

TAYLOR ELECTRIC
Cooperative

Your Touchstone Energy® Partner



POWER ON

2023 Annual Report

ANNUAL MEETING
Tuesday, June 25, 2024

4:30 PM Registration and Dinner

5:30 PM Meeting Starts

Please note:

*the meeting location is remaining
the same as last year at the*

CENTENNIAL COMMUNITY CENTER

412 E. Centennial Ave., Stetsonville, WI 54480

Absentee ballots are available at the office or by mail through June 24th. See page 15 for our director candidates.
Bring the registration form from the back cover of this report to the annual meeting to receive a \$10 electric bill credit.

2024 Annual Meeting Agenda

4:30 PM

Registration and Dinner

5:30 PM

Call to Order

Determination of Quorum

Pledge of Allegiance

Invocation

Rules of Order (page 15)

Notice of meeting and proof of mailing

Approval of 2023 minutes (page 14)

Introduction of candidates and voting

Introduction of bylaw amendments
and bylaw vote

Introduction of board/employees

Board Chairman's Report

President/CEO's Report

Door prizes and on-time award of \$100 bill
credit (MUST BE PRESENT TO WIN) and
butter and cheese given out

Question/answer period

OFFICERS

Brian Hallgren, *Medford*
Chairman

Charles Zenner, *Little Black*
Vice Chairman

Cheri Klussendorf, *Goodrich*
Secretary-Treasurer

DIRECTORS

Donald Everhard, *Medford*

Lisa Kohn, *Hammel*

David Makovsky, *Chelsea*

Paul Woods, *Holway*

President & CEO REPORT



Kenneth Ceaglske

2023 proved to be a successful year both financially and operationally. Dairyland Power (DPC) saw some relief due to natural gas prices dropping back into a more normal range. Reliability fell back into a more normal pattern with more activity in the summer and no damaging ice storms.

The ownership transition of the cooperative continues as the margins created today are partially used to purchase the system from the older members. This is a core principle of electric cooperative history, dating back to the first capital credits returned in 1956.

The Bottom Line - Financial Performance

Kilowatt-hour (kWh) sales decreased in 2023 by about 2.5% as compared to 2022.

More than 50% of our annual budget is spent on Wholesale Power. With the decrease in sales this year, there is a natural decrease in purchases. This year we were fortunate to see natural gas prices drop from 2022 high levels. This allowed DPC to offer power cost credits and we passed along about \$110,000 back to the members. Natural gas prices have a strong influence on energy prices for both power production that we own and power purchases off the market.

Nearly \$375,000 of capital credit refunds were made to members in 2023. With the 2023 capital credit retirement, the Cooperative has returned more than \$9.2 million to the member-owners since the Co-op's inception. This figure includes discounted payments to estates following the death of a member.

New Construction & Operations

37 new service installations were completed in 2023. Power line construction and replacements/upgrades in 2023 continued as always. One of the most significant areas was west of Chelsea Lake, where we converted some overhead

“Our mission is to be our members’ most valuable resource for energy and related services.”

—Taylor Electric Cooperative

line that fed through very rough terrain lined with trees. This section of line has been damaged repeatedly in the recent winter storms and was difficult to access in the winter. In cooperation with DPC, the Stetsonville sub was rebuilt to modern standards. We added a UTV to the fleet to make travelling in remote cross country right of way more efficient, particularly in winter.

Reliability

We made it through this year with no ice damage, which was a pleasant relief. We only had one major storm causing damage to the system in July. Outage times for the year were about average, and spread across most of the year, unlike the last two years that were great until they weren’t in December. The three top causes of outages were the major storm followed by trees and vehicles tied for second. Even with a right of way program as solid as ours, we still see trees reach into our lines from outside of the area that we clear. It is somewhat inevitable given the heights of the trees. The more disturbing cause of outages has been vehicles. That number has been high for the last few years.

If we have our system in good shape after a storm, but other coops are still making repairs and looking for help, we generally send two linemen and a truck to assist. The receiving coop pays for the wages and expenses for our crews while responding to their outages. We have been fortunate to be on the sending side of the balance instead of the receiving.

Looking Ahead to 2024

The 2024 capital budget calls for us to continue replacing and upgrading approximately 15 miles of the electric delivery system in areas where needed, at an approximate cost of \$710,000. We will also be doing some work at the office including sidewalk and parking lot repairs as well as a fence addition. A project that came up in late 2023, continuing into 2024, is the replacement of approximately 150 poles out of over 500. These poles are being replaced to accommodate Charter Communications installation of fiber optic cable for internet service in the northern part of the system. The revenue from pole rentals will equate to adding about 5 houses to the system. We are also bringing a new small bucket truck into the fleet.

We did do another rate adjustment to the fixed charge in January of 2024, and again have seen declining sales due to

the milder spring. With the increased fixed charge, covering the expenses that are fixed, this makes for more stability at the coop. We are looking at a change to the energy portion of the bill, splitting it into demand and energy components. The new charge will be related to the highest demand reading for the month during times that drive the power bill up. With the addition of the demand charge, the per kWh charge will decrease, resulting in a net neutral adjustment for the average member.

Dairyland Power has indicated stable to slightly rising rates for the next couple years. Natural gas prices have declined over the last year, reducing some of the upward pressure on rates. Inflation is creeping in on every aspect of their business as well. The power generation business model is changing, and capacity has become a significant part of the cost. Fortunately Dairyland Power has a broad portfolio of generation sources ranging from stable and reliable coal, natural gas, and hydro units to low-cost renewable energy to balance the risks and rewards of each type of generation. They continue to look to the future with possible options for nuclear power and energy storage options.

The employees and board here at Taylor Electric Cooperative are a committed group, dedicated to doing their part to accomplish what it takes to keep your power supply safe, reliable, and affordable. When you see them at the meeting, in the office, or out and about in the field, please take a minute to thank them for their efforts.

As we look forward to the remainder of 2024 and beyond, rest assured that whatever life throws at us, we will be here focused on keeping the lights on for you.

We look forward to seeing you at your annual meeting on June 25th. Thank you for the continued support you have given us during this past year.

Thank you!

Kenneth Ceaglske

TAYLOR ELECTRIC
Cooperative

Your Touchstone Energy® Partner





Chairman's Report

Brian Hallgren
Chairman

On behalf of the Board of Directors, I am pleased to report 2023 was a financially good year for Taylor Electric Cooperative. This positive performance upholds our commitment of maintaining a sound organization for you, our members, and also ensures the distribution of capital credits.

The past few years have not been without challenges, however. Those include pressure on our cost of materials, services we purchase, the cost of power, and employee wages and benefits. I am proud to be part of a group of directors who deal with these challenges while continually asking, "what is best for our members"?

We all would like that answer to include no rate increases. As we constantly monitor our expenses, we also prioritize our employees, and you, our members, to assure our cooperative is here for a long, long time. We all are part of a tremendous legacy created and maintained by many courageous people since the 1930s. I appreciate the courage our current directors have in making difficult decisions.

Our board looks forward to seeing many of you at our annual meeting in Stetsonville. We also welcome hearing from you throughout the year. Our director's emails are:

Chairman Brian Hallgren: brianh@taylorelectric.org

Vice-Chairman Chuck Zenner: chuckz@taylorelectric.org

Secretary/Treasurer Cheri Klussendorf: cherik@taylorelectric.org

Director Donald Everhard: done@taylorelectric.org

Director Lisa Kohn: lisak@taylorelectric.org

Director David Makovsky: davem@taylorelectric.org

Director Paul Woods: paulw@taylorelectric.org

A special mention to this year's Nominating Committee of Pat Waldhart, JoAnn Smith, and Kathy Jochimsen.

To our directors, thank you for all you do in keeping the cooperative strong and allowing me to be your chairman.

A great big thank you to our employees. Your everyday efforts and hard work do not go unnoticed.

And finally, and most importantly, to our members, you are the reason our cooperative exists. Thanks to each of you for your support. It is an honor and privilege to serve you.

Thank you!

Brian Hallgren



BACK (l to r):

Lisa Kohn

Donald Everhard

David Makovsky

Paul Woods

FRONT (l to r):

Cheri Klussendorf
Secretary/Treasurer

Brian Hallgren
Chairman

Charles Zenner
Vice Chairman

Membership Has Its Advantages



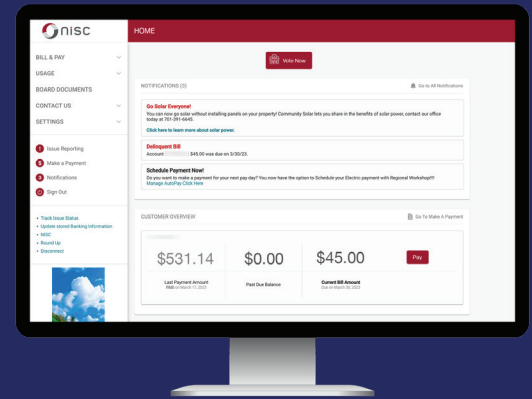
Taylor Electric Cooperative offers its members many "advantages" in the form of assistance through various service programs. If you would like more information on any of the items in the following list, please contact us. If you have a question about electricity or your electric service, we can give you the answer, or help you find it.

A lot of these programs offered are free of charge to our members. If there's something here you're not taking advantage of, we urge you to get more information on it today!

- Margins (profits) returned to members as capital credits
- Dusk to dawn lights available for purchase or rent (repair offered only on rented lights)
- Power quality monitoring
- Appliance energy use testers available to rent
- Electric heat recommendations
- Voltage monitoring (for example, blinking lights)
- Rebates and incentives
- Economic development loans
- Co-op Connections Card
- Electric heat systems
- Energy-efficient lighting program
- Off-peak electric heat rates
- Electric grills
- Tree trimming & cutting (if near powerlines)
- School/Community safety programs & ads
- Farm wiring grant and loan program
- Secure Home Surge Suppression
- Member Appreciation Day
- Credit card and ACH payments accepted
- Scholarships for high school seniors
- Focus on Energy Program
- Youth Leadership Congress
- E-bill Payments
- Energy Star Rebates
- Prepaid Metering
- Bright Horizons Community Solar
- SmartHub
- EV Car Charging Station



MANAGE YOUR ACCOUNT LIKE NEVER BEFORE!



SMART MANAGEMENT. SMART LIFE. SMARTHUB.

Pay your energy bill online through SmartHub. Here are some of the smart benefits:

- Available on your Apple or Android device
- View your billing history
- View and manage your electric usage
- Analyze and understand your electric usage
- Identify ways to lower your energy bill
- And more...

Dairyland Director Report

Dairyland Priorities: Safety, Reliability and Cost Management

The safe, reliable and cost-competitive delivery of electricity to all members when and where they need it is a complex process. Taylor Electric Cooperative is one of 24 distribution cooperative members of Dairyland Power Cooperative (La Crosse, Wis.). As Taylor Electric's director representative to Dairyland, I am pleased to recap some 2023 highlights.

Dairyland's generation portfolio is a mix of renewables (solar, wind, hydro, biomass) and always-available baseload generation resources, such as natural gas and coal. Dairyland prioritizes projects that will strengthen reliability, reduce carbon emissions and support more renewable generation. Since 2014, Dairyland has retired 579 megawatts (MW) of coal and is exploring the viability of emerging technologies, including pumped storage hydro, small modular nuclear reactors and long-duration battery storage.

The Nemadji Trail Energy Center (NTEC) is a proposed 625 MW combined-cycle natural gas plant in Superior, Wis., planned in partnership with Minnesota Power and Basin Electric Power Cooperative. It is a critical-capacity resource that will provide reliable power on-demand, in any weather. In December, the U.S. Department of Agriculture's Rural Utilities Service (RUS), issued its second Finding of No Significant Impact (FONSI) for NTEC. Construction is planned to begin in 2024, with operation by 2028.

There are 161 renewable generation projects dependent upon the completion of the Cardinal-Hickory Creek transmission line between Dubuque County, Iowa, and Middleton, Wis. (up from 115 projects last year). Dairyland, ATC and ITC Midwest are co-owners of the project. Last December, the eastern half of the 102-mile line was energized with the remainder of the project expected to be in service later this year.

Last year, Dairyland won a competitive bid from the Midcontinent Independent System Operator (MISO) to develop, own and operate a 345 kV line from the Mississippi River near Alma, Wis., to the Tremval substation (Blair, Wis.). The Alma-Blair Transmission Project will foster the delivery of renewable energy and strengthen regional reliability.

These projects are critical pieces for a lower-carbon future, however power plants and transmission lines cannot be constructed overnight. When permitting red tape delays timelines – jeopardizing electric reliability, stalling progress on the clean energy transition and increasing costs – we advocate on our members' behalf both at the state and federal levels.

Dairyland's John P. Madgett (JPM) Station (Alma, Wis.) underwent a 10-week outage in Spring 2023 when employees and more than 200 business partners completed a turbine overall and precipitator upgrade. The precipitator collects fly ash, which reduces emissions, and is sold as an additive to cement and concrete applications. The precipitator upgrade resulted in twice as much fly ash being collected.

JPM is critical to regional reliability and financially beneficial to members. The value of always-available baseload generation was demonstrated during an August heat wave when temperatures, humidity and electricity demand were high, and wind resources were low. The Dairyland system set an all-time peak load of 1,177.5 MW on Aug. 23.

Growth & Grants

Dairyland's Economic Development team works with member cooperatives to support innovation and load growth through business and community development opportunities. In 2023, the Dairyland system had 28 new projects, totaling 15 MW, and secured more than

\$4 million in economic development funding.

Additionally, Dairyland was awarded more than \$20 million in grant funding to support middle-mile infrastructure, a microgrid project and long-duration energy storage project.

Financial Strength

Dairyland takes a balanced and measured approach to its financial and competitive strength. The cooperative has earned credit ratings of "A3" with a stable outlook from Moody's Investors Service and A+ with a stable outlook from Standard and Poor's (S&P).

Across all 24 member cooperatives, in 2023, Dairyland returned \$11.9 million in power cost and revenue volatility adjustments, and \$5.1 million in capital credits.

Community

In 2023, Dairyland focused Cooperative Contributions toward its member cooperatives by donating up to \$1,000 to an organization of their choice in each of the 24 members' service territories. Taylor Electric Cooperative worked with Dairyland to donate to Huey's Hideaway Children's Museum, which benefitted a room at the museum sponsored by the co-op and Dairyland. Dairyland also coordinated a Day of Service event in October where more than 120 volunteers participated in six community service projects throughout Dairyland's service territory. Taylor Electric's CEO Kenny Ceaglske, Board Chairman Brian Hallgren and Board Member David Makovsky donated their time to this project and helped restore a baseball diamond/field in Tony, WI.



Charles Zenner
Vice Chairman

Dairyland Power Cooperative was created in 1941 to be the wholesale power provider to its member electric cooperatives. Today, Dairyland continues to deliver power to 24 member electric cooperatives, including Taylor Electric Cooperative, and 27 municipal utilities throughout Illinois, Iowa, Minnesota and Wisconsin.

Just like directors are elected from our membership to govern Taylor Electric Cooperative, the same applies to Dairyland's Board of Directors. I've had the privilege of being a director of Taylor Electric Cooperative for 13 years and have been proud to serve as your representative on the Dairyland Board for 5 years.

Dairyland is a generation and transmission (G&T) cooperative, which means they generate or procure the electricity needed by its members and send it to their member cooperatives and municipal utilities via thousands of miles of transmission lines. Once it reaches our distribution substations, Taylor Electric Cooperative sends the power to members' homes and businesses.

Co-op Connections

Participating Business List

Advance Auto Parts, Medford

10% discount on purchases up to \$200.00

Broadway Theater, Medford

Purchase any size popcorn and get a matching size soda for free

Glass Innovations, LLC, Medford

5% off in-shop ONLY windshield replacement.

Jack's Auto Repair LLC, Stetsonville

10% off exhaust repairs over \$50.00, 10% off any brake related parts & labor.

Life's High Points Photography, Medford

10% discount

Medford Health Mart Pharmacy, Medford

20% off any Health Mart label

Meyer Auto Body, Medford

5% discount on any body repair over \$500.00. Up to a \$100 value.

Meyer Lumber, Dorchester

5% discount on discountable items, excluding all sale and clearance items (cash sales only). Cannot be used in conjunction with any other discounts/promotions. Card must be presented at each purchase.

Meyer Tire and Service, Medford

\$5.00 off any passenger or light truck tire- not good in conjunction with any other coupons or offers.

Napa Auto Parts, Medford

10% discount on cash & carry items (excludes engines, engine kits, transmissions, oil labor & sale items)

Northwoods Embroidery, Medford

Free digitizing on embroidery. Free set up on first color of screen printing.

River Country Cooperative Athens, Greenwood, Owen

10% discount on all dog and cat food

Ron's Auto Body Repair, Medford

10% off for anyone over 55 or older on labor

Schierl Tire & Service Center, Medford

\$5.00 off an oil change. \$10.00 off parts for service repairs.

Stetsonville Lumber, Stetsonville

5% off single purchase over \$500.00-not good in conjunction with other coupons or offers.

Subway, Medford & Colby

50¢ off any sub or salad

Tallman Landscaping, Medford

5% off labor on projects over \$1,000 – free estimates.



Taylor Credit Union, Medford and Abbotsford

Free rental for one year on 3"x5"x22 1/2" safe deposit box – new rentals only. Requires existing savings account or initial savings account with \$5.00 balance. Limit one per family.

Turtle Bay Gardens, LLC, Medford

10% off purchase

Wanke Builders, Medford

Free foundation water proofing on your new home purchase

Willow Cottage Pet Grooming, Medford

\$5.00 off full groom service

All offers not good in conjunction with any other discounts or promotions.

Bylaw Amendments

TAYLOR ELECTRIC COOPERATIVE 2023 PROPOSED BYLAW AMENDMENTS

[New language is shown by underlining – “**add these words**,” Language to be deleted is shown by strike through – “**delete these words**.” And longer passages with no changes are indicated by “...”]

Amend Article IV (“Directors”), Section 2.b (“Qualifications”) of the Bylaws as follows:

Section 2. Tenure and Qualifications.

- (a) Tenure. ...
- (b) Qualifications. ~~No person shall~~To be eligible to become or remain a director or hold any position of trust in the Cooperative ~~a person whom~~must:
- ~~(1) is not an active member receiving electric service from the Cooperative at his or her place of permanent residence, or~~
 - ~~(2) is in any way employed by or financially interested in a competing enterprise or a business selling energy, services or supplies to the Cooperative, or~~
 - ~~(3) has been employed by the Cooperative at anytime in the prior seven (7) years, or~~
 - ~~(4) has pursued any claim or litigation against the Cooperative or any of its employees or directors at anytime in the prior seven (7) years, or who in the prior year has been delinquent on any obligation owed the Cooperative for more than 60 days, or~~
 - ~~(5) has been convicted of a felony, or other offense involving dishonesty, for which completion of the sentence, including any period of probation or parole, occurred within 10 years of election or appointment to the board.~~
- (1) have an active membership receiving service at their principal place of residence,
 - a. or in the case of a member that is a partnership, corporation, limited liability entity, or other form of organization, all the requirements set forth in the paragraph that follows (7), below, are met; and
 - (2) not be in any way employed by or financially interested in a competing enterprise or a business selling energy, services or supplies to the Cooperative,; and
 - (3) not have been an employee (or spouse/partner of an employee) of the Cooperative at any time in the prior seven (7) years; and
 - (4) not have pursued any claim or litigation against the Cooperative or any of its employees or directors at any time in the prior seven (7) years; and
 - (5) not have been delinquent for more than 60 days in the prior year on any obligation owed the Cooperative; and
 - (6) not have been convicted of a felony, unless the sentence or penalty, including any period of probation or parole or the time required to make restitution or pay any fine, was completed more than 10 years prior to the election or appointment to the board,; and
 - (7) meet the then current directors standard of conduct policy, in the judgment of a majority of the disinterested members of the board.

~~In the case of memberships involving joint tenants, a partnership, limited liability entity, or corporation, only one representative from that membership can be elected to be a director. When a membership is held jointly, one of the joint tenants, but not more than one, may be elected a director, provided, however, that such person's shall not be eligible to become or remain a director or hold a position of trust in the Cooperative unless principal residence is served by the Cooperative and all joint tenants, partners, LLC members or corporate officers both joint tenants or all shall meet the qualifications hereinabove set forth in (2) – (7) above. When a membership is held by a partnership or limited liability entity, one, but not more than one, of the partners or members designated in writing by the partnership or limited liability entity may be elected a director, provided, however, that none of the partners or members shall be eligible to become or remain a director or hold a position of trust in the Cooperative unless the candidate shall meet the qualifications set forth in (b) (1) – (5), above, and unless all partners and members shall meet the qualifications set forth in (b) (2) – (5), above. When a membership is held by a corporation, one, but not more than one, of the officers thereof designated in writing by the corporation may be elected a director, provided, however, that none of the officers shall be eligible to become or remain a director or hold a position of trust in the Cooperative unless the candidate shall meet the qualifications set forth in (b) (1) – (5), above, and unless all of the officers shall meet the qualifications set forth in (b) (2) – (5), above.~~

EXPLANATION: The amendment clarifies and improves the readability of this detailed section of the Bylaws.

Capital Credit Summary (12/31/2023)

YEAR	AMOUNT ASSIGNED	GENERAL & ESTATES RETIRED	BALANCE UNRETIRED
1994 & PRIOR	\$7,036,859.29	\$7,036,859.29	\$0.00
1995	354,791.54	350,499.52	4,292.02
1996	534,890.46	501,477.64	33,412.82
1997	436,335.32	372,458.60	63,876.72
1998	258,541.17	197,505.97	61,035.20
1999	338,297.08	295,830.30	42,466.78
2000	193,534.53	101,279.89	92,254.64
2001	204,490.16	23,562.14	180,928.02
2002	183,971.17	19,522.46	164,448.71
2003	357,390.78	34,314.71	323,076.07
2004	261,348.87	22,350.72	238,998.15
2005	381,604.84	28,592.42	353,012.42
2006	284,189.98	19,684.64	264,505.34
2007	382,359.90	25,424.84	356,935.06
2008	391,535.30	24,750.95	366,784.35
2009	480,886.38	29,290.38	451,596.00
2010	317,526.86	18,380.51	299,146.35
2011	526,150.01	27,538.18	498,611.83
2012	371,401.55	18,792.32	352,609.23
2013	648,157.37	31,011.83	617,145.54
2014	569,129.38	25,069.42	544,059.96
2015	329,509.03	13,147.72	316,361.31
2016	576,587.04	19,444.83	557,142.21
2017	704,537.37	19,911.17	684,626.20
2018	662,057.95	15,510.13	646,547.82
2019	739,642.07	14,864.59	724,777.48
2020	757,759.45	6,357.23	751,402.22
2021	783,172.78	3,738.73	779,434.05
2022	873,216.29	1,893.27	871,323.02
	<u>\$19,939,873.92</u>	<u>\$9,299,064.40</u>	<u>\$10,640,809.52</u>

Capital credits are the margins or profits of the cooperative that are assigned annually to each member based on their purchases of electricity. The above chart shows the portion of each year's capital credits that have been paid back to the members of the cooperative. These funds go back into the hands of the members, not into some investors' pockets.

AUDIT REPORTS

Each year the National Rural Utilities Cooperative Finance Corporation (N.R.U.C.F.C.) requires an independent audit be made of the Cooperative's records. Our most recent audit was completed for the period ending December 31, 2023 by the auditing firm of WJ Bauman Associates Ltd, 1128 Oak Ridge Dr, Eau Claire, WI 54701.

A complete audit of the past year's operations was performed. The audit included a complete examination of income and expense entries of the past year to determine if they had been made in accordance with generally

accepted auditing standards, and other tests made of accounting records and procedures considered necessary.

The auditing firm appears before the board of directors at a regularly scheduled board meeting to make recommendations, changes, auditing entries and methods to further enhance the cooperative. Copies of the completed audit are sent to N.R.U.C.F.C. and are available at the office of the Cooperative.

Comparative Balance Sheets

(as of 12/31/22 and 12/31/23)

	December 31, 2022		December 31, 2023	
ASSETS				
UTILITY PLANT	\$32,295,226		\$33,102,611	
Less Depreciation Reserve	(12,239,920)	20,055,306	(12,886,998)	20,215,613
CURRENT AND OTHER ASSETS				
Cash-General	58,864		88,246	
Investment in Assoc. Organizations	4,951,353		5,172,044	
Investments-Economic Development Loans	0		0	
Investments-Other	8,075		176,895	
Farm Wiring-Notes Receivable	0		0	
Accounts Receivable (Inc. Dec. Bills)	934,764		921,048	
Materials and Supplies	505,858		441,065	
Prepaid Deferred Charges	983,406		888,888	
Total Current and Other Assets		7,442,320		7,688,186
TOTAL ASSETS		\$27,497,626		\$27,903,799
LIABILITIES, CREDITS AND RESERVES				
LONG TERM DEBT				
CFC Loans	14,034,727		13,794,570	
Economic Development Loan	0		0	
Balance Due on Long Term Obligations		14,034,727		13,794,570
CURRENT AND OTHER OBLIGATIONS				
Current and Accrued Liabilities	1,112,813		1,108,793	
CFC Line of Credit	0		0	
Other Liabilities	143,308		138,528	
Total Current and Other Obligations		1,256,121		1,247,321
TOTAL LIABILITIES		15,290,848		15,041,891
MARGINS AND MEMBER EQUITY				
Patronage Capital				
Taylor Electric Cooperative	12,848,031		13,516,688	
Dairyland Power	6,218,626	19,066,657	6,423,186	19,939,874
Capital Retired - Taylor	6,337,321		6,615,412	
Capital Retired - Dairyland	2,590,544	(8,927,865)	2,683,652	(9,299,064)
Net Patronage Assigned		10,138,792		10,640,810
Patronage for year	1,151,778		989,625	
Donated Capital	4,087		4,087	
Other Margins	912,121		1,227,386	
Total Member and Patron Equity		2,067,986		2,221,098
TOTAL LIABILITIES, CREDITS AND RESERVES		\$27,497,626		\$27,903,799



focus on energysm

Partnering with Wisconsin utilities

In 2011, Taylor Electric Cooperative joined Focus on Energy. Through this partnership, you are now able to get expert advice on saving energy as well as take advantage of cash-back rewards when purchasing appliances, making home improvements, choosing efficient lighting and much more. To learn about Focus on Energy go to www.focusonenergy.com or call 800-762-7077.

Statement of Revenue and Expense

	YEAR ENDING 12/31/22	YEAR ENDING 12/31/23
OPERATING REVENUE		
Electric Energy Revenue	\$10,243,400	\$10,261,306
Misc Electric Revenue	<u>52,429</u>	<u>78,649</u>
TOTAL REVENUE	10,295,829	10,339,955
OPERATING EXPENSES		
Cost of Purchased Power	5,485,947	5,425,178
Operating Expense	551,020	635,935
Maintenance Expense	704,380	740,450
Consumer Accounts Expense	311,777	311,385
Customer Service & Information	44,861	44,569
Sales Expense - Power Use	47,401	55,778
Administrative Expense	371,147	357,349
Outside Services Employed	57,519	87,961
Insurance, Safety & Benefits	159,292	175,424
Misc. General Expense	67,042	64,006
Directors Fees & Mileage	72,418	83,503
Maintenance of General Property	87,577	87,835
Depreciation Expense	967,024	986,705
Taxes - Property	153,818	157,150
TOTAL EXPENSES	<u>9,081,223</u>	<u>9,213,228</u>
OPERATING MARGINS BEFORE INTEREST	1,214,606	1,126,727
Interest on Long Term Debt	621,142	601,250
Other	<u>1,677</u>	<u>11,844</u>
TOTAL OTHER DEDUCTIONS	<u>622,819</u>	<u>613,094</u>
TOTAL OPERATING MARGINS	591,787	513,633
Other Interest Revenue	14,000	14,819
Other Non Operating Margins	<u>341,430</u>	<u>201,759</u>
TOTAL NON OPERATING MARGINS	<u>355,430</u>	<u>216,578</u>
TOTAL MARGINS - TAYLOR	947,217	730,211
TOTAL MARGINS - DAIRYLAND	<u>204,561</u>	<u>259,414</u>
TOTAL MARGINS ASSIGNABLE AS CAPITAL CREDITS	<u>\$1,151,778</u>	<u>\$989,625</u>

Here at Taylor Electric, you can count on Touchstone Energy® Values...

1. Integrity— we provide a quality, well maintained system to serve the members' electricity needs.

2. Accountability— we are controlled by the members and work to meet their needs.

3. Innovation— we explore new ways to maintain energy efficiency and provide new and useful services for the membership.

4. Community Involvement— we support economic growth and our employees give their time to improve the quality of life in the communities we serve.

Your Touchstone Energy® Cooperative 

Statistical Comparison

	2022	2023
Underground Construction	6.70 Miles	6.09 Miles
Overhead Construction	(1.82) Miles	(1.91) Miles
Total Underground Miles	419.58 Miles	425.67 Miles
Total Overhead Miles	454.36 Miles	452.45 Miles
New Services	42	37
Total Services Billed	4,513	4,542
Total Kilowatts Purchased	74,276,242 KWH	72,551,411 KWH
Bright Horizons Kilowatts Generated	104,064 KWH	101,184 KWH
Total Kilowatts Sold	70,340,917 KWH	68,614,046 KWH
Total Kilowatts Unaccounted For	4,039,389 KWH	4,038,549 KWH
Percentage of Line Loss	5.44%	5.57%

The Employees of Taylor Electric



From left – **Patti Nelson**–Finance and Administration Manager,
Kenneth Ceaglske–President and CEO,
Wade Matyka–Line Superintendent



From left – **Sadie Kapusta**–Staff Accountant,
Sheena Fuchs–Senior Billing/MDM Specialist/CSR,
Lainie Kellnhofer–Marketing/Communications Specialist/CSR,
Sophie Petrie–Billing/CSR Specialist



Line Crew

From left to right–

Colten Cummings–Meter Tech/Lineman,
Mike Eloranta–Lineman,
Geoff Mueller–Lineman,
Jessie Knoll–Lineman,
Tim Habermeyer–Meter Tech/Lineman,
Justin Fuchs–Leadman

2023 Youth Scholarship Recipients

Each year area high school students are awarded \$500 scholarships from Taylor Electric Cooperative to be used toward post-high school education. Funds for the scholarships are the unclaimed capital credits from former Taylor Electric Cooperative members.

Athens High School
Hunter Daniels

Abbotsford Christian Academy
Zain Shreffler

Medford High School
Christine Czesinski,
Brooke Rudolph

Rib Lake High School
Theo Robisch



Invest in your future with Bright Horizons

Purchase a unit of solar and begin enjoying the benefits of the sun on your electric bill.

Price reduction, now only \$555 per unit!

Now available for you to purchase for your non-profit organizations.

Call us today at 715-678-2411

Privacy Policy

I. PURPOSE

Taylor Electric Cooperative is committed to safeguarding confidential information for its member-consumers, within applicable federal and state legislation. Employees and directors are forbidden to disclose confidential or sensitive information gathered and maintained as part of their normal responsibilities. Employees are forbidden to acquire information of a confidential nature that is unnecessary to their jobs. This policy establishes fair information principles for the Cooperative in carrying out its responsibility to respect the privacy of personally identifiable information and to recognize the Cooperative's obligation to protect the confidentiality of business information.

II. POLICY CONTENT

A. Trust

The Cooperative maintains information about member-consumers suitable for its operations and for the benefit of its member-consumers. It collects personally identifiable information only by fair and lawful means and for appropriate purposes. It maintains the information in an accurate, complete and timely manner as necessary for the purpose for which the information is to be used. Member-consumers may examine service, billing and capital credit account information about themselves and may correct any inaccurate, incomplete or untimely information.

B. Security

The Cooperative maintains member-consumer information with reasonable and appropriate technical, administrative and physical safeguards to protect against foreseeable hazards such as loss, unauthorized access, destruction, misuse,

modification and improper disclosure. No record or computer system can ever be fully protected against every possible hazard.

C. Use and Disclosure

The Cooperative uses and discloses personally identifiable information about member-consumers in defined and responsible ways in order to carry out its operations and to benefit its member-consumers. It does not sell, rent, loan, exchange or otherwise release mailing lists or telephone lists of member-consumers for marketing purposes.

III. RESPONSIBILITY

The President/CEO is responsible for approving detailed practices and procedures for governing the collection, maintenance, use and disclosure of personally identifiable information about member-consumers and for the administration of this policy.

Minutes of the 87th Annual Meeting

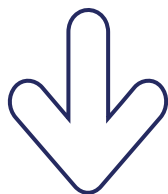
The minutes of the 87th annual meeting of Taylor Electric Cooperative held on the 27th day of June, 2023 at the Centennial Community Center, Stetsonville, WI beginning at 5:30 pm.

1. Board Chairman Brian Hallgren called the meeting to order at 5:30 pm and thanked John Clausnitzer from WKEB radio, 99.3 FM for being onsite for a live broadcast.
2. Chairman Hallgren reported that 216 members had registered and declared a quorum was present. Total registration for the day showed 216 members were present out of a possible 3,928.
3. Director Lisa Kohn led the membership in the Pledge of Allegiance and the National Anthem.
4. Director Don Everhard gave the invocation.
5. Secretary/Treasurer Cheri Klussendorf asked for approval of the Rules of Order as printed in the annual report. A motion for approval was made by JoAnn Smith and seconded by Richard Feldbrugge. Motion carried. She also read the Affidavit of Mailing and the Notice of Annual Meeting. Cheri asked for approval and dispensing of the reading of the 2022 annual meeting minutes as printed in the annual report. A motion was made by Rich Feldbrugge and seconded to approve the minutes. Motion carried.
6. Director Patricia Waldhart introduced the candidates for election and they gave a brief bio about themselves. They included: Donald Everhard, Sara Matyka, Paul Woods and Charles Zenner. Waldhart also explained the election process in which each member was instructed to vote for no more than three candidates. The three candidates receiving the most votes would be declared the winners. Seats up for election included Donald Everhard and Charles Zenner, both eligible for reelection and Patricia Waldhart, who was not eligible for reelection due to term limits.
7. President and CEO Kenneth Ceaglske explained the three bylaw amendments to be voted on: They included: term limits, clarifying tenure and the process to modify director per diem.
8. Tellers for the 2023 meeting were: Bill Elsner, JoAnn Smith, Dan Sackman, Diane Hartman, Deb Grant, Bob Lee and Ron Mayer.
9. Members voted on the amendments and director candidates and ballots were collected for tallying purposes.
10. Chairman Hallgren began his report by stating that the cooperative had a strong year financially in 2022. He thanked the employees and directors of the cooperative for their dedication. He stressed that members play the most important role in the cooperative.
11. Chairman Hallgren introduced employees and guests, noting Sadie Kapusta's 5-year anniversary. He also introduced former directors.
12. Chairman Hallgren announced the nominating committee consisting of Chairman Rodney Adams, Kathy Jochimsen, and John (Jack) Johnson.
13. Chairman Hallgren introduced the board of directors and presented board member Patricia Waldhart with a plaque for her years of service as a director.
14. CEO Ken Ceaglske began his presentation by explaining the change in director per diem from \$250 per meeting to \$300 and shorter meetings from \$125 to \$150. Ceaglske said that the cooperative paid out \$350,000 in capital credits in 2022. He explained that the decision to raise the facility charge at the beginning of the year was due to increasing power bills from Dairyland Power Cooperative. Currently, sales are down 5% so the increase has helped to offset that as well. Outage time for 2022 once again took a hike when storms came through again in December causing widespread outages. The Stetsonville substation is being rebuilt this summer and should be done by the end of July. Ceaglske mentioned that other summer projects included replacing cable on Wellington Lake Road. The board will be analyze a possible rate restructure for 2023. Ceaglske thanked the board, employees, Stetsonville Centennial Staff and WKEB for their help with the annual meeting.
15. CEO Ken Ceaglske addressed the membership on key topics which included Taylor Electric rates vs. other utilities, capital credits, outage response time, demand billing and EV reliability.
16. Chairman Hallgren announced the results of the bylaw amendment voting in which all three passed. He also announced the director election results with Donald Everhard, Charles Zenner and Sara Matyka being the three candidates receiving the most votes, declaring them the winners.
17. Director Patricia Waldhart drew for prizes which included a \$100 electric bill credit, Parkfest Tickets and various \$25 gift certificates from businesses on the cooperative's lines. Chairman Hallgren announced Leon Hruby as the winner of the \$100 credit and Diane Hartman the winner of the Parkfest Tickets.
18. As there was no further business to come before the meeting, a motion was made and seconded to adjourn at 7:05 pm. Motion carried.

Cheri Klussendorf

Director Bios

(in alphabetical order)



The candidates were asked to address the following questions.

- 1) Why are you interested in serving on the Taylor Electric Cooperative board at this time?
- 2) Describe any past experience with boards or community service.
- 3) Describe your personal/work experience that will help you with fulfilling the responsibilities of a board member.

Brian Hallgren



1. Taylor Electric Cooperative is extremely important to our members. I believe my experience serving on the board as well as my community service, is valuable to the cooperative. Further, my work experience serves Taylor Electric well as we make board decisions.

2. I have been a director at Taylor Electric Cooperative for nine years. It is a privilege to service our membership as it has been to be part of many

boards over the past 40 years. Currently, I serve on the Medford School Board and the Medford Area Development Foundation.

3. Medford School Board – 13 years
Business Owner/Manager – 35 years
Medford Development Foundation – 14 years –
2 years as President
Black River Industries Board – 6 years
Mid-Wisconsin Bank Board (now known as Nicolet Bank) -
Approximately 12 years
Holway Cemetery Association – 6 years
Federated Rural Electric Board – 2 years

Cheri Klussendorf



1. I have had the pleasure of serving on our Cooperative board for the past 3.5 years, helping to make decisions that steer us in the right direction. Being part of the board has been a great way to achieve my professional development goals while also giving back to our local community. Moreover, it has provided me with valuable networking opportunities. I am keen to continue my journey of knowledge in the electrical industry.

2. As a member of the 4H Federation Board, a General Leader of the Little Whispers 4H Club, and a part of the Taylor County Town and Country Dairy Breakfast Committee, I have demonstrated my commitment to serving our community. I enjoy networking and building relationships that will help our organizations succeed. Participating in community organizations has helped me develop my leadership skills and understanding of governance.
3. Working from home in a strictly remote position has given me confidence in using technology to perform at a high caliber. I enjoy virtual meetings and calls to complete work in a timely fashion. Having co-workers from all around the United States, I have perfected and built long-term sustainable relationships. I look forward to working with other Cooperative members from around the country, to bring new and creative ideas to our board.

Rules of Order for Official Business Meeting

(These rules are intended to be adopted at the start of the annual meeting)

1. The meeting will be conducted in accordance with Robert's Rules of Order, and under the following special rules of order:
2. A member wishing to speak is to give their name and the township in which they are a member.
3. During election proceedings for director seats, candidates will be allowed to speak for up to two minutes.
4. Resolutions must have been submitted to the Board of Directors for consideration
- at least 60 days in advance of the annual meeting, and mailed to all members for action at the annual meeting. This does not preclude members from making simple motions from the floor at the meeting.
5. Only members may be allowed to speak for two minutes on each issue and for one time only, except that an additional two minutes may be granted by unanimous consent.
6. No signs or handouts will be permitted within the building of the place of meeting, except such handouts as required for the official conduct of the annual meeting or as related to the Cooperative's business services. No handouts made available outside of the building will use the name of the Cooperative, its letterhead, or logo to imply that the Cooperative supports or opposes any candidate for director, or resolution.
7. No demonstrations shall be held within the building of the place of the meeting.

N1831 State Highway 13
Medford, WI 54451



Clip and use as Annual Meeting Registration and Prize Eligibility.

Bring this slip to the annual meeting to receive door prizes.



Notice of 2024 Annual Meeting **TAYLOR ELECTRIC COOPERATIVE**

Tuesday, June 25, 2024

4:30 PM Dinner & Registration

5:30 PM Meeting


CENTENNIAL COMMUNITY CENTER

412 E. Centennial Ave., Stetsonville, WI 54480

The 2024 annual meeting of the members of Taylor Electric Cooperative will be held at **Centennial Community Center in Stetsonville, WI, Taylor County on Tuesday, June 25, 2024 beginning at 5:30 PM.** Action will be taken on the following items of business:

1. Reports of officers and directors.
2. The seats up for election are as follows:
 - Three-year-term currently represented by **Brian Hallgren**.
He is eligible for re-election.
 - Three-year-term currently represented by **Cheri Klussendorf**.
She is eligible for re-election.
3. Consideration of bylaw amendments.
4. Any such other business as may come before said meeting and or adjournment thereof.

Dated June 4, 2024



Cheri Klussendorf, Secretary

