



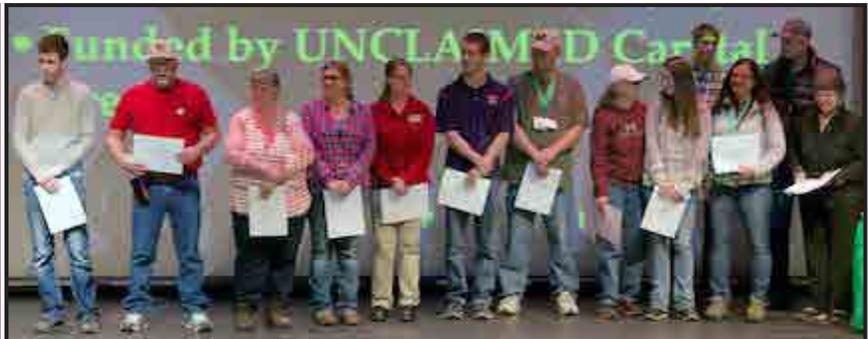
# news & views

from **Lincoln Electric Cooperative, Inc.**

Your Touchstone Energy® Cooperative 

## Attend Your 69th Annual Meeting of the Members

**Saturday, March 24, 2018**  
**8:00 am Registration Begins**  
**9:00 am Call Meeting to Order**  
**Lincoln County High School Auditorium**  
**340 9th Street East**  
**Eureka, Montana**



2017 Luck of the Draw scholarship winners. Front Row: Ryan Price, Connor Harmon and Courtney Harmon (accepted by Charles Harmon), Ashlyn Waldo (Charlotte Park), Gina Williams, Emily Billow (Jennifer Armstrong), James Dunn, Derek Hickman (Myles Hickman), Jaimie Soderling (Jenny Soderling), Kaylee Kronsperger, Cole Pickering (Jean Pickering), Taylor Pacella (Sandra Pacella). Back Row: Brad Stein, Braden Thier (Tim Thier). Parents accepted on behalf of students that were unavailable due to school or extracurricular activity conflicts.

For many of our members, the Annual Meeting is a year-long tradition. A must-attend event. They can remember the past potluck-style meetings with local entertainment that lasted most of the day.

Those members understand the cooperative business model. They know what it means to be a member; not a customer.

Unlike customers, you are our members and owners of Lincoln Electric. You have an economic stake in the cooperative. This stake is eventually returned to you in the form

of capital credits. (Please see the article on page 6 for more about capital credits)

Another difference is in member control of your cooperative. Lincoln Electric has a Board of Trustees. These 10 men and women are fellow members of the cooperative. They were nominated and elected by the membership at the Annual Meeting.

The Board is responsible for establishing, review-

ing, and revising corporate policies. They keep abreast of legislation that may affect Lincoln Electric. They develop long range plans and set rates.

They do all of this and more to ensure that Lincoln Electric continues to keep the membership foremost in mind, while maintaining a stable financial position for

current and future members.

Members are at the forefront of everything we do at Lincoln Electric. Which is why we need all members, legacy and new, to be involved with your cooperative. Attending your Annual Meeting is a great way to start.

All registering memberships receive a door prize of \$10 in Eureka Chamber of Commerce bucks just for attending. Attending members are also eligible for prize drawings throughout the meeting.

One lucky member will even win the grand prize drawing of free electricity for a year. This is awarded as a monthly bill credit of \$130, which is equal to the average residential monthly bill from 2017.

The Annual Meeting is also when we draw for our \$1,000 Luck of the Draw scholarships. These are funded through our unclaimed

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## Trustee Seats Up For Election



**Courtney Pluid**  
District 6



**Joel Graves**  
District 6



**Ethel White**  
District 6

**LINCOLN ELECTRIC COOPERATIVE, INC.**

# Guest Column by Terry Flores - Court's Latest Spill Order

As I have mentioned here, Lincoln Electric was the recipient of a wholesale rate increase from Bonneville Power Administration (BPA) on October 1, 2017. There are many factors that impact BPA's rates. One of the most litigated is the issue of salmon.

In that light, I would like to feature an article this month from Terry Flores. Terry is Executive Director of Northwest River Partners, an alliance of farmers, utilities, ports and large and small businesses that relies on and promotes the economic and environmental benefits of the Columbia and Snake Rivers as well as fish policies and programs based on sound science.



**Manager's Notes**  
by Ray Ellis

Thanks for your membership, *Ray*

## Massive Misuse of People's Dollars and No Help To Salmon

By Terry Flores

Northwest RiverPartners

Most folks don't know what spill is – and why should they?

Because spill – the water “spilled” through massive gates raised at federal hydropower dams in the Northwest – hits all of us right in our wallets, through our electric bills.

The federal hydro projects on the Columbia and Snake rivers already spill 30 to 40 percent of the water in those rivers, which together drain a land area as large as France. Literally billions of gallons of water are spilled over the dams instead of generating more carbon-free energy that could help power our economy, keep electric rates low and our skies clean, and back up less-constant energy sources, like wind and solar.

### Why we spill

The water spilled at the dams helps young salmon migrate more quickly and easily downstream, from the

rivers to the ocean. If spill helps salmon, then a lot more spill should help a lot more salmon. Right?

Unfortunately, it's not that simple. But that's what the so-called fish advocates argued in the latest chapter of their 20-year litigation campaign against the federal dams and agencies. Persuaded by their arguments, U.S. District Court Judge Michael Simon this month approved an experimental plan that requires spilling additional water at each of the eight large federal projects – all the way to the maximum level allowed under state water-quality laws, from April through mid-June.

### Models show little impact

Here's the rub: There is no proof that more spill will be better for fish. In fact, modeling by NOAA Fisheries shows that more spill will have little to no impact on fish survival.

Estimates project an increase in survival rates of 1 percent for Chinook and 2 percent for steelhead. That's less than

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## News & Views

Published monthly by Lincoln Electric Cooperative, Inc.

Lincoln Electric's Board of Trustees hold regular meetings monthly at the Eureka office. These are typically scheduled on the third Monday of each month at 7 pm. All members are encouraged to attend. If you have any items of interest, please contact the general manager prior to the meeting.

**Next Meeting Date:**  
**Monday, March 19, 2018**

### Board of Trustees

- **Mike Workman** - President, District 6 Upper
- **Wesly Loughman** - Vice President, District 6 Upper
- **Courtney Pluid** - Secretary, District 6 Upper
- **Myra Appel** - District 7 Lower
- **Becky Evins** - District 6 Upper
- **Joel Graves** - District 6 Upper
- **Marianne Roose** - District 6 Upper
- **Tina Taurman** - District 7 Lower
- **Troy Truman** - District 6 Upper
- **Ethel White** - District 6 Upper

**General Manager Ray Ellis**

**In case of power outage:**  
**Always call 406-889-3301**

312 Osloski Road  
PO Box 628  
Eureka, MT 59917  
www.lincolnelectric.coop  
info@lincolnelectric.coop

## BUSINESS AND BOARDROOM BRIEFS

The regular meeting of the board of trustees was conducted on January 15, 2018. A quorum of trustees was present and the board took the following action:

- Accepted the Oath of Office from new Trustee Becky Evins.
- Approved the Annual Meeting grand prize of free electricity for a year based on the average residential usage, to be awarded as a \$130 monthly bill credit.
- Approved Policies 211 - Conflict of Interest and 212 - Code of Ethics.
- Approved the retirement of capital credits.
- Approved the member count by district.
- Authorized trustees to attend various upcoming meetings.

	Year to Date 12/31/2017	Year to Date 12/31/2016
Year to Date kWh Sales	120,586,993	107,497,060
Year to Date Revenue	\$ 10,843,347	\$ 9,875,111
Year to Date Cost of Power	\$ 5,170,786	\$ 4,515,999
Year to Date Operating Exp	\$ 5,297,417	\$ 4,836,505
Year to Date Margins	\$ 518,179	\$ 611,820
Number of Members	4,562	4,498
Number of Meters	5,906	5,816
Miles of Line	960	955
Total Utility Plant	\$ 32,377,550	\$ 32,102,996
Member Equity	\$ 9,309,300	\$ 9,264,433
Dec. Average Residential Use (kWh)	2,203	2,415
Dec. Average Residential Billing	\$189.47	\$190.39

## Spill

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decimal dust in a complex river system where survival of young salmon migrating downstream varies year-to-year from 35 to 70 percent – due to a range of potential factors unrelated to spill, including water temperatures, spring runoff timing and volumes, fish health, sea lions and other predators. The models show an even smaller impact on adult salmon returns of 1/100th percent.

The pro-spill groups claim that their modeling tells a different story, but they have yet to provide data that would allow for a full and accurate comparison of results.

### **Massive misuse of customers' money**

Spill costs money, and the ones who pay are Northwest families and businesses. Spill costs are wrapped into the fish and wildlife costs that make up a major part of every residential or commercial electric bill.

More spill will cost more money – an estimated \$40 million more per year, according to Bonneville Power Administration – which is poised to implement a “spill surcharge” on the power

it sells from the dams to Northwest utilities and their customers. Regardless of the final total, electric bills will likely go up. This is a massive misuse of people's hard-earned dollars that will do little to nothing to help endangered salmon.

The new spill costs come on top of a 5 percent rate hike this year, and rate increases totaling nearly 30 percent over the last several years. One of the Northwest's prime economic advantages has been its traditionally low-cost electricity. But repeated rate increases are eroding that competitive advantage and BPA's historic position as one of the region's lowest-cost energy providers.

### **More spill may harm fish – and the environment**

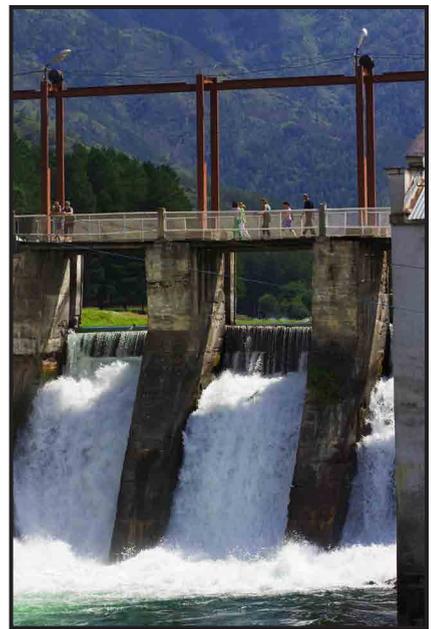
Over and above the financial case is the harm that more spill may pose to the very fish that spill proponents say they want to protect. Too much spill produces dangerous levels of gas in the river, which can give young fish “the bends” similar to divers who rise up from deep seas too quickly. Churning waters at the dams from spill also prevents returning adult salmon from ascending the dams' ladders to reach their

home rivers, where they spawn.

What's more, BPA estimates that the increased spill will result in another 840,000 tons of carbon added to Northwest skies—because carbon-emitting natural gas is likely to replace the carbon-free hydropower that will be lost to spill. That's a 1.7% increase in Northwest electricity sector emissions, at a time when state legislatures are grappling with proposals to reduce carbon emissions.

Judge Simon approved the experimental spill plan on January 8, declaring the science in this area “settled.” Obviously, it isn't. The federal agencies agreed to the proposal “under protest,” but are appealing the order, along with RiverPartners, tribes, Idaho and Montana, to the Ninth Circuit Court of Appeals.

Based on the NOAA models, we already know how this latest court-approved spill order is likely to turn out. It's a bad plan that will cost families and businesses,



do little to help and may even harm protected salmon, and add tons of carbon to our air. It only makes sense if you want to increase the costs of operating the hydro dams because your true aim is their removal, which happens to be the goal of many of the so-called fish advocates.

We can all agree that the Northwest cares about our region's iconic salmon. But we shouldn't throw good money at a bad plan.

*For more information, please visit [www.nwriverpartners.org](http://www.nwriverpartners.org).*

**Application Deadline: Wednesday, March 14**

## Luck of the Draw Scholarship Applications Available

Drawing held at Lincoln Electric's Annual Meeting on  
Saturday, March 24, 2018 at the LCHS Auditorium

- Student or their parent/legal guardian must be an active member of Lincoln Electric currently receiving electric service
- Student and/or their member parent/legal guardian must register for the Annual Meeting and at the Luck of the Draw table prior to 9:15 am
- See full eligibility requirements on the application

**Applications Available:**  
[www.lincolnelectric.coop](http://www.lincolnelectric.coop)  
Lincoln Electric • 312 Osloski Rd, Eureka

# Capital Credit Refunds - A Cooperative Member Benefit

**D**id you know that as a member of Lincoln Electric Cooperative, you get certain benefits? One of the primary benefits is of receiving capital credits.

Lincoln Electric is a cooperative, which means we are a non-profit organization. So instead of profit, we have margins.

Margins are simply any revenue we have in excess of our costs each year. The total yearly margins are allocated to all members who were billed during the year.

Allocations are based on the dollar amount each member contributed during the year. So if you contributed one half of a percent of

our total revenue, you would be allocated one half of a percent of the total margins for that year.

The By-Laws regulate how capital credits are managed. They provide for a rotation of capital over a period not more than twenty (20) years on a first in, first out basis. So the oldest capital credits get paid out first.

For the 38th consecutive year, the Board of Trustees approved the retirement, or refund, of capital credits. They authorized approximately five (5) percent of our outstanding capital credits to be retired again this year.

This is over \$449,000 that will be refunded in 2018 to

our current and past members. Capital credit refunds will be paid to members who contributed to margins in 1999 and/or 2000.

If you were an active member in 1999 and/or 2000, you will have a check available at the Annual Meeting on March 24, 2018. (Please see the Annual Meeting article on page 3 for more details.) If you are not at the Annual Meeting to pick it up, your check will be mailed in early April.



Since our incorporation in 1948, LEC has returned more than \$12 million to members in capital credits. Please see the capital credit retirement details below.

Year	Capital Credit Retirements
1975	\$4,427
1976	\$10,785
1977	\$6,381
1978	\$13,691
1979	\$27,276
1980	\$42,958
1981	\$31,903
1982	\$64,757
1983	\$80,107
1984	\$101,353
1985	\$154,582
1986	\$183,552

Year	Capital Credit Retirements
1987	\$133,746
1988	\$323,929
1989	\$688,850
1990	\$155,703
1991	\$283,972
1992	\$618,686
1993	\$159,118
1994	\$252,017
1995	\$374,432
1996	\$293,189
1997	\$325,651
1998	\$336,670

Year	Capital Credit Retirements
1999	\$329,778
2000	\$332,867
2001	\$324,761
2002	\$326,021
2003	\$342,046
2004	\$330,967
2005	\$354,314
2006	\$303,888
2007	\$296,597
2008	\$307,955
2009	\$317,322
2010	\$356,790

Year	Capital Credit Retirements
2011	\$364,785
2012	\$397,931
2013	\$411,498
2014	\$443,809
2015	\$437,149
2016	\$445,839
2017	\$472,687
2018	\$465,465
<b>Total Capital Credit Retirements</b>	
<b>\$12,030,204</b>	

## Annual Meeting

*Continued from page 3*

capital credit account. (Please see the ad on page 5 or visit [www.lincolnelectric.coop](http://www.lincolnelectric.coop) for more information.)

Updating you on your cooperative is a big part of the Annual Meeting. We will give a brief presentation on the big issues facing Lincoln Electric. Our auditor will present the 2017 financials. Trustees will be nominated and elected.

Be on the lookout for your official Notice of Annual Meeting. It should arrive

in your mailbox the second week in March. If you do not receive yours, please call the office at 406-889-3301 to verify your mailing address.

Please bring your notice to the Annual Meeting with you to expedite registration. It can easily be scanned to register you for the meeting. It also contains your voting credentials and prize stub.

If you will be representing the membership of an organization with multiple ownership, please bring the completed Delegate Certificate with you.

Remember to mark your

calendars and join us March 24 for your Annual Meeting. It's a great opportunity to get involved and learn about your cooperative.

We hope to see you there!



Above: VFW Post 6786 & Legion Post 74 present the colors at the 2017 Annual Meeting.

Left: Members listen to cooperative updates in the LCHS Auditorium during the 2017 Annual Meeting.

