



**Clark Electric  
Cooperative**

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## ANNUAL MEETING RECAP



Tim Stewart,  
CEO/Manager

**F**or 79 years, Clark Electric Cooperative members have been gathering on an annual basis to participate in the governance of their electric cooperative. Members gathered once again on April 6, 2016, to attend the 79th annual meeting of the members. This year's meeting was held at the Loyal American Legion Hall, with more than 280 members and guests in attendance. The following is a recap of the day's events.

### Manager's Report

*The following is an excerpt from CEO/GM Tim Stewart's report to the members.*

Good morning. My talk this morning will focus on three areas: a highlight of our 2015 financial performance, Clark Electric Cooperative's community solar project, and electric rates.

**2015 Financial Review** — I am very pleased to report that Clark Electric Cooperative continues to experience solid financial performance. Even though the total cost of providing electric service increased 2.44 percent while kWh sales decreased 1.85 percent, we still experienced a \$978,972 in operating margins. Wholesale power rate increased 3.34 percent over the 2014 level. This wholesale price adjustment, coupled with the decrease in kWh requirements, still resulted in a net increase in our cost of power by 1.3 percent to over \$14.43 million. Operations and maintenance expense increased 2.9 percent over 2014 while fixed costs increased to \$1,873,590. Total non-operating margins were \$526,130 in 2015, which resulted in total year-end margins of \$1,505,102 as compared to the previous year's level of \$2,211,506.

Net Utility Plant grew 9.98 percent from the 2014 level. The cooperative invested in excess of \$1.7 in new distribution plant during 2015. This represents new construction and replacement of electric lines and infrastructure, new service extensions, and member service upgrades. Total Assets increased to \$51.48 million. Total Equity increased \$597,192 from the

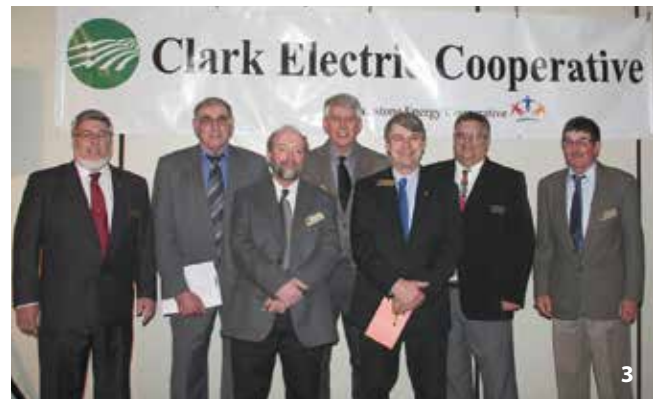
2014 level. Long Term Debt increased to \$15 million. Long Term Debt is 29 percent of our total liabilities. Our debt load is one of the lowest in the state of Wisconsin. Other payables is 6.6 percent and equity is at 64.25 percent. The cooperative will continue to rely on internally generated funds and short-term/long-term financing to fund operations while we strive to keep the price of electricity as low as possible while meeting our capital needs.

I then reviewed the results of benchmarking analysis that we do annually that compares Clark Electric Cooperative to state and national medians in the cooperative segment of the electric utility industry. I examined blended cost of capital, operating and maintenance expense per kWh sold, purchased power cost trends, how the average dollar collected was spent, total cost of providing electric service per kWh sold, various revenue measurements such as revenue per kWh sold, and residential revenue per kWh sold as it relates to others in the industry. Overall, our costs are very comparable—lower in many cases—with other electric providers.

**Capital Credit Retirements** — One of the most tangible evidence of true ownership in your electric utility is through the retirement of capital credits. I am extremely pleased to report that Clark Electric Cooperative retired in excess of \$884,000 in 2015, bringing the total dividends retired to date to over \$21,778,000. In fact, the cooperative has retired over \$6.7 million since 2008. We are very pleased with our ability to rotate patronage at this level.

**Community Solar Project** — I then reviewed the Clark Electric Cooperative community solar garden project. I reviewed the cooperative's philosophy in terms of keeping rates affordable, providing safe and reliable service, support of diversified power supply, and cost fairness to all members. I discussed the national photovoltaic solar resources and types of solar projects, defined our community solar offering, detailed the benefits and advantages of a solar garden concept, and reviewed a number of frequently asked questions regarding community solar.

This community solar project gives members the opportunity to purchase local renewable energy through a cooperative



1. Board President Charles Bena gives his report. 2. CEO Tim Stewart addresses the members. 3. Clark Electric Board of Directors.



program. This in turn allows members to take more control of their power choices. Through aggregation, we are able to offer a highly competitive solar product to our membership.

The general concept of the community solar garden is designed for those members interested in an affordable option to purchase renewable solar energy. Members have the opportunity to purchase a subscription unit and receive credit equal to their share of the array's output on their electric bill.

By utilizing a solar garden approach, issues such as inadequate space for solar panels near your home, too many trees that would block the sun at your residence, cost of a small PV (solar) array, installing panels on your rooftop, insurance, interconnection of the PV system to the grid, and unsightly panels at your residence all go away. In addition, all operation and maintenance issues would be handled by Clark Electric Cooperative. Any residential/seasonal member, regardless of

whether you own or rent your home and where you live, who pays a monthly electric bill to Clark Electric Cooperative could be a potential candidate for participating in the community solar project.

Our solar garden became operational July 19, 2015, and we are currently over 50 percent subscribed. I reviewed a number of slides illustrating the construction of the solar garden. You can find additional information on our website at [cecoop.com](http://cecoop.com) or by contacting our office.

**Electric Rates** — I concluded my presentation with a review of electric rates and our rate competitiveness as compared to other electric cooperatives in Wisconsin. I also indicated that Clark Electric Cooperative has not had a change to our base rates since March 2013. However, with distribution and wholesale costs increasing and sales decreasing, pressure on  
(Continued on page 17)



1. Directors Herman Seebandt and Allen Jicinsky visit with a member. 2. Rita Sadlich, CEAS, discusses Exede Internet with members. 3. Future member? 4. Members enjoy a short break during the meeting. 5. Phil Moilien of Dairyland Power. 6. Former Clark Electric CEO Dick Adler and Taylor Electric CEO Mike Schaefer. 7. Attorney Niles Berman reviews director qualifications. 8. Greg Shaw, HVAC manager, visits with a member about heating options. 9. Members catch up with each other prior to the meeting.

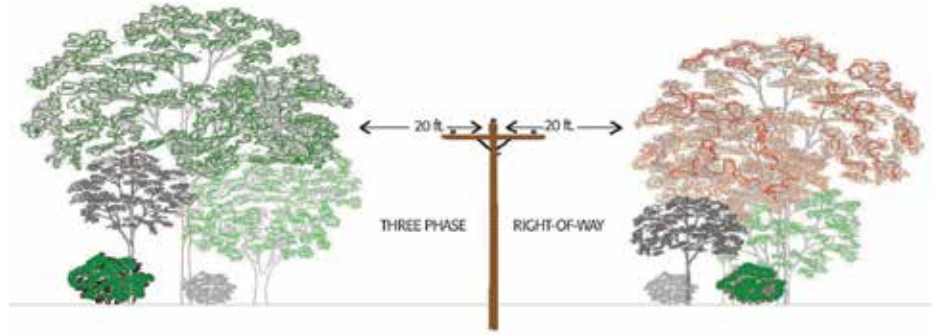
# CONSIDER POWER LINES WHEN PLANTING TREES THIS SPRING

With the winter season in the rear view mirror, the smell of spring in the air, and thoughts of green grass comes the planting season.

Whether you're planting a single tree in the front yard or several thousand trees to start a plantation, it's important to consider the species of trees and the location in which you plan to plant them. This is especially important if you are planting trees near overhead power lines, says Mike Ruff, director of operations. Many people plant trees too close to power lines. They think that the trees will never get tall enough to grow into the power lines, or they simply forget to look up before they plant them.

Most trees will grow tall enough to touch power lines faster than you think. So take time to research your tree selection or consult with your local tree nursery for advice on which trees are appropriate for your landscaping area.

As the trees grow they can come into contact with the power lines and create power outages or momentary interruptions. However, the greatest concern is



the safety risk that can be created when children climb trees near power lines. Accidental contact with electrical wires while playing in or climbing a tree can be fatal.

As we move through the spring season and into summer, please take some time to consider a few things when planting, especially around power lines.

1. Clark Electric Cooperative requires 15 feet of clearance on both sides of the line for single-phase lines and 20 feet for three-phase lines.
2. Be sure to plant your trees far enough away from power lines so that when the trees are fully grown,

there will still be 20 feet of clearance to the power line without the need for trimming.

3. Remember, if you chose to plant trees in the right-of-way or too close to the right-of-way, your trees may need to be trimmed or cut some day, and that day may come sooner than you think.

If you have trees that appear to be growing into power lines, contact Clark Electric Cooperative at 1-800-272-6188. Never try to prune them yourself. We have skilled professionals trained to safely prune and trim trees for electric line clearance.

MY CO-OP



**Clark Electric Cooperative will be closed Monday, May 30, for Memorial Day.**

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## Annual Meeting

(Continued from page 16)

rates will continue to mount, furthering the need for a price adjustment in the future.

## Other Highlights

**Director Elections** – The cooperative membership elected two directors: Allen Jicinsky from the Town of Spencer and Chuck Lindner from the Town of Eaton.

**Dairyland Power Cooperative Report** – We were fortunate to have the Vice-President and Chief Financial Officer for Dairyland Power Cooperative Phil Moilien with us to offer insights into the operations of Dairyland Power Cooperative, as well as industry dynamics and challenges. In particular, Moilien discussed DPC's resource plan for the future as well as the Clean Power Plan. Following Moilien's presentation a video was shown on a recent Dairyland transmission project that required the use of helicopters to complete the construction.



## PRESIDENT CHUCK BENA EARNS DIRECTOR GOLD CREDENTIALS

For electric cooperatives to thrive in this time of change and uncertainty, it is vital that directors have a solid understanding of the electric cooperative business model, a diverse set of knowledge and skills, up-to-date knowledge of industry changes, and a commitment to learning throughout their service on the board of directors. The National Rural Electric Cooperative Association's Director Certificate Programs are specifically designed to help electric cooperative directors understand the complexity of a very challenging industry. The certification requirements consist of three parts as follows:

**Credentialed Cooperative Director Certification (CCD)** – The CCD is a set of five courses that focus on basic governance knowledge and the essential skills required of cooperative directors. The CCD prepares directors to fulfill their fiduciary duty as elected officials serving on behalf of their membership.

**Board Leadership Certification (BLC)** – After completing the CCD, and as directors continue their board service, they need to stay current on industry issues and evolving expectations

for governance. The BLC courses have been grouped into eight specialty areas.

### Director Gold Certification (DGC)

– This credential recognizes directors who have earned their CCD and BLC credentials and are committed to continuing their education throughout their service on the board. For a director to earn the DGC, they must hold the CCD and BLC and earn three additional credits from the Board Leadership Certificate series of courses.



Congratulations to Clark Electric Cooperative Board President Chuck Bena for earning all three of these credentials. Bena is the first Clark Electric Cooperative director to earn the Gold Certification.

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## HIGH SCHOOL STUDENTS:

### Youth Leadership Congress set for July 13–15 at UW–River Falls

Electric cooperatives from across Wisconsin will sponsor local high school students at the 53<sup>rd</sup> Youth Leadership Congress (YLC) July 13–15 on the campus of UW–River Falls. The YLC is jointly sponsored by UW–River Falls and Wisconsin electric cooperatives, and it's designed to develop the next generation of community leaders.

The event will feature leadership seminars led by nationally acclaimed speakers, hands-on activities, team-building exercises, cooperative education, and fun events, all designed to develop and enhance your leadership potential. Clark Electric Cooperative has sponsored students to this event since its inception. We believe in developing the potential of tomorrow's leaders. The YLC is a fun and educational event, designed by students who were elected by their peers at the previous year's conference to serve on the WECA Youth Board.

There is no cost to the student for attending the event. Registration and travel expenses will be covered by the cooperative. If you are going to be a sophomore or a junior in high school this coming fall and would like to be a sponsored representative for Clark Electric Cooperative, contact your FFA or FBLA advisor.

### Tim Stewart, CEO/Manager

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