



Steve Lucas, CEO

THE FACILITY CHARGE

A fair and equitable way to recover fixed costs

Thanks to all the members who took the time to participate in the business of their cooperative by attending the annual meeting on April 13. As a co-op member, you have the privilege of voting for the members who will represent you on the co-op's board of directors, which sets the policies that guide the cooperative. Those elections are held at the annual meeting each year; you can review the election results on the page 17.

The board of directors is often called upon to make some big and sometimes difficult decisions in the best interest of all the members. One of those decisions—which we discussed at the annual meeting—was to increase the facility charge from \$1 to \$1.10 a day, effective with the May bill.

The facility charge is the only portion of your bill that is being raised—all the other rates remain the same.

So what exactly is the facility charge? It's what we use to recover the fixed costs of providing electric service. All members are charged a facility charge; it's the fairest and most equitable way for us to recover these costs. The difference among members' bills comes from the cost per kWh used, and that rate structure hasn't changed in seven years.

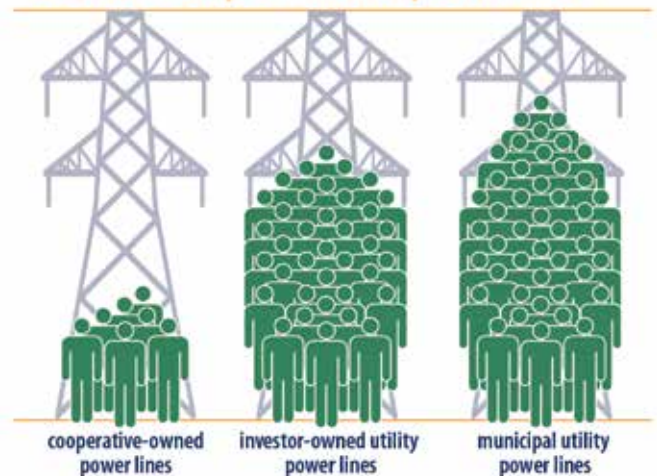
SREC has just over 3,500 miles of distribution line extending to the outer reaches of Grant, Lafayette, and Crawford counties, as well as small portions of a few others. We have significant investment in the infrastructure needed to provide safe and reliable electricity to these areas, including poles,

wires, transformers, substations, and meters, all of which require regular maintenance to ensure everything is working properly and safely.

Some of the 11,466 members in the SREC system use a lot of electricity. Others might be seasonal members who use very little. But the equipment doesn't know the difference—a pole costs the same to install and maintain for one member who might only need electricity for one month a year as it does for a member whose large family needs electricity every day, all year long.

The facility charge is an average of the cost to provide these facilities to all members, and it ensures that all members pay for these fixed costs. Periodically we have a cost-of-service study performed to determine whether or not our facility charge is adequately covering our fixed costs. The board makes its decision regarding the charge based on the findings of the cost-of-service study.

Consumers per mile of power line



I'm sometimes asked why our fixed costs are higher than they are for investor-owned utilities. I can answer that in one word: density. Due to the very nature of the areas we serve, rural electric co-ops simply do not have as many customers as other utilities have to share the basic costs.

Data from the National Rural Electric Cooperative Association shows that on average, electric cooperatives serve seven members per mile of line, compared with investor-owned utilities that have 35 customers per mile of line and municipal utilities with 47 customers per mile of line. At SREC, we average three customers per mile of line, well below the national average.

If you have any other questions regarding the facility charge, please don't hesitate to ask.



MEMBER PHOTOS OF THE MONTH

"Seeing Double," taken by Tom Jones of Boscobel, was the winning photo for May in SREC's Member Photo Contest. The 2019 Member Photo Contest is underway. Please turn to page 18 to learn more.



SREC BOARD CHAIR NAMED NATIONAL DIRECTOR

Chuck Simmons, chairman of Scenic Rivers Energy Cooperative's board of directors, was chosen to be the next Wisconsin director on the National Rural Electric Cooperative Association (NRECA) board. Simmons assumes the position effective as of next year's NRECA annual meeting.

Simmons was elected at the Wisconsin Electric Cooperative Association's annual Education and Lobby Days event in Madison last month. Twenty-eight voting delegates from electric cooperatives throughout the state cast ballots in the NRECA director election.

Simmons succeeds incumbent Larry

Becker, the Adams-Columbia Electric Cooperative board chairman, who has served as Wisconsin's NRECA director since 2009.

Simmons has been a member of Scenic Rivers Energy Cooperative since 1999. He was first elected to the board of directors in 2009, representing District 3. He has served as board chairman for the past seven years, and has earned the Credentialed Cooperative Director status through NRECA's board leadership training program.

Congratulations, Chuck, on this accomplishment!



HIGH SCHOOL STUDENTS:



Join us at the Youth Leadership Congress July 24-26 at UW-River Falls!

The annual WECA Youth Leadership Congress is a dynamic three-day event for youth leaders across Wisconsin to develop their leadership skills while learning about the purpose, operation, and scope of cooperative businesses.

- See **what makes the cooperative business model different and successful**, and then apply this knowledge to fun and challenging cooperative activities.
- Identify and learn how to develop your own **leadership skills**.
- Discuss **cooperative careers** with professionals in the industry.
- Be **entertained and challenged** by highly acclaimed motivational speakers who understand teens and address topics that are important and relevant in your life.

This is a **by-teens, for-teens conference** that is planned and developed by a youth board elected at the previous year's event.

Who should apply?

- Students who will be sophomores or juniors next year, and whose parents or grandparents are members of Scenic Rivers Energy Cooperative.

What does it cost?

- Nothing! All registration costs are covered by the generous support of electric cooperatives and the National Rural Utilities Cooperative Finance Corporation. Transportation to and from River Falls is provided by SREC.
- Interested students should visit www.sre.coop and click on News & Community, or call SREC at 608-723-2121 and ask for Judy.

52 SCHOLARSHIPS AWARDED AT SREC ANNUAL MEETING

Scenic Rivers Energy Cooperative awarded 52 scholarships of \$1,000 each to member students from each high school in the co-op's service territory at the 82nd annual meeting April 13. Scholarships are funded by unclaimed capital credits through the Federated Youth Foundation.

Also at the meeting, CEO Steve Lucas honored three longtime employees who retired in 2018 or will be retiring in 2019: Rick Douglas, who served the co-op for 25 years; Earl Winsor, 31 years; and Linda Bendorf, 36 years.

In other action, members elected three directors to another three-year term on the board of directors. Sandra Davidson and Don Schaefer, serving District 2 and District 6, respectively, were re-elected. Incumbent Larry Butson won over

challenger Cindy Bonilla in the only contested race, for District 7.

Names were drawn from those who mailed in ballots for \$50 bill credits. Winners were Rodney and Julie Van Natta, Lavon Lathrop, Jerry Faulkner and Valerie Wachuta, Don Comstock, Tod and Diana Christianson, and Mike Moore.

Names were drawn from members in attendance for the following prizes: Clint Lenzenorf, \$100 bill credit; Leroy Belken, Norman P. Zadrazil, and Carol S. Inghram, \$50 bill credit; and Mike R. Stanek, Eula M. Caley, Scarlet Welander, Darrel L. Myers, Andy A. Lindenberg, Mitch Carl, Sarah K. Fortney, Cheryl L. Troester, Loretta I. Kephart, David Carper, Paul Coinkel, Dan R. Smith, and William Helbing, \$25 bill credit.



Members who attended the annual meeting received a water bottle in the shape of a light bulb and were treated to a post-meeting lunch catered by Ma's Bakery.



These students each won a \$1,000 scholarship at SREC's annual meeting May 13. Front row, L-R: Hannah McCarthy, Darlington; Holly Ray, Darlington; Lillian Smith, Dodgeville; Zula Flanary, Mineral Point; Avienda Inman, Viroqua; Miles Carper, Darlington; Tanner Gillitzer, Wauzeka-Steuben; Gabriel Martin, Wauzeka-Steuben; and Cayden Splinter, Southwestern. Second row, L-R: Bryce Bedward, Prairie du Chien; Kailee Kaiser, Southwestern; Caitlyn Nolan, Prairie du Chien; Rachel Wagner, Lancaster; Jayla Miesen, Platteville; Erin Krachey, Wauzeka-Steuben; Lily Reynolds, Potosi; Brinley Wood, Cuba City; Jordyn Vogt, River Ridge; Kailey Droessler, Southwestern; Kasha Vogt, Cassville; and Matthew Douglas, Darlington. Third row, L-R: Nate Reuter, Platteville; Alissa Rooney, Seneca; McKinzie Stuckey, Seneca; Nicole Knebel, Belmont; Hannah Nusbaum, Potosi; Grace Babb, North Crawford; Katelyn Parker, River Ridge; Caleb Lenzenorf, River Ridge; Austin Redfearn, Southwestern; and Jena Saalsaa, Argyle. Fourth row, L-R: Alexandria Stone, Lancaster; Reid Koenig, Prairie du Chien; Sydney Delzer, Black Hawk; Ryann Dressler, Potosi; Terry Hrubres, Riverdale; Erin Sime, Seneca; Emily Ruchti, Fennimore; Dylan Rieken, Southwestern; Jonathan Breuer, River Ridge; and Blake Wegmuller, River Ridge. Last row, L-R: Trevor Hackl, Boscobel; Konner Schroeder, Potosi; Ethan Groom, Potosi; Braden Loeffelholz, Platteville; Kevin Wangen, North Crawford; Cole Zenz, Lancaster; Garrett Allendorf, Shullsburg; Brooks Tiedeman, Benton; Brandon Weigel, Platteville; and Adam Martin, Wauzeka-Steuben. Missing: Kierstin Adams, Cassville.



2019 Member Photo Contest

"Rural Wisconsin"

Scenic Rivers Energy Cooperative is holding its annual photo contest for members' photos to be featured in our 2020 calendar. Winning photos may be used in future newsletters or cooperative publications.

- Contest runs through August 23, 2019; however, submitted photos can be taken outside of this date range.
- Photos must be taken within the Scenic Rivers Energy Cooperative service area and should capture life in rural Wisconsin (seasons, wildlife, landscape, etc.).
- Photos must be in high resolution, at least 300 dpi and 8"x10", and have a horizontal (landscape) orientation.
- Photos can be in color or black and white.

Photos must be submitted via email to jmartin@srec.net.

For a complete list of rules and criteria as well as downloadable forms, visit our website, www.sre.coop. Entry forms can also be picked up at our office, or we will email a copy to you.



May is National Electrical Safety Month




plug into safety

#ElectricalSafetyMonth



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