

Cuivre River Electric
COOPERATIVE



ANNUAL **report**

2023-2024



Welcome to CREC

As a cooperative, it is our responsibility to serve our members today, and tomorrow. Our mission and vision statements guide us every day, 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.

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A Message from CREC Leadership



*Diane Saale
Board President*

*Doug Tracy
President/CEO*

Electricity is something we've all come to rely on to make our lives better.

At Cuivre River Electric Cooperative (CREC), we understand the importance of delivering power to you, our members, safely and reliably.

It's nearly impossible to read the news today without seeing a mention of the future of the nation's power grid, or the possibility of rolling blackouts. Energy policy around the country is moving too far and too fast and is creating risks to the reliability of the grid that we all rely on to provide electricity to live our lives. Part of CREC's mission is to provide "reliable service" to our members. We are concerned that if the nation continues down the path of shuttering base load generation facilities too quickly, rolling blackouts will become a question of "when" and not "if." The combination of greater demand for electricity from electric vehicles, data centers, artificial intelligence, and housing growth, with the closing of many generation facilities across the country, puts us on a collision course toward unreliable power. Electric reliability is more at risk now than ever before.

CREC is working closely with our

generation cooperative, Associated Electric Cooperative, to do all we can to keep reliability at the forefront. Two new "peaking plants" are currently slated for construction with plans to be online in 2026. These plants will add over 800 MW of much-needed capacity for cooperative members. CREC realizes that "keeping the lights on" is not only for convenience but also for safety and living our modern lives.

As important as reliability is, it comes with a cost. For many years, CREC was able to hold rates steady as many other items in the economy increased. CREC's cost of power is nearly 70% of our total costs. As the cost to generate power continues to increase, these costs will be passed to CREC. The cost of the new generation facilities will be over \$1 billion. These costs are passed on to member cooperatives, including CREC. In addition to the construction of new generation facilities, other costs to generate power are also increasing, including transportation, fuel, supplies, and compliance regulations. All of these costs combined result in CREC facing significant power cost increases in the coming years.

CREC has, and always will do everything possible to limit the impact of

these increases to you, our members. The cost of electricity in Missouri continues to be among the lowest in the country. CREC continues to be one of the lowest-cost electricity providers in the state. As power costs increase nationwide, we will continue our mission to provide power "at the lowest possible cost."

Even with these challenges, CREC will continue to focus on members. CREC has given back over \$35 million in capital credits to our members in just the past five years. Our Operation Round Up program continues to provide grants to individuals and organizations in the community. Our Cuivre Cares Program, comprised of CREC employees, continues supporting local charities.

These attributes, as well as others, make up the cooperative difference. We are confident that even in challenging times, CREC will continue to provide our members with the quality service they deserve. On behalf of the Board of Directors and CREC employees, we thank you for your continued support and membership with CREC. It is truly our pleasure to serve you.

*Diane Saale, Board President
Doug Tracy, President/CEO*

YOUR CREC

Board of Directors



Back, L to R: Phil Dunk, John Waddell, Walt Gregory, Steve Coffey, Dan Elliott, Mike Cherry; Front, L to R: Mark Schulte, Karen Berra, Ted House, Diane Saale, Jeff Geisendorfer, Dale Anderson

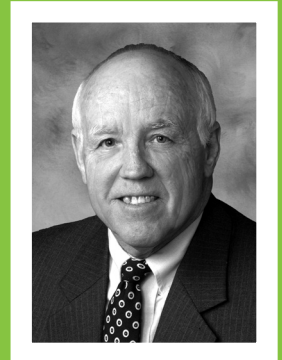
CREC is governed by a board of 12 directors elected by its members at annual membership meetings. Each director lives in one of CREC's 12 districts in the cooperative's service area which includes Lincoln, Montgomery, Pike, St. Charles and Warren counties.

An annual meeting of members, according to bylaws, is to be held between May 1 and October 1 of each year, to elect directors, provide reports for the previous fiscal year, and transact such other business as may come before the meeting. Cooperative members may vote for directors online or by paper ballot during a period before the annual meeting or may attend the annual meeting and vote in person.

The term "cooperative member" refers to a person, family, or business that purchases electricity from the cooperative. One member = one vote. The annual meeting is also an opportunity for members to vote on any cooperative bylaw changes that are proposed by the board.

BOARD DIRECTOR **MICK BURKEMPER** retires

After a thirty-year run on CREC's Board of Directors, CREC member Mick Burkemper made the decision to not seek re-election in 2024 and retire from the board.



As a member of CREC since 1977, Mick has experienced the growth of the cooperative, and as a Board Director, had a hand in shaping it, always with a focus on providing reliable energy to members. He has been vital part of his community, owning and operating an insurance broker office in Troy for many years. Mick served in the United States Army and spent part of that time serving in Vietnam. Alongside his wife Donna, he raised four children.

CREC is forever grateful to Mick for his dedication and commitment to our cooperative, and his many years of service as a board member.

HIGHLIGHTS

throughout the year

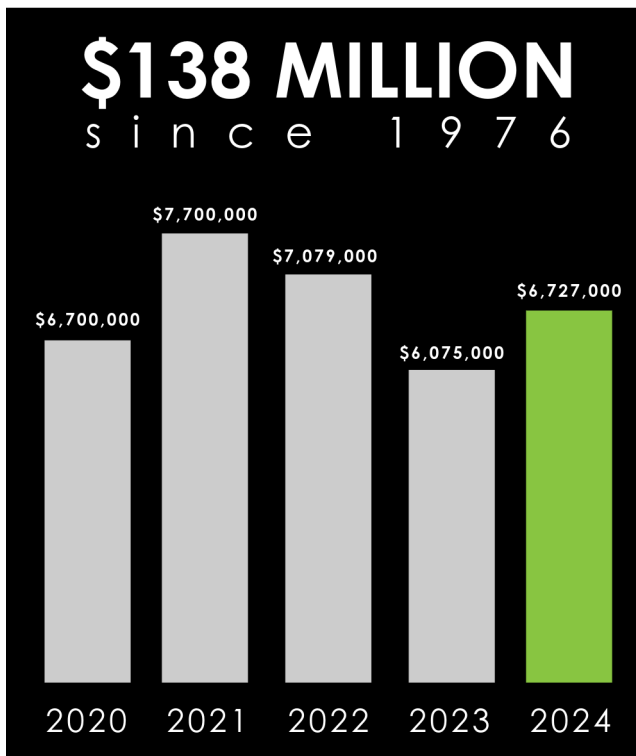


CAPITAL CREDITS

Capital credits distributed this year for CREC members was over \$6.7 million and included a portion of the cooperative's 2000, 2001, and 2023 margins.

Each members' refund is based on a formula determined by the quality and cost of kilowatt-hours (kwhs) purchased annually. Since 1976, capital credits totaling more than \$138 million have been paid to members and former members.

Capital credits are a unique benefit of being served by an electric cooperative and make CREC different from most Missouri utilities. Investor-owned electric utilities send their profits to stockholders, and municipally-owned utilities keep theirs. CREC members are the benefactor of these profits.



VOLUNTEERING and EDUCATION

This past year, CREC employees supported local organizations through the co-op's Cuivre Cares program, participating in several blood drives, volunteering for Heat Up St. Louis at locations in our service areas; giving to a personal item drive for local retirement homes in Troy and also spending time building bunk beds for Bridge of Hope, a new homeless shelter in the area.

The year also included visits to both area schools and organizations, such as MoDOT and the Lincoln County Highway Department to help educate both students and professionals about electrical safety. CREC also sponsored several teachers to attend Energy in Today's Classroom, sponsored by Central Electric Power Cooperative which brings together teachers from around the state to learn about the energy industry and production, for educating their students.

SYSTEM IMPROVEMENTS

\$62,969,650



PROJECT WORK COMPLETED TO DATE *(Finishing Year 2)*

Wright City SUBSTATION

2 miles of double circuit construction (added an additional circuit) and 1.8 miles of wire conversion

Lost Creek SUBSTATION

3.1 miles of wire conversion. 3 additional miles of voltage conversion (transformers and equipment), 6.5 miles of double circuit construction/wire conversion (adding an additional circuit)

Hawk Point SUBSTATION

7.7 miles of wire conversion, and approximately 10 miles of voltage conversion (transformers and equipment)

Meister SUBSTATION

1.5 miles of double circuit, wood poles to steel pole changeouts

Cyrene SUBSTATION

5 miles of wire and voltage conversion



1,600 poles

Replaced to accommodate voltage/wire conversions, telecommunication attachment, and routine inspection.

GIVING BACK

to the community

SCHOLARSHIPS

Cuivre River Electric Cooperative's Community Trust Board awarded \$80,000 in scholarships to 80 students this year. A total of 136 applications were submitted for the competition. Since 1997, when the Trust began awarding scholarships, over \$1.5 million has been granted to 2,701 students. Below are this year's scholarship recipients and the schools they will attend:

University of Missouri-Columbia: Nicole Benne, Carter Bergkoetter, Jaden Flanery, Medjine Gibson, Alexis Harrison, Adam Knobbe, Doralynn Lee, Ashton Lemmon, Audrey Lovell, Carley Miller, Kelsey Miller, Haley Motley, Camryn Petersmeyer, Lana Pietzman, Gavin Reller, Bailey Schneider, Abigail Shaffer, Delaney Siebert, Kyle Smith, Kyle Tapley, Kacey Williams

Missouri State University: Zack Bourgeret, Genevieve Greiwe, Elliott Klaesner, Madeline Newport, Natalie Newport, Carter Simmons

Missouri S&T: Payton Faust, Kyle Olwig, Jake Reeder, Natalie Ridenhour, David Rudden

University of Central Missouri: Kyle Daniel, Olivia Vail

Lindenwood University: Alexandra Chandler, Nickolas Endres, Kelsey Finnern, Anna Ince, Andrea Gentry, Claire Ridenhour

Southeast Missouri State University: Jrue Blassingame

Saint Louis University: Alivia Bartlow

Washington University: Chase Montgomery

Maryville University: Cole Atkins, Megan Barnhouse, Hannah Telford, Christine Wehmeyer

Rockhurst University: Sierra Haddock

Northwest Missouri State University: Brady Crouch, Alannah Tapley

St. Charles Community College: Abby Brown

St. Louis Community College: Wil Gerring, Riley Lowrey

Missouri Baptist University: Lacy Monzyk, Bella Skibinski

Webster University: Sara Sehnert, Megan Zablonki.

State Technical College: Courtney Kraft, Wyatt Price, Tyler Twellman, Kyle Webb

Culver-Stockton College: Abigail Mooney

Park University: Marissa Wortkoetter

Central Methodist University: Mina Hummel

Ranken Technical College: Zachary Endres

Florida State University: Jack Engelhard

John Wood Community College: Kaylyn Charlton

Western Kentucky University: Lucas Rottmann

Southern Illinois University-Edwardsville: Leah Guss, Allison Newport

Mississippi State University: Eli Ayers

Michigan State University: Grace Reese, Sarah Rumpf

Hillsdale College: Eryn Humphrey

Wichita State University: Adam Key, Coen Key

American Welding Academy: Nathan Braungardt, Mitchell Lyons

George Washington University: Sanjana Anand

University of Rochester: Kalista Volland

GIVING BACK to the community

OPERATION ROUND UP



This year, CREC's community outreach program, Operation Round Up, awarded just over \$362,200 in grants to individuals, families and organizations in need. This brings the program's cumulative total to \$7,806,737 since 1997.

The voluntary program enables members to "round up" their electric bill payments each month to the next highest dollar. The distribution of funds in 2023-24 to date include:

- **120 grants totaling \$127,606.09** to individuals and families with medical and health needs.
- **10 grants of \$28,392.79** to emergency services providers.
- **5 grants of \$8,997.53** to local schools for educational materials and equipment and equipment.
- **56 grants of \$147,424.72** to area community organizations.
- **80 scholarships equaling \$80,000** to undergraduate students attending accredited universities or technical schools and for continuing education.
- **12 grants of \$26,260.33** for weatherization to help provide long-term energy and home efficiency solutions for low-income and elderly individuals.

The seven-member Trust Board is comprised of diverse individuals, including three trustees from St. Charles County, two from Lincoln and Pike counties, and two from Warren County.



The current Trust Board, back row, from left, Tammy Kneib (Secretary), Kyle Shell (Chairman), Rich Barton, Blanche Kelly; front row, from left, Tammy Miller, Lisa Dunham (Vice Chairman), Redonda Heitman, (Treasurer)



OATS was one of 56 community organizations this year that received an ORU grant. The organization provides rides for residents in need of transportation in the areas CREC serves, getting people to work, to medical appointments, for shopping, or other needs so they can continue living independently.

GIVING BACK to the community

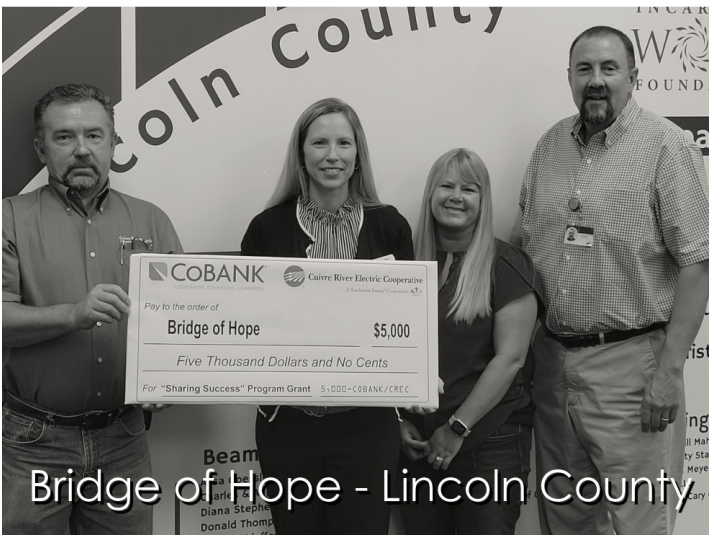
SHARING SUCCESS



Anne's Anchor



Volunteers in Medicine - St. Charles



Bridge of Hope - Lincoln County

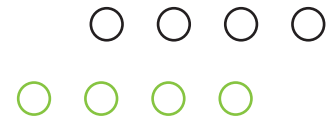


Tribute to Veterans Memorial - Warrenton

In 2024, four charitable organizations were each awarded a \$5,000 “Sharing Success” grant by Cuivre River Electric Cooperative (CREC) and CoBank. The recipients of the 2024 grants are Bridge of Hope Lincoln County, Anne’s Anchor, Volunteers in Medicine St. Charles, and Tribute to Veteran’s Memorial.

“Sharing Success” is a matching grant program created by CoBank in 2012. The cooperative bank partners with its customers, like CREC, to support the causes and organizations they care about. CREC awarded \$2,500 to each recipient this year, and CoBank matched the funds. Since 2012, CREC and CoBank have awarded a total of \$200,000 to organizations selected by CREC (inclusive of this year’s grants).

WHAT CREC members say



Member satisfaction survey conducted in January 2024

In early 2024, Cuivre River Electric Cooperative (CREC), along with 50 other co-ops in Missouri, participated in a refreshed Member Satisfaction Survey conducted by our power supplier, Associated Electric Cooperative Inc. (AECI). Formerly known as AECI's triennial survey, the assessment used to be conducted every three years but has been updated and will now be conducted every other year.

In general, the survey focused on measuring member satisfaction and cooperative performance in several service and operations areas. This included contact experiences; handling problems, service reliability, outage restoration, rates and value, and fuel sources for water heaters, and heating/air conditioning homes. Feedback on additional areas such as communications, online account management, renewable energy, electric vehicles, and household energy use was also collected.

In key findings, on a scale of 1-10, CREC achieved high marks from members in these areas related to our co-operative:

- Keeping blinks/outages to a minimum: 8.67
- Knowledgeable employees: 8.66
- Restores power quickly: 8.61
- Gives money back: 8.25

In other areas, reliability was scored as the most important when it came to views on three qualities of electricity (reliability, affordability, zero-carbon/renewable). When asked about time-of-use rates (*a rate that charges less during off-peak times of day*), 68% of respondents said they would be somewhat or very interested. Over 50% of respondents also said they either use or plan to use the CREC website/MyCuivre app to access their accounts/manage their monthly bills.

Related to communication, email, and texting remain the top two preferences for how members wished to receive the majority of their cooperative news. Readership of the state/co-op's publication, Rural Missouri/Current Times, is slightly higher than in 2022 when the last survey was completed. Participation in social media remains high, with Facebook, YouTube, and Instagram being the most popular channels used by CREC members.

Survey results help to inform the cooperative's strategic planning. By analyzing this as well as past and future surveys, CREC can identify key areas to enhance member satisfaction and engagement. "Member feedback is invaluable," said Doug Tracy, President & CEO. "It helps us understand your priorities and improve our services. We're incredibly grateful to those who participated in the survey," he said.

Throughout each year, CREC may survey focused groups of members to gain insights from different geographic areas, various age groups, length of membership, etc., to help us better understand the needs of specific demographics within the co-op. If you are contacted about a survey and aren't sure if it is from CREC, please feel free to call us to verify. We thank you in advance!

Energy Efficiency AND RENEWABLES

2023-2024 REBATES
\$197,082

Ground & Air
Source Heat Pumps

124
\$147,425

109
\$16,100

Water Heaters

Electric Vehicle
Chargers

66
\$15,232

148
\$7,135

Smart
Thermostats

Insulation

22
\$10,690

10
\$500

Window
AC Units

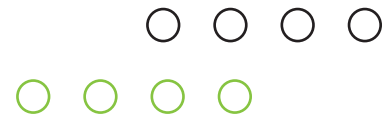
CREC offers rebates in conjunction with the Take Control and Save® (TCS) program, a cooperative effort for energy efficiency. The program is offered to CREC and its members from our generation and transmission cooperative partner, Associated Electric Cooperative, Inc., (AECI).

CREC has rebated 6,027 items for a total of over \$5.1 million since the program began in 2008. 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 also 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. Under the Green Power program, 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.

Looking AHEAD



Greater demand for electricity presents challenges in coming years

In the past few years, CREC has had to implement several rate increases -- this after a period of absorbing rising costs rather than passing them along to members. With inflation continuing to rise, along with an increase in the demand for electricity, and the costs to upgrade our system to maintain reliability, the co-op is in a period of rate pressure.

During his annual meeting remarks, President/CEO Doug Tracy discussed how CREC strives to maintain the balance of reliability and low cost when safely delivering electricity, the factors that currently impact that balance and working to not tip the scale too far. Upsetting that balance, Tracy said, is when issues can occur. “What we want to avoid is rolling blackouts,” he said, “It’s happened in other parts of the country and so far we haven’t had any on our system thankfully, and we don’t want to have them.”

In the past, if CREC’s generation partner needed more energy during high peak times to keep a steady delivery to their distribution co-ops like us, they could go out to

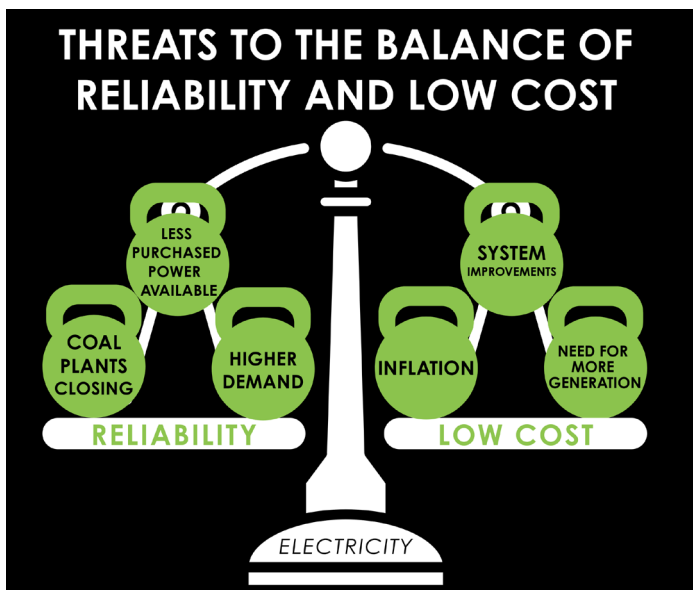
the open market and buy it. “The problem now is that nationwide, the market is shrinking, coal plant closures are happening, but demand continues to rise, which paints a grim picture when it comes to reliability,” Tracy said.

Going forward, Tracy shared what CREC, as a distribution cooperative, and its generation and transmission (G&T) cooperative partners will be doing to continue maintaining that balance, ensuring reliability for members at the lowest possible cost.

CREC is finishing up the second year of a \$62 million six-year construction work plan (*see p. 7*) to strengthen our system, thereby strengthening reliability. Our G&T partners, Central Electric Power, and Associated Electric Cooperative Inc., are working to upgrade and add lines to handle the increasing demand for electricity, and ensure that renewable sources of energy such as wind and solar power can be brought from where it’s produced to where it’s needed. Additionally, new natural gas “peaking plants” are being constructed, with costs estimated at over a billion dollars. Those G&T costs are passed along to distribution co-ops, including CREC. And all of this impacts our rates.

Still, Tracy said, there is some good news. Missouri remains among the ten states in the country with the lowest rates. The average kwh rate in Missouri is 10.82 cents. And even with increases, CREC’s average rate is lower, at 8.73 cents per kwh, based on our two-tier structure and usage of 1,300 kwh hours per month. “Our goal will always be to keep those rates as low as we can, while safely delivering reliable energy.”

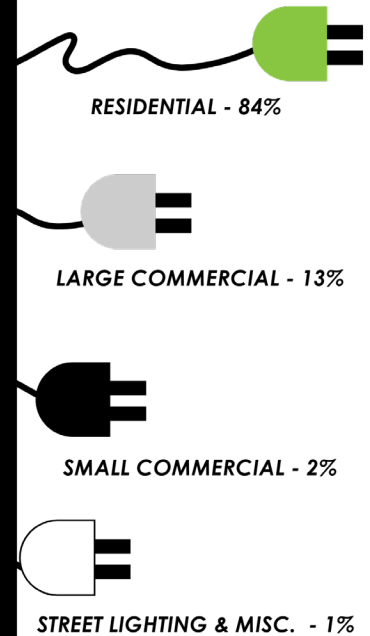
To learn more, watch Tracy’s presentation at the annual meeting, <https://youtu.be/ArwwPW1zwJg>.



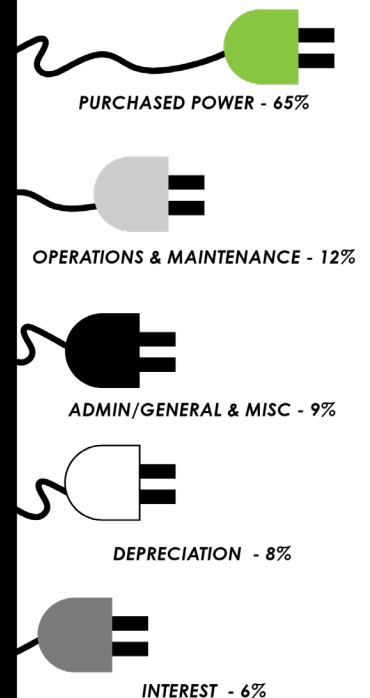
CONSOLIDATED FINANCIAL REPORT

BALANCE SHEET	2023	2022
ASSETS (what we own)		
Electric Plant at Original Cost	\$353,661,018	\$339,402,464
Less: Depreciation	(112,894,068)	(106,879,358)
Net Value of Electric Plant	240,766,950	232,523,106
General Funds	2,079,168	3,244,587
Investments	89,140,669	91,372,279
Accounts Receivable	6,383,301	5,343,168
Materials and Supplies	16,368,364	10,322,077
Prepaid and Accrued Assets	165,798	161,391
Other Current Assets and Deferred Debits	8,096,102	9,383,516
Non-Utility Plant	7,234	7,234
Total Assets	\$363,007,586	\$352,357,358
LIABILITIES (what we owe)		
Long Term Debt	176,037,025	\$173,584,694
Notes Payable	5,042,580	3,103,417
Consumer Deposits	2,801,050	2,644,345
Accounts Payable	10,361,306	13,333,270
Deferred Credits	5,231,850	8,231,850
Other Liabilities and Credits	2,567,121	2,270,814
Patronage Capital and Other Equities	160,966,654	149,188,968
Total Liabilities	363,007,586	\$352,357,358
REVENUE AND EXPENSES	2023	2022
WHERE THE MONEY COMES FROM		
Gross Electric Sales	139,174,627	\$131,606,716
Miscellaneous Revenue	857,053	781,392
Total Revenues	\$140,031,680	\$132,388,108
HOW THE MONEY WAS SPENT		
Purchased Power	87,424,688	84,261,032
Operations and Maintenance Expense	16,812,246	16,379,695
Administrative and General	11,874,656	10,442,683
Depreciation	10,337,433	9,885,805
Taxes	449,844	460,437
Interest Expense	7,493,904	5,984,311
Other Deductions	398,909	(167,605)
Total Expenses	\$134,791,680	\$127,246,358
MARGINS		
Margins Deferred / Recognized from PY	3,000,000	0
Operating Margin	5,014,239	7,201,821
Non Operating & Other Income	7,541,418	2,889,317
Total Patronage Capital	\$15,555,657	\$10,091,138

2023 REVENUES



2023 EXPENSES



WHO'S Who AT CREC



CREC Board of Directors

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
John Waddell, 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
Human Resources
Chris Ryan, Vice President
Member Engagement & Technology
Keith Stone, Vice President
Economic Development & Corporate Services
Mary Wilson, Vice President
Strategic Communications
Jessica Ponder, Vice President
Accounting & Finance
Bryon Stilley, Vice President
Engineering & Operations

CREC Community Trust Board

(Operation Round Up)

Kyle Shell, Chairman, St. Charles County
Lisa Dunham, Vice Chairman, St. Charles County
Tammy Kneib, Secretary, St. Charles County
Redonda Heitman, Treasurer, Lincoln County
Tammy Miller, Warren County
Rich Barton, Warren County
Blanche Kelly, Lincoln County

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.



Cuivre River Electric Cooperative

A Touchstone Energy® Cooperative 

Headquarters: 1112 E. Cherry Street, P.O. Box 160, Troy, Missouri 63379

Branch Office: 8757 Hwy N, Lake Saint Louis, MO 63367

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All information contained in this publication is based on the cooperative's operation from August 2023 through August 2024, unless stated otherwise.