

Taylor Report

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



October 2019

OCTOBER IS CO-OP MONTH

Celebrate the cooperative effort and donate to Christmas Wish!

For 22 years, 100% of all Christmas Wish donations have been used to grant wishes to deserving families during the holiday season. Join the Taylor County Association of Cooperatives and K99 Radio in our cooperative effort to bring joy to someone this holiday season by donating.

Watch for donation boxes at these businesses:

- * AgCountry Farm Credit Services
- * Farmers Union Co-op Transport
- * Heartland Cooperative Services
- * Lakewood Credit Union
- * Medford Cooperative
- * People Choice Credit Union
- * Taylor Credit Union
- * Taylor Electric Cooperative
- * United Mutual Insurance

CAN YOU HELP US LOCATE THESE PEOPLE?

AABEL, JUDITH	DEVRIES, DAVID	LARSON, CHARLES	RINDT DECEASED, DOUGLAS L
ADAMS, DALE	DUNST, ROXANN	LARSON, DOUG	RINEHART, GLEN
ALBERT DECEASED, ED	EBELTOFT DECEASED, JAMES C	LEKIE, KALEM	ROHLOFF, STEVE
ALL SEASON STORAGE	EDELBURG DECEASED, CLIFFORD	LUCEY, JAMES	ROTHAMER, RANDALL
ANDERSON, MICHAEL J	EDMINSTER, PEGGY J	LUKASZEWICZ, ANNA	ROUSH, RICHARD
ANDERSON, RODNEY	EDMUNDS, JODI	MACKIE, HELEN	RUCH, BARBARA
ANGELICH DECEASED, LORNA	EMENS, DAVID	MALDONIS, RYAN C	SCHAEUNEMAN, JAMES
AREA LEASING CORP	ESAU, CHARLES	MALECKI, GAIL A	SCHMIDT, ERIC
ARTHUR, JAMES F	FAHRNER, JANICE	MANTIK, TERRY	SCHROEDER, DALE
AT&T BUILDING OPERATIONS	FITZGERALD, KATHLEEN M	MARCOTT, GARY	SCHUHMACHER, BILL
BARKER, LLOYD	FORTNER DECEASED, GAYLE B	MARQUARDT, NANCY	SCHWENKE DECEASED, ARDRES
BARNICKLE, EARL	FURSETH, ANDREW	MARTIN, DAVID H	SEFFRON, TERRY
BAUMAN, CHARLES L	GALLAGHER, MIKE	MARX, JOSEPH P	SMITH, JEFFERY A
BECKER'S CATERING	GINSING SHERBURNE	MATSON, ROBERT A	SNELL, GREGORY A
BENSON, JOHN	GREGG, JERRY	MATTESON, JERRY	SORENSON, PAUL G
BERGESON, PAUL R	GRUHLKE DECEASED, DOROTHY	MCCLUSKEY, ROGER	SOSSONG, JAMES
BERGSTROM, TODD S	GTE TELEPHONE OPERATIONS	MDS ACRES PARTNERSHIP	SPREEN, BRYAN W
BERNITT DECEASED, WILLIAM JR	GUNNING, MICHAEL P	MERCER, PHILLIP	STEFFEN DECEASED, RICHARD
BOSTEDER-ASKIN, JULEEN	GUSTUM, KIRK M	MEY-KOSBAB, CINDY	STOLLFUS, GEORGE
BOURGERIE, JEFF	HANSON, NANCY	MILBAUER, JIM	SWEETEN, JOHN
BRANDT, WILLIAM W	HARDRATH, CARL	MILES, TANA	THIEDE, ERWIN A
BREDE, JEFFREY	HEIN, DAWN	MIMS, WILLIAM	THOMAS, EVERETT
BRIGGS, RICHARD	HESSEFORT, BARBARA M	MUELLER, GERALD	THOMAS DECEASED, TERRY
BRUESEWITZ, SHERRY	HILDEBRANDT, CHARLES M	MYERS, DALE	VANNORMAN, KAREN
BUDREAU, BRIAN	HOEFT, DOLORES	PARRETT, JUDY	VERDONE, ROBERT
BUSCH, RICK	HOFFMAN, TAMMY	PATTERSON, STACEY L	VERDONE, TODD J
CARR, NANCY	HOOVER, WILLIAM C	PAULSON, SARA	VOSS, ROBERT W
CARR, SHAWN	ILLMANN, JUDITH	PAUTZ DECEASED, ARLYN	WAGNER, WILLIAM
CATLIN, SANDRA	JARDINE, NEIL	PENEAU, LEON	WALD, DOROTHY
CEDAR LANE DAIRY	JOHNSON, WILLIAM A	PETERSEN, CAROL	WALWORTH, DEBBIE
CENTRAL SAND & GRAVEL INC	JOLES, JUDY	PHILLIPS, JIM	WEISTER, THOMAS E
CESAFSKY, JEFFREY A	JONES, MICHAEL A	PIATER DECEASED, ARLENE	WEYENBERG, GERALD
CUSHING, DAVID E	KAULFUSS, ARCH	QUIRING, BRENT	WHITE, KATHY
DASSOW, LARRY	KREB, KEITH H	RAATZ, RICHARD	WILSON, DAVID
DEBIE, ROBERT	KRIESKI, LARRY	RASMUSSEN, CATHERINE	WINDLE, GERALDINE
DECKER, CHRIS	KRUEGER, LORI	RASMUSSEN, GARY	WIRT, ALLEN J
DEGENHARDT, SALLY	LAMMAR, MARK	RASNER, RICHARD A	WOYAK, DEAN
DEPARTMENT OF THE AIR FORCE	LANGIEWICZ, RICHARD A	RICKER, HARVEY	

Board Report – August 2019

- Approved July disbursements totaling \$622,422.95, accepted 16 new member applications, and June construction in the amount of \$96,333.27.
- Reviewed financial results through July 31, 2019 with \$299,530 Operating Margins and \$320,333 Total Margins year to date.
- There were 39 outages in July, with 21 of those due to the extreme storms occurring July 19-21 accounting for 0.58 hours per member of outage time. There have been 80 outages for the year to date, with average YTD outage time per member of 2.0 hours which also includes 0.77 hours of outage time for the power supplier outage that occurred in February.
- Breakfast will be served as part of the Member Appreciation on Thursday October 3rd to be held at the Centennial Community Center in Stetsonville.
- Approved Saturday April 4, 2020 at the Stetsonville Centennial Community Center for the Co-op's next annual meeting.
- The Dairyland Power Cooperative (DPC) report by Director Zenner included: a review of Dairyland finances with year-to-date Margins of \$11.5 Million; projected year-end margins of \$20.5 Million; 1½ days of strategic planning updates; proposed new homes being "net zero" on energy use utilizing batteries charged by solar panels to provide 4-6 hours of energy; the Wholesale Rate Study is on track as previously noted and scheduled for approvals later this year; July being a hot "peak" month; Purchased Power 74% above budget and DPC owned-generation being 35% under budget; and, \$5 Million of facilities projects approved including a new addition for Publication Services
- National Rural Utilities Cooperative Finance Corporation (CFC) Regional Vice President Sarah Bullock reviewed select Key Ratio Trend Analysis statistics that compared the Co-op with all electric co-ops in the US, those served by Dairyland Power Cooperative, electric co-ops in the state of Wisconsin, and electric co-ops of similar size to Taylor. There was a question about the Co-op's extremely low outage times - at what cost of updating and replacing the system. Cooperative Board Policy No. 4.07 was then reviewed, with equity on target to reach the 42% goal, and maintain a 40-45% policy goal. Sarah entered discussion of consideration to add or change the 'Equity to Total Assets' goals in the policy. She also suggested that the Co-op's current lower growth rate for Total Utility Plant, suggests the annual retirement of capital credits should be in the range of 2.8-3.0% of total allocated equity, as opposed to the policy's current 3.36% rate. Sarah reviewed the \$12.7 Million long-term debt portfolio that the Co-op has borrowed from CFC noting that the effective interest rate has moved down from 4.95% to 4.80% by virtue of the repricing of a \$619,000 note from a rate of 6.8% to 3.64% effective on September 1st. Finally, Sarah reviewed the 10-year Financial Forecast which indicates the Co-op may not need a rate increase until 2025, other than annual pass-thru wholesale rate increases.
- 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 \$292,707 total payout. The retirement will consist of 62% of 1990 Dairyland allocations, 67.4% of 1996 Taylor allocated credits, and inactive accounts under \$30, resulting in a projected \$278,768 net retirement, after reduction for estates retired to date.
- 44 delinquent Accounts were processed for collection following the August 20th due date. The total amount owing on these accounts is \$18,098.98. Twenty-six of these accounts have remote disconnect capability.
- CEO Schaefer gave an update on an attorney drafted agreement for joint members to split capital credits when one party cannot be located; a member's timeclock issue requiring electrician service call, not reimbursed by the Co-op; a member's trees cut down due to burning in the OH powerlines; UG powerline locating delays and issues with our contractor, USIC; RESCO patronage allocation and refund of more than \$14,000 received; update on the progress of the Taylor County Broadband Committee; a preliminary review of costs/savings for additional Co-op owned solar; Line Superintendent retirement at the end of 2019; thank you received from Polk-Burnett for the ROPE outage restoration assistance provided by 4 of our linemen; and, a review of the Co-op's 2018 IRS Tax Forms 990 and 990-T.
- Director Waldhart reported on the WECA Legislative Committee meeting which included: the proposed Transportation Task Force will not be formed as the issues have little in common with electric co-ops; a major issue for the fall fly-in visit with Washington DC legislators is to obtain an exemption for electric co-ops from including grants (such as FEMA, broadband, etc.) in the 85% member income test to determine tax exempt status; issues with the country's rail shipping system; potential FEMA and Wisconsin Emergency Management reimbursements for Wisconsin electric co-ops hit by the severe storms at the end of July; and, issues affecting Dairyland Power with new transmission lines and solar heading the list.
- The July safety meeting report by Director Albers included: harness sizing and inspection; review and practice of self-rescue from an aerial basket; review of procedures of rescuing another employee in an aerial basket; review of safety manual on using hand lines and doing basket rescue; and, a review of accidents and close-calls at other utilities.
- CEO Schaefer reported that notice has been received that the Co-op's 2020 NRECA High-Deductible Health Plan insurance rates will increase 3% for the family plan and 4.1% for a single plan. The total cost of 2020 health insurance, for the Co-op is projected to be \$282,532, including HRA contributions, an increase of 2.8%. The Co-op's NRECA Pension costs will increase by 0.44% for non-union employees and 0.89% for the union group.
- Approved membership in Co-op Network at a dues amount of approximately \$1,668.

