

BENEFITS OF MEMBERSHIP

REFUND OF CAPITAL CREDITS TO CHANGE

For the past 40 years we have been refunding capital credits annually, and for many years, we have been on a 20-year revolving plan. There are some changes coming, and we want our members and former members to realize what will be occurring.

This past summer, Dairyland Power Cooperative revised its refund policy; rather than refunding one year, each year, Dairyland has changed to a percentage method. Dairyland's plan is to refund 2 percent of its total credits allocated to all the electric cooperatives and apply them against the oldest on its records. In Clark Electric's case, this amounted to a refund of \$78,816.

A problem arose for us as a result of this refund change. In the past years we have refunded Dairyland's credits in January, and Dairyland sends us the check in October. The problem was magnified this year, as Dairyland's allocation for 1983 amounted to \$220,560. Of this amount, we have previously refunded \$16,201 over the years to deceased patrons' estates. So the result was we planned for a refund of \$204,349 from Dairyland in October, but with the new policy we only received the \$78,816. This leaves a total of \$125,533 that Clark has already refunded, so we will have to wait another two years to fully collect.

You can easily see that if your board of directors didn't make some changes, we would be looking at some large loans to continue to pay the Dairyland portion sooner than Dairyland paid us.

Another problem is the amount of Dairyland's portion we have paid to estates and those over age 90. This adds up to another \$200,000, so you can realize that it will be four or five years before we are caught up. In the future, Clark Electric will not be refunding all of Dairyland Power's credits until Dairyland has paid up for what we have already paid. We will continue to refund Dairyland's portion to estates and those over 90 on a discounted basis.

Add to this, Clark Electric capital credits are getting larger than in the past years and are putting more of a

strain on our cash flow. After a study of our financial condition, the board has approved a percentage method of refunds. Unless our financial condition changes drastically, in the future we will be refunding 4 percent of our total capital allocated and applying against the oldest capital credits assigned to members.

Last January we refunded more than \$700,000 (Clark and Dairyland). Without a Dairyland refund in January 2004, paying 4 percent of our total allocated, the refund will amount to \$569,272. This amount could possibly be a little smaller in 2005 but hopefully larger in 2006 and thereafter. We need to remind everyone concerned that the board of directors determines each year if capital credit refunds should continue or not, based on the financial condition of the cooperative. Yes, they will continue, but under a somewhat different method.

Refunding capital credits puts a burden on our cash flow. We try to manage our cash to minimum amounts to hold our rates at affordable levels.

Our cash comes from three sources:

- 1. Electric rates (margins left over).*
- 2. Long-term loans.*
- 3. Fees charged for construction.*

The overall future of the cooperative looks very good, but it must be managed so it does not create a burden that forces higher rate levels.

Many times in the past, at annual meetings, we have mentioned that if Dairyland were to change its method of refund, we would be forced to do so too. I guess that time has arrived. ■

Dick Adler
CEO / General Manager

** The background image is an actual membership certificate that was issued when someone became a member of Clark Electric Cooperative years ago.*

DEDICATION TAKES PLACE

Our Lady Of Victory Has Ribbon-Cutting Ceremony

Now Open...

The new \$16 million Our Lady of Victory Hospital (OLVH) in Stanley, Wisconsin, is now open and being used by the residents of the area. Dedication ceremonies took place in late October. The new hospital went on-line with transfer of patients, staff, and all services in the middle of November.

The facility can be seen from State Hwy. 29, with the main entrance off of Cty. Hwy NN. You will notice the bright white finish with lots of glass to let in the natural light. As you walk into the main entrance, you walk into a high atrium area that is very pleasant. You have a feeling of comfort and confidence when entering into the hospital to use its services or to visit someone.

OLVH is a part of Ministry Health Care, Inc., system, which is one of the state's largest and most trusted medical systems. Because of this, you can receive great care for yourself and your family. You have the benefit of tapping into the system's vast resources, with some of the best doctors and facilities in the state. Another new partner of Our Lady of Victory is Clark Electric Cooperative.

Since OLVH is a new member of the cooperative, and because of the sheer magnitude of this project and the importance of the hospital to the communities it serves, the directors of the Clark Electric Cooperative felt it was essential to help with construction of the new hospital in any way possible. Clark Electric applied for a 0-percent-inter-

est loan for construction of the new hospital. Electric and telephone cooperatives fall under the United States Department of Agriculture (USDA) and the Rural Utilities Service (RUS). Because of this, they can utilize special programs and loans to help build and maintain the infrastructure of rural America.

Cooperative staff, with help from Dairyland Power Cooperative, the generation and transmission cooperative that serves Clark Electric, wrote and gathered the necessary documents to apply for a Rural Economic Development Loan for OLVH in the amount of \$450,000. Working with USDA Rural Development staff from Stevens Point, and OLVH, the team from Clark Electric has been

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Sister Mary Lu Slowey, member of the board of directors for Our Lady of Victory Hospital, and Sister Pat Belongia, director of spiritual services for Our Lady of Victory Hospital, are given the honor of cutting the dedication ribbon signifying the opening of the new hospital. Both Sisters are members of the Sorrowful Mother Order. In the background you can see that everyone is holding hands as those in the audience symbolize a human ribbon, which ties everyone to the hospital and its future success.

MORE LOCAL NEWS

Helping the Community...

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able to provide the communities that rely on Our Lady of Victory Hospital a very important economic boost to the completion of the hospital project.

This loan helped the hospital obtain many new and important features that are truly needed in this area, including a new state-of-the-art emergency room with 24-hour services, which can handle any emergency that one may have. There are also two large operating rooms that will allow the hospital to offer expanded outpatient surgeries. The patient rooms are big, bright, and allow for quick access by hospital staff and visitors.

Another important and new service is the kidney dialysis unit. Having this service will allow patients to remain closer to home rather than drive long distances to receive this very important treatment. You can check out the new and expanded services at the new Our Lady of Victory Hospital and feel confident that you and your family are getting the best care around.

Clark Electric Cooperative is proud to be able to assist the community in this immense project. Concern for the community—a cooperative principal that we stand by. ■



Nick Desien, president and CEO of Ministry Health Care, Inc.; Tony Jarocki, Clark Electric Board president; John Knox, director of member services; Cindy Eichman, CEO of Our Lady of Victory; and Dick Adler CEO and general manager of Clark Electric, are pictured with the \$450,000 Rural Development Loan check that Clark Electric applied for to help in the construction of the new hospital.

SLEIGH BELLS ARE A RINGING... ARE YOU A LISTENING?

**CLARK ELECTRIC APPLIANCE & SATELLITE'S
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**\$5 to \$25 DISCOUNTS ON APPLIANCES
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Holiday Hours

Clark Electric Cooperative
and
Clark Electric Appliance & Satellite, Inc.
will be closing at 4 p.m. on Christmas Eve,
closed Christmas Day,
open for regular hours on
December 26th from 8 a.m.–5 p.m.,
and closed New Year's Day.



**Dick Adler, Manager
John J. Knox, Editor**

**124 N. Main Street
P.O. Box 190
Greenwood, WI 54437**

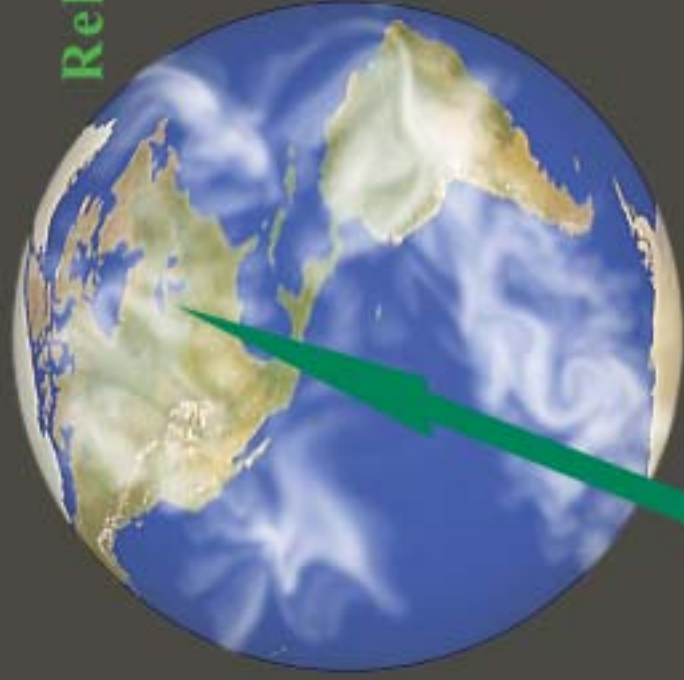
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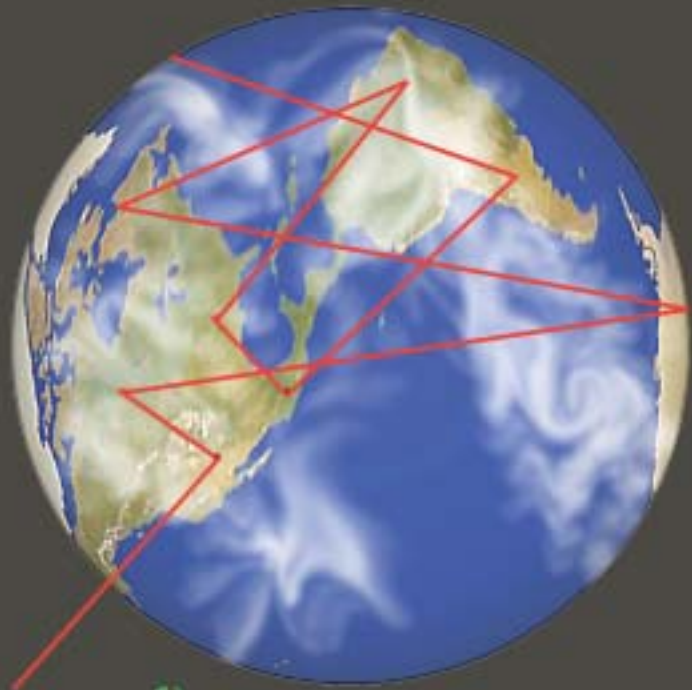
Someone Local



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Clark Electric Appliance & Satellite, Inc
111 E. Miller St., Greenwood, WI 54437
715-267-6544 ■ 866-279-6544