

Taylor Report



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Holiday Lighting Tips

This year is rapidly drawing to a close and that means the holiday lighting season is back. If your home space is in need of a decorative refresh, here are some tips to take your artistic stylings to the next level. There are two areas to cover, so let's get started.

Safety is up first. If your lights are ground mounted or can be installed standing on the floor or ground, you can skip ahead. However, since most decorations involve some installation at height, you need to do the following:

- Have a ground crew (one or two people) to steady your ladder and pass up the decorations...an invaluable part of safety and for keeping you supplied with untangled light strings, fasteners and encouragement.
- Remember to keep a safe distance from your overhead electric service.
- Don't overreach. If you cannot get to a point with your body completely centered between the sides of the ladder, get down and relocate it.
- Do not overload circuits by stringing more light sets together than the manufacturer recommends. Check the packaging for details and also check your wires for breaks and cracks in the insulation that can lead to shorts.

- Most of these tips apply equally to inside and outside decorating activities.

Light selection is next. If at all possible, invest in LED lights this season. Unlike the first versions to hit the market that were characterized by rather harsh and unattractive colors, the newest generation's colors are reminiscent of the incandescent lights of yore.

- Why go the LED route? Longevity and cost of operation are the two key reasons. Unlike incandescent lights, whether the large or mini bulb, LEDs will last for many, many years. LEDs have no filaments to burn out. Aside from physically destroying the bulb, the LED is amazingly robust. Given the modest number of hours of operation, you can expect LEDs to last seven or more years.
- Then there is the cost of operation benefit from LEDs. These gems of technological advancement truly sip electricity. A reasonable estimate of power consumption is 7 watts per 100 lights. How does that compare to the old incandescent? Each of those bulbs used 12 watts so a string of 100 devoured 1200 watts.
- Truly want to manage the cost of operating holiday lights? Invest in timers to turn the lights on and off automatically. Really into gadgets? Invest in a smart plug for your lights you can program and control from your smart phone.



How Valuable is Your Service?

Recently, a member called and said, "I would have sent you an email, but my Internet service has been down for more than 24 hours now." How much do we come to value our cable or satellite TV, e-mail, or Internet service? So much so, that we can't operate without them when they don't work. By the same token, don't many of us just take our electric service for granted? We've come to expect that it will be there when we turn on the light switch or want to cook something to eat.

The most confusing part of the electric bill to most people seems to be the "Service Availability Charge", formerly the "Local Fixed Charge". The Service Availability Charge allows the Co-op to recover an amount from each class of customer, for the basic cost of providing electric service, even before any kilowatt-hours of electricity are sold – thus, just having the electric distribution service "available".

Cost of service studies are periodically done to calculate the proper amount of Service Availability Charge to recover depreciation, interest, administrative, overhead costs, and, oh yes, maintenance. The Service Availability Charge allows us to protect the valuable service that you've come to expect, and to provide a competent, well-trained staff, that's ready to respond when outages occur. In fact, that response has been so good, that over the last 5 years, the average member has had about 1½ hours of outage time per year (a little over 2 hours per year when transmission outages are included).

So how does the \$35.10 per month service availability charge for your electric service measure up against the \$30, \$50, or maybe \$80 monthly charge for your basic TV or Internet service. Is it worth the price to have a reliable electric service to help protect your safety and welfare?

Board Report – Oct. 2017

- Approved September disbursements totaling \$524,418.60, accepted 18 new member applications, and August construction in the amount of \$146,141.35.
- Reviewed financial results through September 30, 2017 with year-to-date margins of \$296,704. Eight outages occurred in September, with 115 total for the year, totaling just over 0.8 hours per member of outage time. The outage time includes ½ hour of extreme storm related outages.
- 63 accounts were processed for collection in September owing just over \$23,000 (compared to 67 accounts owing just under \$23,000 in 2016). They were given notice of intent to disconnect service if not paid in full within 10 days.
- Four discounted early retirement of capital credits to estates were approved with a total net present value of \$2,396.47.
- The Dairyland Power report included: the financial report showing a loss of \$600,000 for the month which was \$1.6 Million better than budget; year-to-date Operating Margins are \$10.5 Million compared to \$15.9 Million in 2016 with Total Margins of \$17.9 Million compared to \$22.8 Million in 2016; the Dairyland Board approved a 4.24 (\$0.00424) mills per kilowatt-hour rate surcharge for the months of November and December, which the Taylor Board approved passing thru to the members on electric bills for the months of October thru December to lessen the monthly effect on the members; and, recommendations for the Wholesale Power Contract extension will be a major topic of discussion at the November Dairyland Board meeting.
- The Member Appreciation was held at the Centennial Community Center in Stetsonville on Thursday October 5th with breakfast served this year. It was noted that the member turnout was about the same as last year, with \$1,300 savings on the meal cost, and many positive comments from the members who attended.
- JoAnn Smith was appointed as the Co-op's voting delegate for the Federated Youth Foundation Annual Meeting to be held in November at Stevens Point.
- Proposals were reviewed from 3 audit firms for performing the Co-op's 2017-2019 financial audit and IRS tax forms preparation. The low bid of \$38,100 from Clifton Larson Allen, Marshfield, Wisconsin was approved by the Board.
- The Board approved renewing the 2017-2018 dues to the National Rural Electric Cooperative Association (NRECA) in the amount of \$6,840.
- A modification of the Membership Agreement was approved. The changes add consent of members to contacts from the Co-op via various electronic means.
- A discussion was held on the meeting per diem paid to the directors. There was no change made to the \$200 base amount, except that approval was made to provide an additional \$150 per month payment to the Board Chairman and \$100 per month to the Board Secretary. The additional amounts were approved due to the additional time involved with Co-op business each month by these two officers. The per diem changes will be reported at the 2018 Annual Meeting as required in the Bylaws.
- The Section 125 Cafeteria Plan was renewed for 2018 with no changes. The Plan allows employees to set aside pre-tax funds for medical expenses, and saves the Co-op Social Security expense due to the pre-tax payments.
- Director Waldhart reviewed topics from the WECA Legislative Committee meeting including: September legislative fly-in to Washington DC (no Taylor representatives attended); and, federal and State legislative issues.
- Directors Engel and Waldhart commented on the education seminars they attended recently, "Strategic Planning" and "Succession Planning" respectively.
- Director Smith reviewed the October 11th Safety Meeting held at the Co-op including: meeting of the Co-op's employees' Safety Committee; review of accidents and close calls; fire extinguisher use and safety; and, proper worksite safety including placement of traffic safety cones.
- CEO Schaefer briefly reviewed the results from the recent inspection under the Rural Electric Safety Achievement Program. Three main items noted were better housekeeping suggested for storage of transformers in the warehouse, leaking transformers to be placed into containment tank, and suggested fencing for pole yard.
- Director Hallgren received recognition for achieving Credentialed Cooperative Director (CCD) status awarded by NRECA for completing the 5 necessary education courses. He joins 5 other current Board members in achieving CCD status.
- The interest rate on a \$367,475 long-term loan is being reduced from 5.55% to 4.5% effective November 1st for the remaining 23 years of the loan.
- A proposed agenda for the Co-op's Strategic Planning session was reviewed. Two experts from CFC, the Co-op's lender, will facilitate the strategic planning sessions, which includes employee input.
- The Co-op's Director, Finance and Administration, Patti Nelson, presented information comparing the current Co-op sponsored Health Reimbursement Arrangement (HRA) to a Health Savings Account (HSA), and options for making a transition to a fully-funded HSA Plan. Additional information is needed to determine if changes to future pension and benefits plans can and should be offered to employees.

From the staff and board of directors of Taylor Electric, we would like to wish you a blessed and joyful holiday season. The office will be closed December 25th and January 1st.

