



CHELCO lineman educating young members about safety at CHELCO's member appreciation event.

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ONLINE NOW

If you'd like to dig into how your home uses electricity to better understand your bill, CHELCO offers online energy calculators at CHELCO.com.



A Touchstone Energy
Cooperative



Annual meeting is April 21 at Freeport High School

It's that time of year when CHELCO members can participate in two of the great traditions of electric cooperatives: election of the Board of Trustees and the annual meeting.

Election packets and annual meeting publicity were mailed around March 16. The envelope included a ballot and information on CHELCO's annual meeting, Saturday, April 21, at Freeport High School, 12615 Business Highway 331, in Freeport, Fla.

The deadline to vote is April 16. The independent auditor must receive ballots by the close of business on that date. It is important for you to participate in the democratic process and to ensure that the cooperative reaches a quorum for annual meeting. Ballots count toward the number of members participating in annual meeting.

Here are a few tips.

TIP NO. 1: Be sure to mail in, no postage necessary, your marked ballot and the blue card.

Vote for a candidate in each district and bylaws revision decision of your choice.

TIP NO. 2: By voting, you not only help us meet quorum, but you are entered into a drawing for five door prizes, included a GoPro Hero 5 and four \$100 bill credits.

Annual meeting this year features the Forrest Williams Band. Also, the South Walton High School Jazz Band will perform before the business meeting. We also will have some exhibits and an area with activities for kids kindergarten through sixth grade.

Registration begins at 9 a.m., and there will be plenty to do prior to the business meeting. The business meeting begins at 11 a.m. and includes a report from CEO Steve Rhodes.

TIP No. 3: Be sure to stay till the end. We're giving away more than \$2,000 in door prizes, but you must be present to win.

Hope to see you there!

Annual Meeting new location

Freeport High School
12615 Business Hwy 331
Freeport, FL 32439

Trustee candidates

Thomas Babcock III and incumbent Patricia Carlyle are running for District 1 on the CHELCO Board of Trustees. Incumbents Bert Prutzman, District 7 and Burt Cosson, District 9, are running unopposed this year for their seats on the CHELCO Board of Trustees.

Members vote at-large each year for three trustee seats. Nominated trustees represent geographic districts, but, because voting is at-large, each member should cast a vote for a trustee in each district (even if unopposed), regardless of where the member lives. Babcock and Carlyle are from Santa Rosa Beach, while Prutzman is from Niceville, and Cosson is from Ponce de Leon. This year, members are also asked

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CHELCO Youth Tour winners selected

Five area high school juniors have won a trip to Washington, D.C., in June.

Four won spots on the annual Youth Tour trip through a local competition while the fifth, a CHELCO employee's son, won a statewide essay contest for children and grandchildren of electric cooperative employees.

The four CHELCO Youth Tour students selected for the June trip were Olivia Hurley, Baker High; John Gillis, Crestview High; Camryn Brazile, Paxton



Left to right, Youth Tour Coordinator Bonnie Whitfield, Zachary Wolfrom, Camryn Brazile, Greg Garrett, Olivia Hurley, John Gillis and CHELCO CEO Steve Rhodes.

High; and Greg Garrett, South Walton High.

Zach Wolfrom, who attends Niceville High School, is the 2018 Florida Electric Cooperative Association (FECA) essay competition winner and will represent the state of Florida. He is the son of Vice President of Member Services Steve Wolfrom.

The Washington, D.C., Youth Tour is organized by the National Rural Electric Cooperatives Association. Once in Washington, D.C., students will join about 1,800 other Youth Tour representatives from across the country and spend a week learning about government, history and the role of cooperatives.

IN BRIEF

Cost control measures result in special capital credit retirement

CHELCO's Board of Trustees has approved a special retirement of capital credits to members because our margins exceeded budget in 2017. More than 45,500 members will receive money back from CHELCO in April. Amounts less than \$25 will be paid through an electric bill credit.

What is a capital credit? Electric cooperatives are not like other utilities. We are not-for-profit businesses, and you are a member and an owner.

At the end of each year, after expenses are paid, CHELCO has margins remaining. These margins are allocated to each person who was a member during that year. The amount depends on how much

business that member did with CHELCO. Normally, these capital credits are used to build and replace electrical facilities and are not returned to members immediately. Under normal procedures, the Board acts in November to retire capital credits from a recent year and 20 years ago.

However, this year, because margins were larger than budgeted, the board approved retiring capital credits from 2017 sooner than our usual practice. Margins are more than budgeted due to CHELCO's cost-saving measures resulted in more efficient operations.

CHELCO CEO Steve Rhodes recognized for international efforts

CHELCO CEO Steve Rhodes received the 2018 International

Award from the National Rural Electric Cooperative Association (NRECA).

The International Award recognizes exceptional dedication to the development of international communities through electrification, cooperative development and global commitment.

Rhodes accepted the award with his wife Tami and daughter Samantha. In 2016, they climbed Mount Kilimanjaro and used this feat to raise awareness for the millions of people still living without power on the African continent, and to raise funds for NRECA International. The awareness and fund-raising outreach continued upon their return at various local and co-op events.

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A very successful year

It was my honor and privilege to work with CHELCO's employees and board to fulfill the mission of this organization in 2017. From the executive team on down, everyone worked very hard to make the successes detailed in this overview possible. I'm very grateful for their efforts. I can say without hesitation that this organization is financially strong and has a passion for serving its members.

During 2017, there were many achievements to celebrate. Here are a few.

Safety continues to improve

Nothing is more important than the safety of our employees, our members and the general public. We have taken aggressive steps to improve our safety culture. Since 2013, we have recorded two separate streaks exceeding 650 days without a lost time injury. Our current streak stands at 283 days as of March 1. CHELCO places in the top 25 percent nationally when compared to our electric cooperative peers in safety performance. We have achieved a goal set back in 2014, but we will never stop striving to do better. Safety is one of our strategic initiatives and our number one priority.

Continued savings

Cost reduction is another of our strategic initiatives. As a result of our introduction of load management and voltage reduction in 2014, we successfully avoided energy demand charges totaling more than \$2.1 million from 2014-16. The savings from these

programs continued in 2017, allowing us to avoid paying about \$750,000 in wholesale power costs.

Excluding wholesale power cost reductions and the return of CHELCO capital credits, we were able to save our members over \$1.75 million dollars through rate reductions and avoided energy demand charges over the last 12 months. These savings are a direct result of our focus on controlling local costs.

Exceeding industry standards

CHELCO continued to exceed our own standards in 2017. Customer satisfaction, safety, reliability and cost control are four measurable electric cooperative industry standards. In 2017, we improved in seven of the nine individual metrics that comprise those four categories and maintained our high standing in two other metrics. We recently placed in the top quartile nationally in four metrics involving customer satisfaction, safety and reliability. Our customer satisfaction score in the first quarter of 2017 was the best in the nation compared to other electric utilities.

Eglin AFB privatization contract

In September 2016, we signed a 50-year agreement with the federal government to take ownership, operate and maintain the electric facilities on base. The value of the contract is \$420 million dollars over the 50-year term. We officially took ownership of the facilities in August 2017. CHELCO has benefited from this

arrangement, and it will help control the co-op's costs going forward. This is a large ongoing project and a very good deal for CHELCO, its members and Eglin AFB.

Improving facilities

Over the last three years, we moved the Santa Rosa Beach office into a more centrally-located area and remodeled our Bluewater Bay office. In 2018, we will construct a new tech center at our operations campus and in the following year remodel the headquarters building and area office in DeFuniak Springs. We are making these changes with an eye toward the next 40 years. CHELCO is growing and the need to modernize and enlarge our facilities is urgent.

Cooperative Solar

We responded to member interest in 2017 by offering a solar option to those who wish to receive power from an array installed on the roof of our operations center. The Cooperative Solar array will be operational in the second quarter of 2018.

These are only the highlights. The CHELCO team did an outstanding job serving members in 2017. The year wouldn't have been successful, though, without you. Our members remain the top priority. We will continue striving to be the best cooperative we can be for our members and community.

TIP OF THE MONTH

Warmer weather is on the way! Use energy efficient window treatments or coverings, like blinds, shades and films, to reduce heat gain in your home. These devices not only improve the look of your home but also reduce energy costs.

CONNECTIONS CORNER

Co-op Connections discount cards are another benefit of being a CHELCO member. Dozens of local businesses, plus thousands nationally, offer discounts to co-op members. There are also discounts available on prescriptions at participating pharmacies.

This month, we highlight and thank the following businesses.

Genesis Automotive

(850) 892-9145
DeFuniak Springs
Free detail with purchase of a vehicle.

Gulf Coast Insulation, LLC

(850) 685-9709
DeFuniak Springs
\$100 off spray foam (energy upgrade), \$50 off cellulose (energy upgrade).

Himes Sign Corp

(850) 837-1159
Destin
5-25% off on related products/services. Contact Himes office for specific details.

To request a card, or, if you own a business and want to sign-up to offer CHELCO's 50,000+ member accounts a discount, email marketingservices@chelco.com or call CHELCO's marketing department at (850) 307-1122. You can find all the local and national deals at chelco.com under Programs and Services, then Co-op Connections card.

In Brief *from page 2*

Special needs shelter registration program

The Florida Division of Emergency Management in coordination with each local emergency management agency in the state, developed a registry to allow residents with special needs to register with their local emergency management agency to receive assistance during a disaster. The statewide registry provides first responders with valuable information to prepare for disasters or other emergencies.

Why should you register?

- To receive important information from local emergency management officials about evacuations.
- It may save your life.

If you need assistance during evacuations and sheltering because of physical, mental, cognitive impairment or sensory disabilities, please register with the local emergency management agency.

Walton County Emergency Management
(850) 892-8065

Okaloosa County Emergency Management
(850) 651-7150

Celebrate cooperative linemen

The second Monday in April is National Cooperative Linemen Appreciation Day. This year it is April 9. Our linemen work hard to keep the lights on in various conditions, and we appreciate them!

Trustee Candidates *from page 1*

to vote for or against the bylaw changes included in the notice.

CHELCO encourages all members to vote so that it can reach a quorum for annual meeting.



Thomas "Tom" Babcock III
District 1



Patricia "Pat" Carlyle
District 1



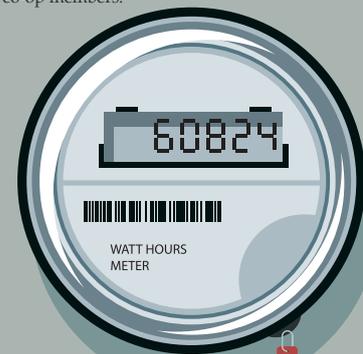
Bert Prutzman
District 7



Burt Cosson
District 9

DO NOT TAMPER WITH YOUR ELECTRIC METER

Meter tampering can result in electric shock, is illegal and increases electricity rates for other co-op members.



- ⊘ Never break a meter seal.
- ⊘ Never open a meter base.
- ⊘ Never remove a meter or alter an entrance cable in any manner.

If you know or suspect that someone has tampered with their meter, please contact us immediately.



IS \$25 YOURS?

If the account number below matches yours, sign this page and mail it with your bill to CHELCO or drop it off at any office. You'll win a \$25 credit on your next bill.

Price – 205162985



Stay up-to-date on all CHELCO happenings by following your co-op on social media! We are on Facebook, Twitter and Instagram.