

Taylor Report



February 2018

N1831 State Highway 13, Medford, WI 54451 • 715-678-2411 • www.taylorelectric.org

Taylor Electric is celebrating 82 years!!

Annual meeting to be held April 7, 2018

Taylor Electric Cooperative's 82nd annual meeting will be held at the Medford Area Senior High School in Medford on Saturday, April 7, 2018. One of the most important duties of the members at this meeting will be to elect members to fill two seats on the board of directors.

The Bylaw provision for nominating a member to serve on the board is as follows:

(Article V) Section 3. Nomination and Election of Directors. It shall be the duty of the Board of Directors to appoint a nominating committee in time to allow the committee to meet at least forty-five (45) days before the date of the annual meeting of the members, at which directors are to be elected. The nominating committee shall consist of three members. The committee chairman shall present the committee's nominations at the annual meeting.

Nominations may also be made by petition signed by not less than 25 members delivered to the Cooperative's headquarters not less than 7 days prior to the annual meeting. Election shall be by majority vote for each director position. In the event no candidate receives a majority of the votes cast for a position, the candidate receiving the fewest votes shall be

dropped from nomination on each successive ballot until one candidate receives a majority of the votes cast.

The board has appointed the following to serve on the Nominating Committee for the 2018 annual meeting:

Darlene Peche (715-748-4692)

Carmen Thiede (715-218-8353)

Frank Bohte Jr. (715-678-2217)

Please contact any of these Nominating Committee members if you are interested in being nominated for a seat on the board.

At the 2018 annual meeting, there will be elections for two board seats: the seats currently held by Dean Tesch and Brian Hallgren. (Members are eligible to serve up to five three-year terms.) Both are eligible for re-election.

To be on the ballot for election to the board, a member needs to be nominated by the Nominating Committee, or be nominated by petition, which involves getting signatures of not less than 25 members and delivering that nomination petition to the co-op not less than seven days prior to the annual meeting (by March 31, 2018, for the upcoming annual meeting).

What you're MISSING at the annual meeting!



Did you know every cooperative is required to conduct an annual meeting of the membership? The purpose is to hold the election for the board of directors, share important financial information, occasionally vote on other

matters such as by-law changes and of course—the great door prizes, dinner and attendance gifts!!

Taylor Electric Cooperative's annual meeting is a community gathering where neighbors can meet new neighbors—or catch up with old acquaintances. As our lives get busier with the “errands of life” and more of our interactions with others are online (via social media), we must renew the value of face-to-face human connections. Very few organizations are uniquely positioned like Taylor Electric to bring together all members of our local communities.

While rural Americans probably do a better job of staying connected to our neighbors (in part because we need

too), it is not something we should take for granted. The simple act of smiling, saying hello and shaking someone's hand truly lifts both parties.

Our country and community face many challenges. Overcoming these challenges will only happen if we come together.

Taylor Electric's annual meeting is designed to take care of the important business of your co-op and the equally important business of building a real sense of community. All cooperatives serve both an economic and social purpose. While safe, reliable and affordable electric power is crucial to our mission, improving the quality of life for all members is at the core of what we do every day.

If you have not attended the annual meeting in the past or if it has been a few years, we urge you to take the time to be with your fellow co-op members.

We get out of life what we put into it. Taylor Electric is connected to you by more than just powerlines. We are your neighbors, and we look forward to seeing you at your annual meeting.

Board Report – December 2017

- Approved November disbursements totaling \$796,813.95, accepted 14 new member applications, reviewed credit card expenses, and October construction in the amount of \$57,809.58.
- Reviewed financial results through November 30, 2017 and projections for year-end 2017. Operating Margins for the first 11 months of the year are \$295,895 with Total Margins for the year at \$393,751 compared to \$317,251 one year ago. Year-end projections for 2017 are for Operating Margins of approximately \$334,000, and Total Margins of approximately \$634,000 (including estimated Dairyland Power Co-op capital credit allocations of \$200,000).
- Five requests for discounted capital credit retirement to estates were approved with total net present value of \$1,364.93 to be paid.
- A procedural change will be made to add the late payment fee to unpaid members' electric bills immediately following the due date shown on the bill. This will avoid future issues of account balances showing a different amount than the amount on the delinquent/reminder notices that are sent.
- A policy was adopted to comply with the Payment Card Industry – Data Security Standards technical and operational requirements for security management, to prevent credit card fraud, hacking and various other security vulnerabilities and threats. The standards are designed to protect cardholder information of all members that utilize a credit card to transact business with the Cooperative.
- Payment of \$54,386 for 2018 liability insurance premiums to Federated Rural Electric Insurance Exchange was approved.
- The Board authorized an additional donation of \$1,000 to the Medford "Bringing the Barn to School" project. Unclaimed capital credit refunds held at Federated Youth Foundation will be used for the donation.
- The Dairyland Power report included a review of the 2018 budget, with the average wholesale power cost projected to increase by 1.58% on May 1, 2018 to 7.527¢ per kWh (an average rate of 7.36¢ per kWh for calendar year 2018) and a capital additions budget of nearly \$74 Million.
- Director Tesch reported on the Dairyland Power board meeting which included: increased November sales (mainly due to increased grain drying) contributing unexpected margins to DPC under the November-December rate surcharge; DPC sponsoring a workshop on energy storage and batteries in 2018; update on expected favorable pricing for solar projects; and, Dairyland policy on director expectations will require background checks of all DPC board members and alternates.
- Reviewed 60 delinquent accounts processed for collection in December [83 in 2016] with a total balance owing of more than \$21,100. Small claims court actions are used to file liens against delinquent customers during winter months.
- The Board approved the capital improvement budgets for 2018: \$54,325 for the office and IT needs, \$300,000 for vehicles and equipment, \$240,000 for tools, meters, AMR modules, security and test equipment, and, \$800,000 for line construction projects. Line construction projects include 8½ miles of overhead and 5.25 miles of underground construction. The overhead projects will be completed by the Co-op's crew as time permits, and underground cable failures will be the largest factor in determining where underground replacements will be made.
- The Board reviewed a 2018 operating budget with an expected 0.1% increase in kilowatt-hour sales. Anticipated staffing changes for 2018 include one lineman retirement with no permanent replacement (an additional lineman had been hired in 2017 anticipating the retirement of a senior lineman near the end of 2017). There was discussion that weather can have a huge impact on sales (growth or loss), and that excessive outages, storm damage, and other risks can impact achieving the budgeted margins. Projections of cash flow, equity, and loan fund needs were also discussed. The Board asked for budget projections to be run for margins needed to retire capital credits as scheduled and to pay down an additional \$300,000 of long-term debt.
- Director Zenner and CEO Schaefer were appointed to serve as the Co-op's representatives on a Taylor County broadband study committee, as approved by the Taylor County Board.

Energy Efficiency Tip of the Month

Looking for an easy way to make your home cozier? Try using an area rug to increase the insulation levels of your floors. Area rugs are stylish and can keep cool air from entering through your floors. Your toes will thank you!



Don't forget to take advantage of incentives offered through Focus on Energy. To see if you qualify, call 800-762-7077 or visit focusonenergy.com