

WATT'S HAPPENING

SCENIC RIVERS ENERGY COOPERATIVE
LANCASTER, DARLINGTON AND GAYS MILLS, WISCONSIN

MEMBER APPRECIATION OPEN HOUSES



Our open houses and member appreciation events were a big success! We enjoyed seeing 1,300+ smiling faces over the three nights. Catering was provided by Vesperman Farms, Huckleberry's and Avon Locker. Door prizes were awarded. Winners include:

- **\$50 bill credits** – Robert Gabel, Thomas White, Elaine Wehnke, Grice Family Farm, Rodney Burkum, and Elling Jones
- **\$25 Casey's General Store gift cards** – Lee Mushel, James Prucha, Doug Morgan, William Stewart, Fred Hicks and Thomas Brines
- **Roelli Cheese Haus gift card** – Tim Appell
- **Cooks Tree Farm gift card** – Duane Vosberg
- **Royal Bank gift basket** – Warren Knudtson
- **Turkey Ridge gift basket** – Kim Shaner

Members enjoyed bucket rides as weather allowed, visited with our staff and learned about energy saving programs. The LED Lighting Store and bulb recycling was very popular with hundreds of old bulbs being recycled and replaced with energy efficient LED bulbs.

You can see more photos from the event on our Facebook page.

A Threat to Co-ops' Tax-Exempt Status

Due to an unintended consequence of current federal tax law, many electric co-ops are finding themselves in a precarious position.

Imagine working hard to secure funding for an important local project only to turn around and give a large chunk of that money back in taxes.

That's the situation many cooperatives, including Scenic Rivers Energy Cooperative (SREC), may face because of recent tax law changes. And it could jeopardize the not-for-

profit tax status of cooperatives that receive federal or state government funding of any kind, including disaster relief aid, energy efficiency grants, economic development support and rural broadband development grants.

In order to maintain tax-exempt status, an electric cooperative must receive at least 85 percent of all revenue from its members. However, an unintended consequence of a 2017 change to federal tax law modified the calculation for some contributions by a government entity or civic group.

Now, grants and other contributions may be considered non-member revenue and could threaten a co-op's tax-exempt status. This would have a profound impact on co-ops and their members. Here are two examples:

- Otsego Electric Cooperative received a \$10 million broadband grant from the state of New York, which will put the co-op well over the 15% limit for non-member revenue in 2019. Otsego will lose its tax-exempt status if the RURAL Act is not passed this year, CEO Tim Johnson said in April. Twenty-one percent of the grant money will have to be used to pay taxes.

- West Florida Electric Cooperative Association has received \$24 million in expedited reimbursement from the Federal Emergency Management Agency (FEMA) this year for storm recovery work in the wake of Hurricane Michael in 2018. That's

about 40% of the co-op's projected annual revenue. Gulf Coast Electric Cooperative to the south is in the same tax position, and three other Florida co-ops could surpass the 15% threshold by year's end. It's unfair to classify

the FEMA reimbursement as revenue—it was for expenses that West Florida incurred to restore service to a large swath of its members after the category 5 hurricane pounded the Florida panhandle.

Encouraging Congress to fix the tax code to exempt government grants from being defined as member revenue is one of the highest priorities of the National Rural Electric Cooperative Association, the service organization representing America's electric co-ops. Legislation called the Rural Act has been introduced in both the House and the Senate, attracting large groups of bipartisan cosponsors. However, getting it enacted into law will be a heavy lift, given the political sensitivity of tax issues on Capitol Hill.

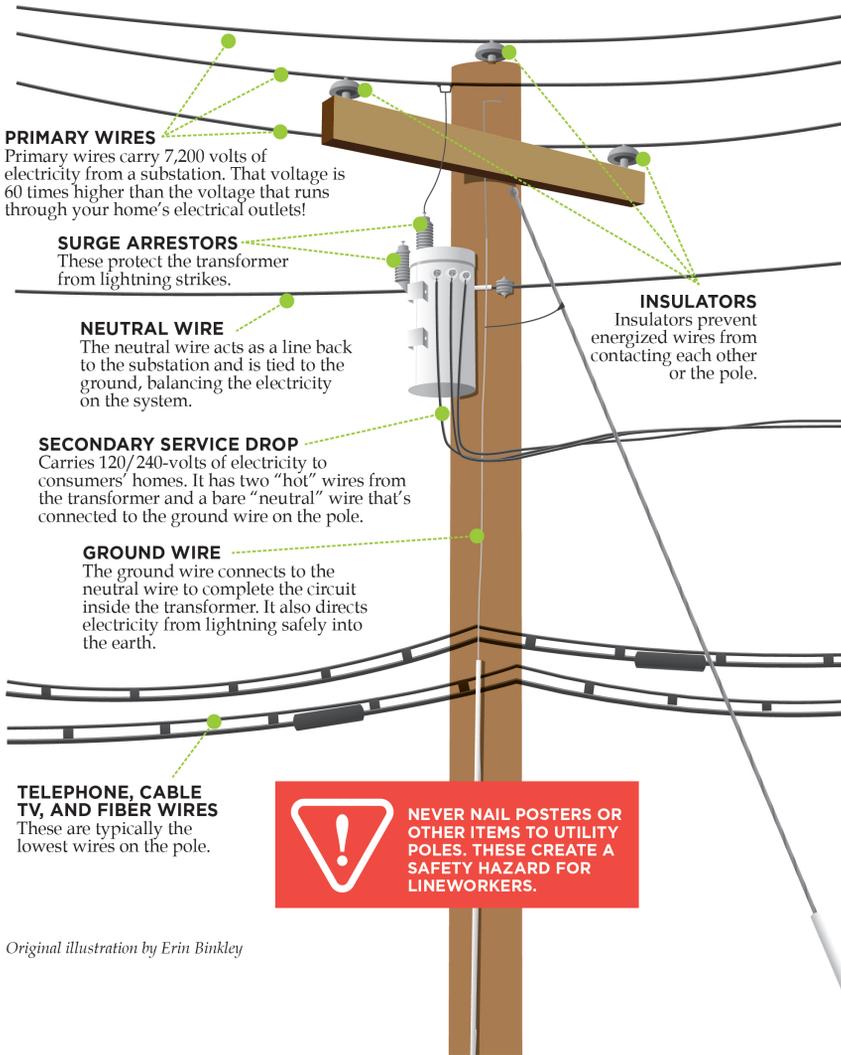
Congress must act now to correct this unintended consequence and protect the tax status of electric co-ops. In doing so, Congress would preserve the full value of government grants that deliver societal benefits to our communities.

You can play an important role in encouraging Congress to act. Voice your support for the Rural Act by visiting www.action.coop/ruralact.



WHAT'S ON THAT POLE?

This illustration shows the basic equipment found on electric utility poles. The equipment varies according to the location and the service they provide.



Original illustration by Erin Binkley

Dual Fuel Program Members

**Load Management Test
Wednesday, November 20**

A test for the load management system will be conducted for members of the Dual Fuel program on Wednesday, November 20. Electric heat will be turned off around 5:00 p.m. and will be turned back on starting at 8:30 p.m., with everyone's electric heat scheduled to be back on by 10:00 p.m. This test is done to make sure your backup system and the Cooperative's load management system are working properly. Please contact us at 800-236-2141 ext. 563, the following day if you experienced any problems during this test.



ARE YOU ON SOCIAL MEDIA?

We are! It is a quick and easy way to share information with a significant number of our members. We utilize Facebook to share information about topics such as electrical safety, energy efficiency, cooperative events, and peak energy alerts. We also provide members information when major outages occur.



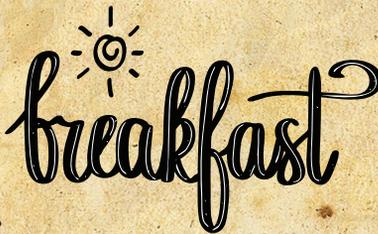
DAYLIGHT SAVING TIME REMINDER

Don't forget to fall
back on **November 3!**
Set your clocks back
by one hour.



WANTED

SREC is looking to partner with a local non-profit to provide breakfast to our members at our Annual Meeting in April 2020. Are you a member of, or do you know a member of a non-profit that has experience cooking up a delicious breakfast? We'd like to talk with your organization about partnering. Please contact Judy at 800-236-2141 x554.



Energy Efficiency Tip of the Month

Trim your holiday energy costs by choosing energy efficient LED lights! LED holiday lights use less energy and can last up to 40 seasons. They're also easier to install - you can connect up to 25 LED strings without overloading a wall socket!

Source: energy.gov



Vegetation Management

Zielie's Tree Service will continue to trim on the Gays Mill south circuit in Crawford County the month of November.

It is important for SREC to maintain its rights-of-way for the following reasons:

- Accessibility for field crews, vehicles and equipment
- Fire prevention
- Reliable electric service
- Quality service with the reduction of outages and blinks
- Safety for workers and the public
- Meeting state and federal code requirements

On a daily basis, SREC employees and contractors are working throughout the area, at times on your property, to operate and maintain the electric system and our rights-of-ways. We appreciate your cooperation. If you have questions, please contact Jay at jgardner@srec.net or call 800-236-2141 ext. 566.

WATT'S HAPPENING

Watt's Happening is published monthly as an information service to the member-owners of Scenic Rivers Energy Cooperative.

Any questions or comments can be directed to *Watt's Happening*, Scenic Rivers Energy Cooperative, 231 North Sheridan, Lancaster, WI 53813 or telephone (608) 723-2121 or toll free 800-236-2141.

www.sre.coop

Steve Lucas CEO

Our board of directors consists of Chuck Simmons, Don Schaefer, Sandra Davidson, Ellen Conley, Jack Larson, Larry Butson, Delbert Reuter, Steve Carpenter and Marcus Saegrove.



printed on recycled paper

This institution is an equal opportunity provider and employer.