. The total amount owing on these accounts is \$34,900.56. Thirty-five of these accounts have remote disconnect capability.
- Noted the resignation of the Billing CSR effective

March 5th and new hire Sadie Kapusta effective March 12th.

- Director Engel reviewed the safety meeting held at the Co-op on February 14th. The safety meeting included: bloodborne pathogens review for all employees, transformer safety procedures, accidents and close calls at other utilities, ROPE procedures, working in and proper grounding of CT cabinets, and an item that advised against the use of pole tongs which some utilities still have.
- Reports were given by those attending the WECA Education and Lobby Days, and NRECA and NRUCFC Annual Meetings.

Board Report – March 2018

- Approved February disbursements totaling \$683,586.43, accepted 14 new member applications, and January construction in the amount of \$1,577.01.
- Reviewed and approved the expenses paid by credit card.
- Reviewed financial results through February 28, 2018 with \$39,211 of total margins.
- The Board discussed, but took no action, on sponsorship of a student on the 2018 Washington DC Youth Tour. Will reconsider in 2019.
- A request for sponsorship was approved in the amount of \$125 for the 2018 K Bar R Rodeo, with matching funds to be requisitioned from Touchstone Energy.
- A request for donation was approved in the amount of \$500 for the Fallen Soldier Memorial, with funds to be requisitioned from unclaimed capital credits invested with the Federated Youth Foundation.
- Unclaimed funds from 3 uncashed checks totaling \$305.24 were declared forfeited to Federated Youth Foundation for future scholarships and charitable uses.
- The Board requested additional information on setting up a charitable fund through Operation Roundup, a voluntary fund where members can have their monthly electric bill rounded up to the next whole dollar amount, with the cents rounded up donated to the local Operation Roundup fund.
- Approved a bad debt write-off in the amount of \$41.09.
- Noted that the Board's resolution offered to Dairyland Power Cooperative to amend the Bylaws of Dairyland,

to add board member term limits, received no support from the DPC Governance Committee. The Board consensus was to rescind its resolution at this time.

- Additional discussion was held on the proposed extension of the Wholesale Power Contract, after which a motion was approved to agree to the extension as offered.
- A change to the 2018 Line Department Capital Budget was proposed and approved. The purchase of a tracked skid-steer type machine with pole setting and various other attachments was approved with an estimated cost of \$125,000 and postponement of the purchase of a new digger-derrick truck which had an estimated cost of \$250,000, yielding a \$125,000 net reduction of the 2018 capital budget.
- Jim Halvorsen, CPA, CliftonLarsonAllen LLP, Marshfield, Wisconsin, presented the 2017 audit report. There were no audit adjustments made, however, he did recommend reviewing the recording of estimated legal and audit fees. Jim highlighted financial trends for the Co-op, comparisons with other Wisconsin electric co-ops, the documented review and oversight of financial operations by the Board, and he noted the audit review of internal controls.
- The allocation to the members of \$704,537.96 of 2017 margins was approved by the Board.
- The Dairyland Power Cooperative report noted that the May 1, 2018 wholesale rate increase was approved by the DPC Board at 2%. This will yield a 2.09% increase for Taylor Electric and its members, or \$0.00151 per kilowatt-hour. Dairyland is proceeding with a facilities study in 2018.
- 54 delinquent Accounts were processed for collection in March. The total amount owing on these accounts is \$25,588.97 which must be paid in full by April 13th or face disconnection on April 16, 2018 the end of the statewide moratorium. Twenty-nine of these accounts have remote disconnect capability.
- CEO Schaefer reviewed the safety meeting held at the Co-op on March 22nd. The safety meeting included: truck inspections; personal and truck grounds inspection, noting that several "failed" grounds were found and are being replaced; OSHA-required job briefings reviewed; accidents and close calls review; and, a video, "A Lineman's Call- The Jeremy White Story" about a lineman who was electrocuted and died which was seen by all Cooperative personnel. The linemen participated in the annual switch training provided by Dairyland Power personnel.
- Director Waldhart gave an update on legislative activities as reported at the March meeting of the

WECA Legislative Committee.

- Director Zenner and CEO Schaefer reported on the March meeting of the Taylor County Wi-Fi (Broadband) Committee. The Committee is interested in hearing more about other electric co-ops' partnerships in delivering broadband Internet services to their service areas, and would like to do a survey in the County to determine what services are currently available, who is interested in broadband service, how much they are willing to pay, and what are recommended/feasible methods of delivering the service.



PLEASE NOTE:

Rate Increase effective May 1, 2018

Taylor Electric Cooperative has been notified by our wholesale power provider, Dairyland Power, that, effective May 1, 2018, there will be a 2.09% increase in the cost of wholesale power we purchase from them. The "Wholesale Energy Charge" on your May 2018 electric bill will reflect this increase of \$0.00151 per kilowatt-hour (this will begin with electric bills due in June 2018).

New Procedure on Late Payments

The 1½% "Penalty" charge will appear on your electric bill if payment is received after the 20th of the month. In the past, several days of grace period were allowed before the late charge was added, however, this created a situation where any "Delinquent Notices" sent between the due date and the 1st day of the next month (the next billing date) did not reflect the same balance as reflected in the computer system.

Please be aware of this, and remember, that, much the same as credit card, bank, and other bills, payment must be received by the due date, the 20th of most months, to avoid the "Penalty" charge.

May is Electrical Safety Month

Use caution when using electrical tools as you head outside to make spring home improvements. Be sure to also call Diggers Hotline (811) if you plan to do any digging in your yard.

Memorial Day



We thank and honor all who have served and lost their lives to protect our freedom. The office will be closed on Monday, May 28th for Memorial Day. Have a safe and enjoyable holiday weekend.