

Taylor Report

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Remember our military on Monday, 27th, Memorial Day! The office will be closed. Have a safe holiday weekend.



May 2019

Taylor Electric holds Annual Meeting

Members of Taylor Electric Cooperative learned that recruitment of a new manager is on the horizon and elected a new director to succeed a 12-year incumbent who stepped down from the board, at their 83rd annual meeting that was held Saturday, March 30th at the Stetsonville Centennial Center. There were 163 members and guests in attendance.

Elections were conducted at intervals during reports, with runoffs placing the top vote-getters in board seats. In the first round, incumbent JoAnn Smith outpolled Mike Danen.

President and CEO Mike Schaefer announced his planned retirement next January. He also announced that incumbent Director Ray Henrichs had decided not to seek re-election. Henrichs was recognized for his service from 2007-19.

Schaefer credited ongoing brush-clearing and maintenance for 2018's average per-member outage time of slightly more than 38 minutes, significantly bettering the five-year average of more than two hours. He acknowledged Taylor Electric employees' strong safety performance, with no lost-time accidents since 2011.

The cooperative will be promoting electric vehicle awareness and installing a charging station, Schaefer said. He also stressed rural broadband deployment, saying schools, health care, and public safety operations all need it. Taylor Electric and Dairyland Power are conducting a feasibility study of a multi-million-dollar project connecting the co-op office and four substations with a main fiber line off Highway 29, he added.

Schaefer noted that wholesale power rates had increased 2.16 percent and said the cost impact for a household with average usage translates to \$1.91 per month.

In a second round of balloting, incumbent Director Dennis Engel defeated Jeffrey Albers. Albers and Mike Danen both returned for the third round of voting and Albers emerged the winner.

Reorganization of the board retained the existing lineup of officers. Dean Tesch continues as chairman and Dairyland director; Chuck Zenner continues as vice chairman, and Patricia Waldhart as secretary-treasurer.

Board Report – March 2019

- Approved February disbursements totaling \$740,279.84 accepted 9 new member applications, and January construction in the amount of \$52,915.71.
- Reviewed and approved the monthly expenses paid by credit card.
- Reviewed financial results through February 28, 2019 with \$49,437 of total margins for the month and \$91,938 year to date.
- Appointed the Cooperative's board members and CEO as delegates to the 2019 Dairyland Power Cooperative Annual Meeting.
- Approved a per diem payment of \$200 to each member of the 2019 Annual Meeting Nominating Committee.
- Approved a 5-year contract with TDS to provide fiber optics broadband service to the Co-op's office.
- Approved a contract in the amount of \$35,387 with Midway Electronics for upgrading the radio communications system used to retrieve meter readings from the four Co-op substations.
- One application for discounted early retirement of capital credits to estate was approved with total capital credits of \$308.02 to be paid out at the net present value of \$199.40.
- There was considerable discussion of the wholesale price increase of an average \$0.00159 per kilowatt-hour (kWh) approved by Dairyland Power that will be effective May 1, 2019. The Board then approved an increase in all the Co-op's retail rates to be effective May 1, 2019: \$0.00159 on the "Wholesale kWh Charge" and \$1.80 per month (6¢ per day) in the local "Service Availability Charge".
- Auditors from Clifton Larson Allen, LLP presented the report of the 2018 audit of the Cooperative's financial records. They advised there were no significant audit findings, reviewed the "risk-based" approach used for the audit, and discussed the auditor's responsibility with respect to fraud investigation, risk assessment, and use of appropriate accounting policies. One of the "unpredictability" tests performed during this year's audit was a review of the billing history of each employee's electric account, where no discrepancies were found.
- The allocation to the members of \$662,058.51 of 2018 margins was approved by the Board.
- The Dairyland Power financial and board meeting reports were reviewed
- 45 Delinquent Accounts were processed for collection in March. The total amount owing on these accounts is \$20,621.52 with notice given that accounts must be paid in full by April 12th or be disconnected on April 15th.
- The agenda for the March 30th Annual Meeting was reviewed.

MAY IS ELECTRICAL SAFETY MONTH

As the weather gets warmer, we will be heading back outdoors to get much needed work done. Be sure to check out safety tips at www.safeelectricity.org.



May is Electrical Safety Month.
Safety Starts with You.

#ElectricalSafetyMonth

- The Taylor County Broadband Committee report by CEO Schaefer and Director Zenner noted the Committee presented an update to the Taylor County Board and recommended continued funding for the next phase with consultant, Vantage Point Solutions, for surveying the general population, meetings with potential interested parties and partners, and further developing a business plan. After discussion, the Taylor County Board unanimously approved funding up to \$50,000 for Phase II of the broadband project.
- Directors Waldhart and Tesch along with Finance Manager Nelson reported on attending the Wisconsin Electric Cooperative Association's Education and Lobby Days event in Madison where 3 main topics presented to area legislators were the Wisconsin Disaster Assistance program, support for the Governor's budget to assist Washington Island Electric Cooperative with underground cable replacement costs, and support for the Dairyland Power Ntec gas-fired generating plant near Superior.
- Director Hallgren reported on the March 19th safety meeting noting the importance of the hands-on substation switch training that was provided to our linemen by Dairyland Power Cooperative personnel.
- Director Tesch announced that at the recent board reorganization meeting of the National Rural Utilities Cooperative Finance Corporation, he was elected to the position of Vice-Chairman.
- On April 15th, 4 accounts were disconnected for non-payment with 3 remaining unpaid and disconnected, and one having paid the balance due and switching to the Prepaid Metering option in lieu of paying a deposit for future payment guarantee.
- 37 delinquent Accounts were processed for collection following the April 20th due date. The total amount owing on these accounts is \$16,949.48. Twenty of these accounts have remote disconnect capability.
- The minutes of the 2019 annual meeting were reviewed noting 163 members out of a total of 3,782 had registered for the meeting. There was discussion on how to improve the meeting for future, improve attendance, and streamline voting procedures, the latter of which would require amendment of the Co-op's Bylaws.
- The Taylor County Broadband Committee report by CEO Schaefer noted that the County's consultant, Vantage Point Solutions, will be surveying county residents, and holding sessions in the near future with various business, school, healthcare, community safety, utility, and telecommunications businesses to explain the work of the Broadband Committee, and determine needs and potential partners for developing a plan to provide broadband service to all of Taylor County.
- Director Pat Waldhart and CEO Schaefer reported on the Wisconsin Electric Cooperative Association (WECA) Strategic Planning session they attended. Topics included the satisfaction and need of WECA's legislative, education, regulatory, and job training and safety services, as well as the governance of WECA.

Board Report – April 2019

- The board welcomed newly elected board member Jeffrey Albers.
- Approved March disbursements totaling \$743,262.39, accepted 11 new member applications, and February construction in the amount of \$4,679.31.
- Reviewed and approved the monthly expenses paid by credit card.
- Reviewed financial results through March 31, 2019 with \$120,935 Operating Margins and \$133,785 Total Margins year to date.
- There were 4 outages recorded during March, with 13 thus far in 2019 for a total outage time of 0.87 hours per member. Noted that 0.77 hours of the YTD outage time was due to a transmission outage at the end of February.
- One application for discounted early retirement of capital credits to estate was approved with total capital credits of \$737.94 to be paid out at the net present value of \$416.63.
- Approved a contribution of up to \$500 to the NRUCFC (the Co-op's lender) Integrity Fund, to be used to assist co-ops being threatened by territorial issues.
- The Board approved updates of the Cooperative's retail rate policies in accordance with the rate increase approved at the March board meeting.
- The Board approved recommended changes to Policy No. 7.06, Idle Services. The changes increase the reconnection fees on idle accounts where the determination has been to leave the service in place for potential future use, and the landowner, or others have not paid the monthly idle service fee.
- The Dairyland Power report included a review of Dairyland finances, wholesale rate study committee, Dairyland use of RUS Cushion of Credit loan prepayment option, and an update on storm damage to Dairyland and distribution co-op facilities in Minnesota.
- Director Waldhart reported on the safety meeting she attended on April 24th at the Co-op which included: an update of the Co-op's Safety Improvement Plan by the employees' Safety Committee; taking photos before performing construction work to show proof of underground utilities located; procedures for "Mayday" calls; review of the Restoration of Power in Emergency (ROPE) manual and forms; our 4 linemen who travelled to Minnesota to assist Freeborn Mower Electric Cooperative along with 50+ other linemen to help restore service, reviewed the damage when around 750 poles broke due to the recent ice storm – Minnesota's governor had declared a state of emergency; and, pole-top rescue review and practice by all linemen for required annual OSHA certification – all linemen passed.
- Director Hallgren reviewed a webinar on the "Audit Function of the Board".
- The Board met with Dan Brewer, consultant with NRECA Executive Search, to review and begin the process for hiring a replacement CEO by January of 2020.

Rate Increase effective May 1, 2019

Taylor Electric Cooperative has been notified by our wholesale power provider, Dairyland Power, that, effective May 1, 2019, there will be a 2.16% increase in the cost of wholesale power we purchase from them. The "Wholesale Energy Charge" on your May 2019 electric bill will reflect this increase of \$0.00159 per kilowatt-hour (this will begin with electric bills due in June 2019). Also, the Board approved an increase of \$1.80 per month (6¢ per day) in the "Service Availability Charge" of members' electric bills. No adjustment of this portion of electric bills recovering local costs has been made since June 1, 2013.