

ANNUAL REPORT

Cuivre River Electric Cooperative

2022

2023

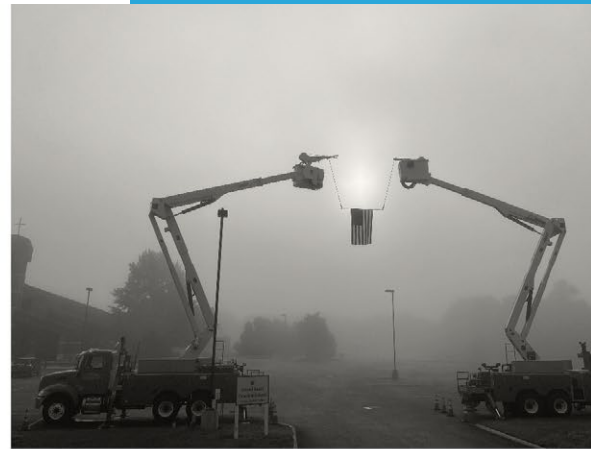


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FROM CREC Leadership



Diane Saale, Board President



Doug Tracy, President/CEO

Being member-focused has been a hallmark of Cuivre River Electric Cooperative (CREC) since 1941. This past year has been no exception.

Over the last few years, that focus has endured through challenging times. CREC remains devoted to making life better for our members and the communities we serve.

We are proud of our expanding membership. Already the largest electric cooperative in Missouri, our annual growth rate continues to be around 2%, making CREC one of the fastest-growing electric cooperatives in the country. Housing starts remain strong in our area, and we believe this trend will progress.

Inflation and rising costs have affected your cooperative and the country. The impact of cost increases over the last several months is expected to continue. The costs of some materials and supply items have increased 5 to 10 percent over the past two years. Supply chain issues persist, worsening this issue.

Power costs are also climbing. CREC experienced a cost increase

from its power supplier earlier this year. Additional increases in power prices are predicted for three of the next four years. Even in this environment of escalating costs, we will do everything we can to absorb these increases while keeping your cooperative financially sound. We are committed to our mission statement which includes, “providing reliable service at the lowest possible cost.”

Reliable service has always been important but due to recent storms around the country, it’s at the forefront of many utilities. As the term, “rolling blackouts” echoes throughout the country, reliable power is no longer something to take for granted. CREC is proud to have had this focus during two major storms in the last two years, with the last being Winter Storm Elliott. During this storm in December 2022, CREC set an all-time peak demand for power. While several utilities around Missouri and across the nation experienced rolling blackouts during the storm, our members continued to have power. The importance of reliable power cannot be overstated; our attention remains on maintaining and enhancing it. CREC’s new work plan includes projects to improve or strengthen reliability. In addition, our power supplier’s balanced approach to power generation includes renewables and baseload generation, to help prevent some of the power delivery issues troubling other parts of the country.

“The importance of reliable power cannot be overstated; our attention remains on maintaining and enhancing it.”

CREC continues to support the communities we serve. Our Operation Round Up program accomplished another milestone in the past year by exceeding \$7 million in grants to individuals and organizations since its inception. These grants have helped thousands in our community, and we look forward to helping more in the future. Our Cuivre Cares program prospers, with CREC employees holding numerous fundraisers for charities and participating in service projects around our area during the past year.

At CREC, we will continue to focus on you, the member. We are committed to navigating these times in such a way that we can help our members improve their quality of life. On behalf of the Board of Directors and the employees, we thank you for your continued support as we strive to be your ideal utility. It is truly our pleasure to serve you.

ABOUT Cuivre River Electric Cooperative



As a cooperative, it is our responsibility to serve our members today, and tomorrow. Cuivre River Electric Cooperative's (CREC) [Board of Directors](#) adopted mission and vision statements to help continue guiding us as we move forward to fulfill that responsibility.

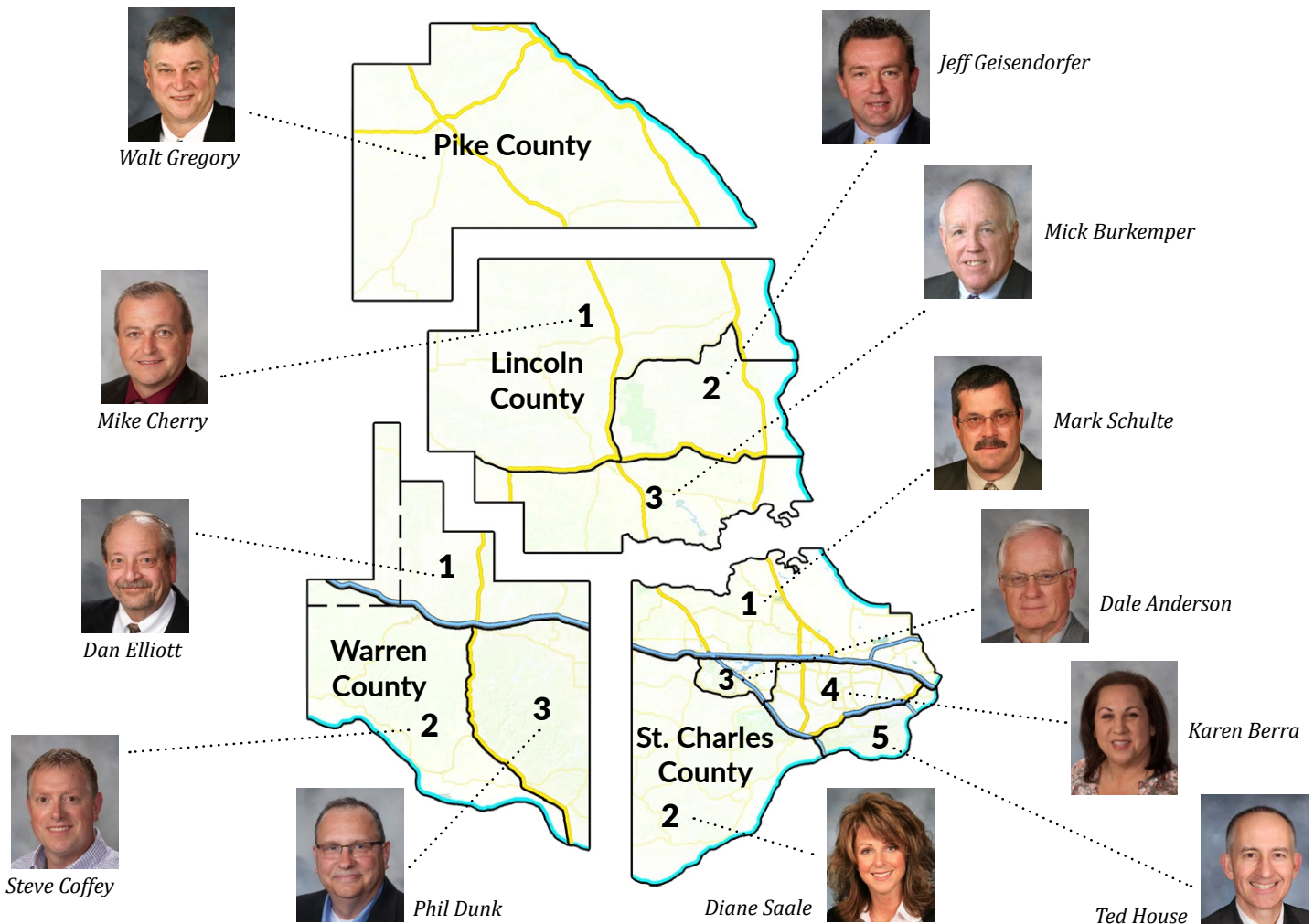
OUR Mission

Cuivre River Electric Cooperative will be a progressive leader in the energy industry, empowering employees to serve our members using innovative energy solutions, while safely providing reliable service at the lowest possible cost.

OUR Vision

Cuivre River Electric Cooperative aspires to be a trusted energy partner that is prepared to embrace opportunities in a changing utility industry while providing our members with maximum value and improving our communities.

YOUR Board of Directors



YOUR CO-OP | at a glance 2022-2023



134 Employees



**Largest Electric
Cooperative in
Missouri**



**\$132,388,108
in Revenues**



**\$6,075,000 Capital
Credits Allocated
to Members**



**71,864
Residential Meters***



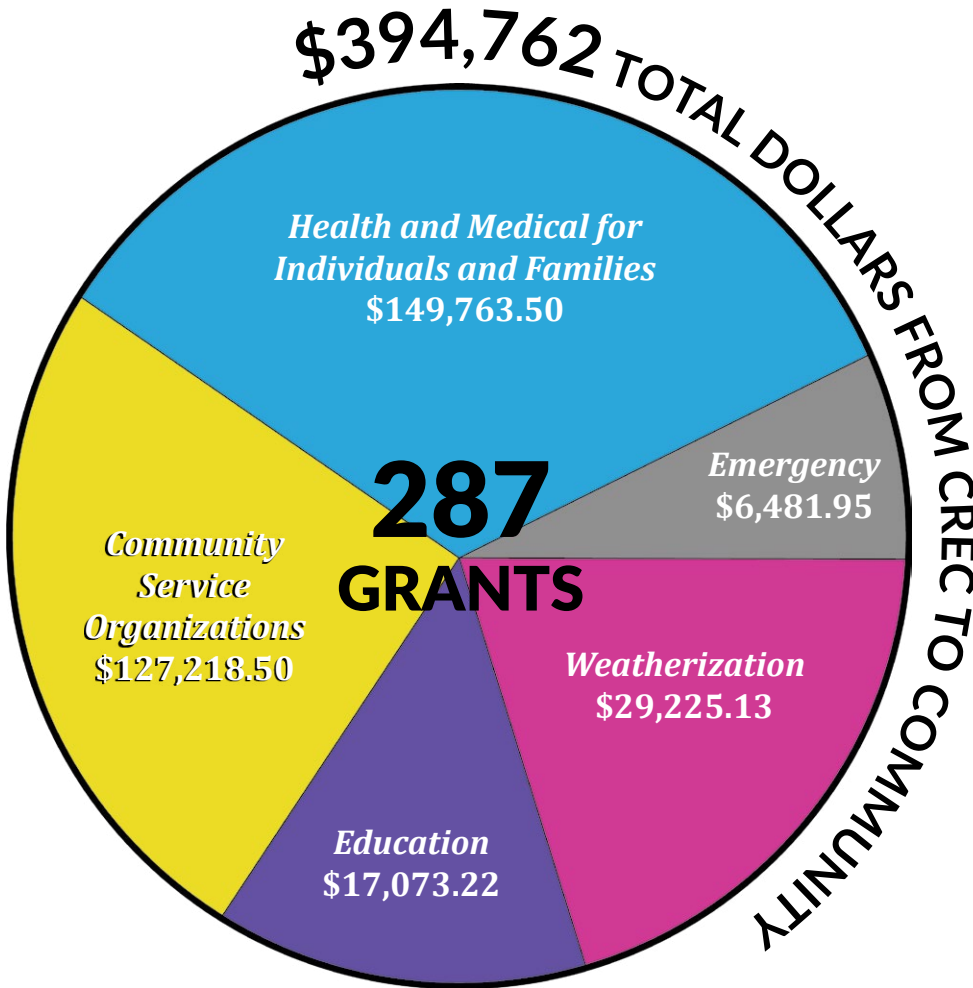
**1,041
Commercial and
Industrial Meters***



**5,724 Miles of
Line**

**As of publication date of Annual Report*

Operation Round Up makes an impact



This year, CREC’s community outreach program, [Operation Round Up](#) (ORU), awarded just over \$394,762 in grants to individuals, families and organizations in need.

The program’s cumulative total is now over \$7.4 million since its inception in 1997.

The voluntary program enables members to “round up” their electric bill payments each month to the next highest dollar. While it may only be a few pennies a month, multiplied by nearly 70,000 member participants adds up to make a difference.

CREC bids farewell to ORU Trust Board member John Deutch

At the close of 2022, ORU Trustee John Deutch, of Warrenton, finished his final term with the Cuiivre River Electric Community Trust Board, completing six years of service. Tim Schmidt, Operation Round Up coordinator, presented Deutch with a plaque recognizing his dedication to the board. Deutch served as vice chairman during his final term on the board. Tammy Miller was appointed to fill the



newly vacated seat on the Trust Board, which oversees and awards grants for the ORU program. Trust Board members are both members and non-members of CREC, representing the areas the co-op serves. They are appointed by CREC’s Board of Directors for a three-year term, with the option for renewal of a second term.

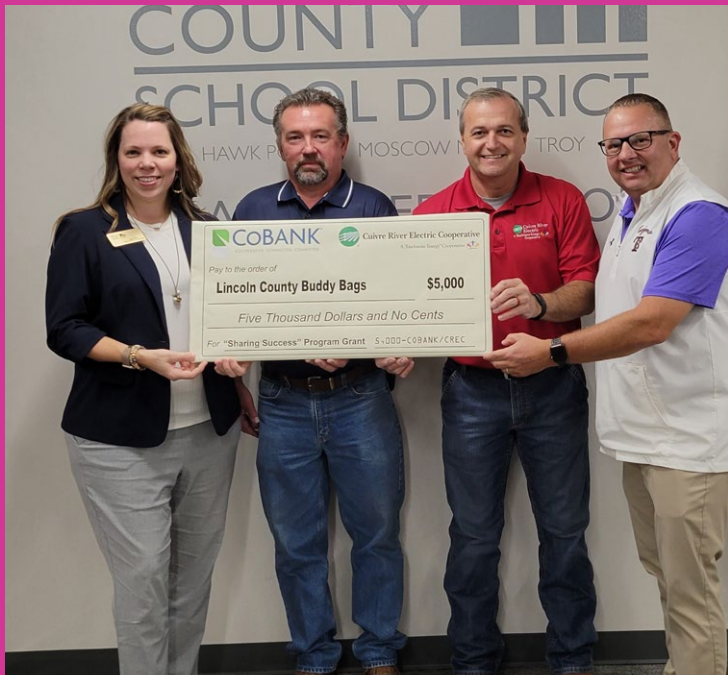


Tim Schmidt, left, and John Deutch

GIVING Back

\$20,000 awarded in Sharing Success grants

Created by CoBank in 2012, the matching grant program partners the cooperative bank with its customers, like CREC, to support the causes and organizations they care about, and that serve the co-op's communities. CREC's board of directors jointly makes the decision to which organizations the "Sharing Success" grants will be awarded. This year's recipients, Lincoln County RIII School District Buddy Bags, Warren County Pathfinders (top), and, Hope Center of Pike County and First St. Charles United Methodist Showers of Blessings (bottom), were each awarded \$5,000.



GIVING Back

Employees help communities through CUIVRE CARES

For the last five years, the co-op's "CUIVRE CARES" initiative has offered CREC employees the opportunity to unite in community outreach. The program serves as an umbrella for individual volunteer community projects that take place throughout the cooperative's service area. Employees gather both in and out of the office to support community improvement efforts that are important to them. Projects included bell ringing for the Salvation Army

\$2,762
to charitable
organizations

36
employees
volunteered

17
units of
blood
donated

Army, raising money for Five Acres Animal Shelter and the St. Louis Society for the Blind, collecting food for Fort Zumwalt's School District Food Pantry, helping with maintenance, painting and gardening at TREE-House Equine Therapy, volunteering for Veteran's Coffee Talk, and hosting a blood drive, plus much more.



EDUCATION Outreach

Students gain leadership skills through Youth Tour, CYCLE



CREC sponsored six students to attend the National [Youth Tour](#) Conference June 12-18 in Washington, D.C. Standing in front of the U.S. Capitol Building from left are Alexis Kennon (Warrenton), Leah Guss (Warrenton), Audrey Lovell (Bowling Green), Bailey Schneider (Warrenton), Olivia Ketterer (Warrenton) and Grayce Knisell (Warrenton). The seven-day tour offered students opportunities to learn firsthand what it is like to be involved in politics, leadership positions, community service and today's pressing issues. Highlights of the trip include the Missouri delegates visiting with representatives from their congressional districts, touring

monuments, the Smithsonian Institution's museums, Arlington National Cemetery and the International Spy Museum. The group also took a sightseeing and dance cruise on the Potomac River one evening with the delegations from five other states.

At the state level, six high school sophomore students sponsored by CREC traveled to Jefferson City July 19-21 to attend the Cooperative Youth Conference and Leadership Experience ([CYCLE](#)) program. Pictured, front row from left, are Paige Harrell (North Point High School), Cecilia Southerland (Silex High School), McKenna Claborn (Silex High School) and Nina Momphard (Troy Buchanan High School). Back row, from left, are Josh Harvey (Clopton High School) and Collin Calhoun (Bowling Green High School). Like Youth Tour, CYCLE provides students opportunities to learn about politics, the cooperative form of business and being a leader. The program included nationally known speakers and time at the Missouri State Capitol learning how a bill goes through the process to become a law. The CYCLE program is in its 20th year and is a recipient of the National Community Youth Service award for the top youth program among all electric cooperatives in the country.



EDUCATION Outreach

Scholarships surpass \$1.5 million mark

Cuivre River Electric Cooperative's Community Trust Board awarded \$65,500 in scholarships to 65 students. For the first time this year, the [scholarship program](#) application process was moved online. A total of 169 applications were submitted for the competition. Since 1997, when the Trust began awarding scholarships, just over \$1.5 million has been granted to 2,621 students.







- *University of Missouri-Columbia:* Madely Brune, Leah Crawmer, Anthony Grote, Alexis Harrison, Jay Hasekamp, Isabel Holland, Kelsey Miller, Haley Motley, Victoria Mudd, Mia Palazzola, Lana Peitzman, Gavin Reller, Melia Salas, Abigail Schaffer, Amar Selmanovic, Delaney Siebert, Kacey Williams
- *University of Missouri-St. Louis:* Jason Paro, Evann Rothermich
- *Missouri State University:* Aubrey Maschmidt, Molly Nation
- *Missouri S&T:* Elyse Davis, Landon Niederer.
- *University of Central Missouri:* Kyle Daniel, Andrew Long, Benjamin Toebben
- *Lindenwood University:* Kelsey Finner, Andrea Gentry, Olivia Kinsler, Erin Surls, Samantha Wainscott
- *Saint Louis University:* Luke Morgan
- *Truman State University:* Chloe Atkins
- *Southwest Baptist University:* Caleb Mertz
- *Maryville University:* Elektra Lowe, Camden Fisher, Andrew Schulz, Leah Wheeler
- *William Woods University:* Elaina Miller
- *Rockhurst University:* Sierra Haddock, Gwenyth Hammond
- *St. Charles Community College:* Emily Moellman, Brennon Schulz
- *Missouri Baptist University:* Katie Smith
- *Webster University:* Megan Zablonksi
- *State Technical College:* Tanner Hargis, Steven Schormann, Collin Twellman
- *Moberly Area Community College:* Mia Nation
- *State Fair Community College:* Alex Miller
- *Ranken Technical College:* Zachary Endres, Carter Johnston
- *Western Illinois University:* Kaitlin Tapley
- *Illinois Institute of Technology:* Thomas Kramer
- *John Wood Community College:* Lily Boschert
- *Florida State University:* Molly Hunn
- *University of Alabama:* Kendall Martin, Stephen Rhoades
- *Western Kentucky University:* Lucas Rottmann
- *University of Mississippi:* Lance Tow
- *Southern Illinois University-Edwardsville:* Allison Newport
- *Oklahoma State University:* Trinity Young
- *Vanderbilt University:* Elizabeth Tucker
- *Montana State:* Ellie Kraus
- *Wichita State University:* Adam Key

Youth Tour Scholarship recipients

Five area students who participated in Youth Tour competition (see page 9) but were not selected as a delegate each received a \$500 scholarship. From left, the scholarship recipients were Daniel Adams (Liberty), Christine Wehmeyer (Elsberry), Kaitlin Stumpf (Liberty), Caleb Stewart (Liberty) and Reese Douglas (Liberty).



RENEWABLE and Energy Efficiency Programs

2022-23 REBATES		
\$240,596		
GROUND & AIR SOURCE HEAT PUMPS	145 \$205,125	
WATER HEATERS	70 \$12,500	
ELECTRIC VEHICLE CHARGERS	35 \$8,750	
SMART THERMOSTATS	162 \$7,904	
INSULATION	13 \$6,167	
WINDOW AC UNITS	3 \$150	

CREC offers [rebates](#) in conjunction with the Take Control and Save® (TCS) program, a cooperative effort for energy efficiency. The program is offered to CREC and its members from our generation and transmission cooperative partner, Associated Electric Cooperative, Inc., (AECI). Since the program's inception in 2008, CREC has rebated 5,548 items for a total of over \$4.9 million. The overall program goal is to improve operating efficiency, including energy demand and kilowatt-hour use, across the cooperative's power supply network 24 hours a day, 365 days a year. Improved efficiency helps reduce costs for all members.



Green Power from [renewable](#) resources, such as wind, is available to members who wish to support renewable energy alternatives.

One of the first in Missouri, the program remains one of the largest in the state today.

When one megawatt-hour of electricity is generated at a wind farm such as Bluegrass Ridge in northwest Missouri, one renewable energy credit (REC) is created and can be purchased through the program. It represents the environmental benefits of wind energy and is recorded by AECI according to nationally accepted standards.

Once purchased by the member, that wind REC is retired. Though more expensive to produce, Green Power can be acquired for members at an additional cost of \$1 per 100 kwh block, along with a small, monthly charge to cover added generation cost.

Green Power is available in blocks of 100 kwhs, and requires a purchase minimum of one block and a 12-month commitment.

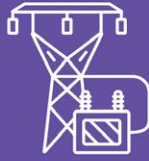
OUR COMMITMENT to Service and Reliability

System improvements continue

In his address at CREC's Annual Meeting in August, 2023, President/CEO Doug Tracy discussed the nearly \$63 million construction plan underway to improve the co-op's system. "We continue to grow at an annual rate of about 2%," Tracy noted. To accommodate these increasing electric loads in areas of both residential and commercial growth, the construction work plan is comprised of projects to improve and strengthen reliability. This includes moving service to residential members to lines that are not also carrying the heavy loads of our commercial members. This helps to lessen the potential for blinks and outages for all members.



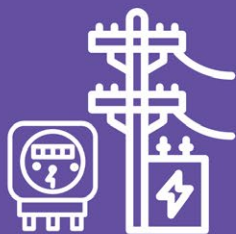
Primary System
Improvements
\$34,618,150



Substation
Improvements
\$350,000



TOTAL CONSTRUCTION
WORK PLAN COST
\$62,969,650



Service
Extensions
\$19,050,000



Miscellaneous
Distribution
Improvements
\$8,951,500

CREC's Substations:

St. Charles County

Cottleville Substation
Dardenne Substation
New Dardenne North Substation
Enon Substation
Hopewell Substation

Lincoln County

Big Creek Substation
Ethlyn Substation
Hawk Point Substation
Lost Creek Substation
Meister Substation
New Hope Substation

Warren County

Charette Substation
Lost Creek Substation
New Gateway Substation
Pinckney Ridge Substation
Wright City Substation
New Morrison Lane Substation

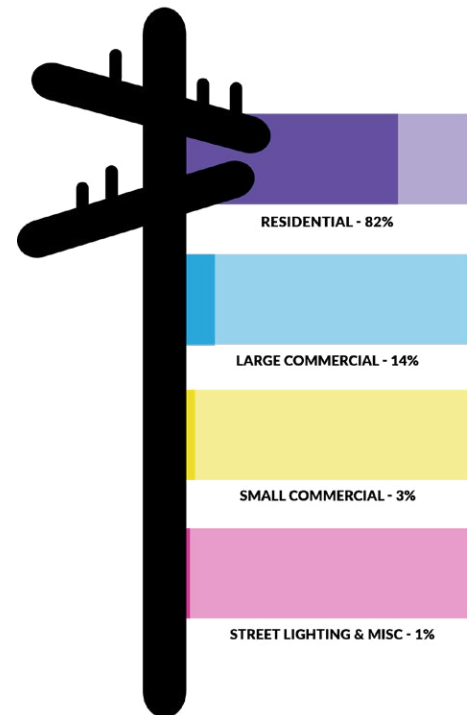
Pike County

Cyrene Substation

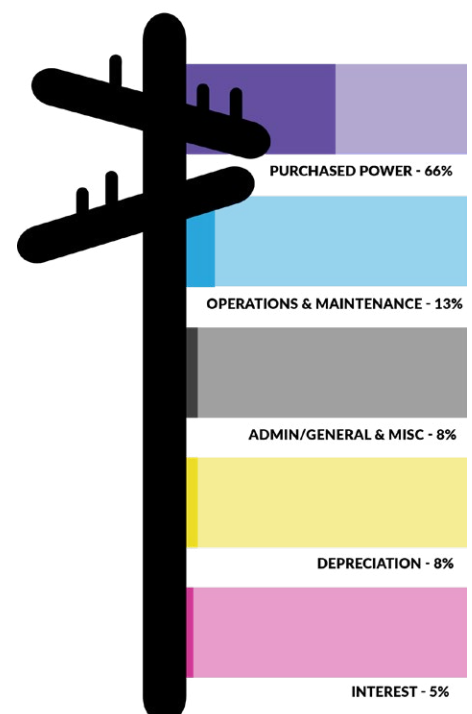
CONSOLIDATED Financial Report

BALANCE SHEET	2022	2021
ASSETS (what we own)		
Electric Plant at Original Cost	\$339,402,464	\$323,942,655
Less: Depreciation	(106,879,358)	(98,744,180)
Net Value of Electric Plant	232,523,106	225,198,475
General Funds	3,244,587	1,851,419
Investments	91,372,279	91,318,763
Accounts Receivable	5,343,168	4,579,309
Materials and Supplies	10,322,077	5,240,398
Prepaid and Accrued Assets	161,391	112,022
Other Current Assets and Deferred Debits	9,383,516	7,908,825
Non-Utility Plant	7,234	7,234
Total Assets	\$352,357,358	\$339,216,445
LIABILITIES (what we owe)		
Long Term Debt	\$173,584,694	\$162,390,893
Notes Payable	3,103,417	1,500,000
Consumer Deposits	2,644,345	2,464,760
Accounts Payable	13,333,270	8,402,041
Deferred Credits	8,231,850	8,421,290
Other Liabilities and Credits	2,270,814	6,207,350
Patronage Capital and Other Equities	149,188,968	146,830,111
Total Liabilities	\$352,357,358	\$336,216,445
REVENUE AND EXPENSES	2022	2021
WHERE THE MONEY COMES FROM		
Gross Electric Sales	\$131,606,716	\$123,938,302
Miscellaneous Revenue	781,392	713,556
Total Revenues	\$132,388,108	\$124,651,858
HOW THE MONEY WAS SPENT		
Purchased Power	84,261,032	79,141,451
Operations and Maintenance Expense	16,379,695	16,132,569
Administrative and General	10,442,683	10,070,853
Depreciation	9,885,805	9,471,654
Taxes	460,437	475,553
Interest Expense	5,984,311	5,374,958
Other Deductions	(167,605)	(218,112)
Total Expenses	\$127,246,358	\$120,448,926
MARGINS		
Margins Deferred / Recognized from PY	0	0
Operating Margin	7,201,821	3,227,055
Non Operating & Other Income	2,889,317	3,911,968
Total Patronage Capital	\$10,091,138	\$7,139,023

2022 REVENUES



2022 EXPENSES



CREC Board of Directors, 2022-2023

Diane Saale, Board President, St. Charles County, District 2
Jeff Geisendorfer, Board Vice President, Lincoln County, District 2
Ted House, Board Secretary/Treasurer, St. Charles County, District 5
Mike Cherry, Board Director, Lincoln County, District 1
Mick Burkemper, Board Director, Lincoln County, District 3
Walt Gregory, Board Director, Pike County
Mark Schulte, Board Director, St. Charles County, District 1
Dale Anderson, Board Director, St. Charles County, District 3
Karen Berra, Board Director, St. Charles County, District 4
Dan Elliott, Board Director, Warren County, District 1
Steve Coffey, Board Director, Warren County, District 2
Phil Dunk, Board Director, Warren County, District 3

CREC Executive Staff

Doug Tracy, President/CEO
Brittany Drones, Vice President of Human Resources
Jessica Ponder, Vice President of Accounting & Finance
Chris Ryan, Vice President of Member Engagement & Technology
Bryon Stilley, Vice President of Engineering & Operations
Keith Stone, Vice President, Economic Development & Corporate Services
Mary Wilson, Vice President of Strategic Communications

CREC Community Trust Board (Operation Round Up) 2022-2023

Kyle Shell, Chairman, St. Charles County
John Nordwald, Vice Chairman, Warren County
Lisa Dunham, Secretary, St. Charles County
Redonda Heitman, Treasurer, Lincoln County
Tammy Knieb, St. Charles County
Tammy Miller, Warren County
Blanche Kelly, Lincoln County



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All information contained in this publication is based on the cooperative's operation from August 2022 through August 2023, unless stated otherwise.