

Meet Your Candidates

Oconto Electric Cooperative's annual meeting will be held on April 11 at the Oconto Falls High School Performing Arts Center.

There are two director terms expiring this year – district 1, incumbent Vernon Gisenas; and district 7, incumbent Todd Duame. A meeting was held in January in each of these districts for the purpose of nominating at least one, but not more than two people, to run for election to fill the positions.

At the district 1 meeting, incumbent Vernon Gisenas was the only person nominated to fill the position of director. His nomination will be approved at the annual meeting by voice vote.

In district 7, incumbent Todd Duame and James Gilmet were nominated to fill the director position. (735700) The nominees are placed on a ballot and voted on by the general membership at the annual meeting.

District 7



Todd Duame – Todd Duame is the incumbent director representing district 7; he holds the office of secretary. Elected six years ago, Todd is currently working towards obtaining his board leadership certificate.

He is the owner of Duame Sand & Gravel, Duame Trucking and is a partner of Stiles Junction Food & Fuel with Jim and Karen Thompson. "I feel

that being a business owner helps me to understand how to spend the members' money efficiently and effectively," explains Todd.

"I have enjoyed the past six years serving on the OEC board and representing our members," said Todd. "Our current board works well together. We all have a common goal in mind and that is to keep our budget and rates down. I would like to ask for your support at the annual meeting so that I can continue serving you."

He feels the biggest challenge to the co-op is avoiding an increase in the operating rate as long as possible while at the same time purchasing the things needed to keep power reliable. "The way to do that is to sell more kilowatt-hours," Todd states, "which is why our dual fuel program is so critical to Oconto Electric."

Todd and his wife, Colleen, have one daughter together and Todd is the stepfather of Colleen's other two children. They have six grandchildren. During his "off" hours, Todd enjoys riding his Harley and spending time at their cabin.



Jim Gilmet – Jim Gilmet, co-owner of multiple local businesses, has recently been nominated to run for the OEC board, in district 7. Jim currently serves on the board of directors for the Oconto County Economic Development Corporation. He and his wife, Yana, reside in Stiles with their black lab, Eli.

In 2007, Jim and his wife started White Knight Commercial Funding. They act on behalf of clients needing financial assistance with debt restructuring negotiations. They work with private investors to help fund their clients and get them back on their feet. The couple has saved many companies from foreclosure, while preserving hundreds of jobs throughout Wisconsin.

In 2011, Jim and Yana created Roving Blue, Inc. They are currently in Phase 5 Prototype of Roving Blue, which is a portable, lightweight, ozone, water purification system. In March, they will be traveling to Fort Benning, Georgia, to show the U.S. Army their product.

Jim feels OEC is run very well and if elected he hopes to complement the other directors by sharing his 35 years of experience in business and financial planning, while continuing to build a strong community.

When Jim is not working, he loves anything outdoors, especially hunting, kayaking, and fishing. Jim also enjoys flying. At age 16, he got his pilot's license rather than his driver's license.

Jim and Yana believe in strong family values and share the joy of a blended family, including six children and two grandchildren.

District 1



Vernon Gisenas – Vernon Gisenas, an OEC member for more than 35 years, was elected to the board of directors six years ago.

Since 1993 he has owned his own logging business and deer farm; prior to that he worked at Graetz Manufacturing for 19 years. Vernon has one son, Christopher.

Other activities that Vernon is involved in include serving as a supervisor on the Beaver Town Board, and he has served on the Marinette County Board of Supervisors.

“There is really a lot involved in being a director for Oconto Electric. There are always new challenges to deal with, which can come from the legislature, regulators, or from operations when it is time to purchase a new line truck,” states Vernon. “I believe Oconto Electric is moving in the right direction. Financially the co-op is sound and outage-hours are low, which are the two things most important to the members.”

Vernon is not new to politics since he holds an elected office through his township. He said he enjoys visiting with the legislators in Washington and Madison because that is how a person really finds out what the legislators know about your issues.

“I want to thank all the members of OEC for their support, and along with the rest of the board and staff we will all work to keep rates reasonable and the service excellent,” exclaims Vernon. ■



Hey Teachers!

OEC loves to be in school! OEC will provide a Hot Line Safety Demonstration for any group within Oconto, Marinette, or Shawano Counties FREE. A qualified OEC employee will come to you with a table top model that will show how to stay safe around electricity. Demonstrations are available during April. If interested please call 1-800-472-8410 and talk to Katie Jagiello.

BYLAW AMENDMENTS

Article XIII of the Cooperative Bylaws states that the Bylaws may be amended by a 2/3 majority of the Board of Directors, provided that notice of the proposed amendments is given to all directors not less than 30 days prior to the meeting, and provided the amendment is not for a prohibited purpose.

On January 6, 2015, after proper notice, the Board of Directors unanimously approved amendments to the Bylaws to remove the requirement for the Cooperative to issue certificates of membership. References to certificates of membership were removed from Article I, Sections 2, 4 and 6, and Article VI, Sections 4 and 6 of the Bylaws. The full text of the Bylaw amendments is available upon request from the Cooperative’s business office, 7479 REA Road, Oconto Falls, WI. To request a copy, call (920) 846-2816 or go to www.ocontoelectric.com.

PLEASE TAKE NOTICE that the members present at the Annual Meeting will have an opportunity to further amend or repeal the amendments approved by the Board, as provided by Article XIII of the Bylaws.

Important Dates to Remember

April 3 – OEC Offices Closed for Good Friday

April 11 – OEC’s 78th Annual Meeting

July 15-17 – Youth Leadership Congress

August 1 – Member Appreciation Picnic

Minutes from the Annual Meeting of Oconto Electric Cooperative Held on April 5, 2014

The 77th Annual Meeting of Oconto Electric Cooperative was held on Saturday, April 5, 2014, at the Oconto Falls Performing Arts Center.

Registration of members began at 9 a.m.

Chairman David Hischke introduced himself as Director of District #2 and called the meeting to order at 10:03 a.m. With a count of 218 members registered, the Chairman declared a quorum was present.

The invocation was given by Father Joel Sember of St. Anthony's Catholic Church in Oconto Falls, Wisconsin.

Cooperative Attorney Howard Eslien was introduced and would be conducting dual duties. Attorney Eslien was introduced as the parliamentarian to assure that the meeting was governed by Robert's Rules of Order and would also be conducting the director election process.

Chairman Hischke introduced the board of directors along with recognizing former directors, retired employees, and special guests in attendance.

Chairman Hischke called on Secretary Todd Duame to read the official notice of the 77th annual meeting and the proof of mailing as it appeared in the March 2014 issue of the *WEC News* magazine.

Chairman Hischke called for the reading or a motion to waive the reading of the 2013 Annual Meeting minutes. A motion was made and seconded to waive the reading and accept the minutes as published. *Motion Carried.*

Treasurer Dan Kanack provided the 2013 Cooperative's Financial Report. The 2013 income totaled \$15,483,404. Total expenses were \$14,432,272 with net margins for 2013 totaling \$951,131. Capital credits refunded to the membership in 2013 totaled \$643,866. Treasurer Kanack also stated the financial stability of cooperative is sound, with equity currently at 38.2 percent.

Chairman Hischke gave his report on the following areas:

- Higher electric bills and expenses due to harsh winter season
- Equity
- New Little Suamico Substation construction
- Stiles Hydro Electric Plant maintenance
- Facility charge increase, effective July 1st
- OEC safety practices #1

At this time, in accordance with our Bylaws, a motion was called and seconded to approve and ratify all reports and actions of the officers and directors of the Oconto Electric Cooperative for 2013. *Motion Carried.*

Chairman Hischke called upon Cooperative Attor-

ney Howard Eslien to conduct the election of directors. Attorney Eslien explained since each of the districts up for election this year have nominated only one candidate, balloting would not be necessary. Attorney Eslien called for a motion to cast a unanimous ballot to approve all nominees to serve on the board of directors from Districts 4, and District 6 for another term of three years. Motion was made and seconded. *Motion Carried.*

• District 4: Douglas Allen District 6: Dan Kanack
At this time, Chairman Hischke called upon the CEO, Byron Nolde, for his report.

A moment of silence was requested in honor of those called to serve their country. The CEO's report provided information concerning the following areas:

Top 2014 Projects:

1. New Substation in the Little Suamico area.
2. Stiles Hydro Plant repair
3. Pole replacement and road moves
4. Plant maintenance and overhead cable replacement
5. New services
6. Load balancing
7. EPA regulations
8. Facility charge increase

CEO Nolde ended his presentation with encouraging the membership to sign up on the Action.coop website for their voice to be heard concerning future electric rates skyrocketing. Nolde announced the 2013 employee charity selected was the Panther Pride Association. Employees raised \$10,000 for their chosen charity. OEC has also been working with New View Industries in providing employees who have volunteered in donating their time to help with the installation of barn quilts on area barns.

Final announcement from the CEO was for members to watch for a future survey that will be seeking members' input concerning solar power.

The chairman introduced Candis Dequaine who provided an update of her experiences participating in the Youth Leadership program sponsored by OEC and her trip to Washington, D.C., along with other Youth Leadership students.

The following attending 2014 OEC scholarships recipients were acknowledged: from Oconto Falls High School, Stephanie Wirtz, Grant Newsome and Emily Winkler; Gillett High School, Derek Zahn; Coleman High School, Garrett Kostreva; Wolf River Lutheran School, Kanon Schneider; Peshtigo High School, Emily Yoap;

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Oconto Electric Cooperative

78th Annual Membership Meeting

Pursuant to Article III, Section 3 of the bylaws of Oconto Electric Cooperative, notice is hereby given of the annual meeting of the members to be held:

Saturday, April 11, 2015

Registration begins at 9 a.m. – Meeting begins at 10 a.m.

Held at the Performing Arts Center in the Oconto Falls High School

The following items of business will be conducted:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Call to order/determination of quorum • Invocation • Adoption of rules of order • Introduction of board members, guests and former directors • Reading of Notice of Meeting and Proof of Mailing • Presentation and action on minutes of the 2014 Annual Meeting • Presentation of 2014 Financial Report • Chairman Report • Approve: Bylaw Amendment and approve/ratify reports and actions of officers and directors for 2014 • Election of directors | <ul style="list-style-type: none"> • CEO's Report • WECA/Cooperative Network Statewide Update • Presentation of 2015 scholarship recipients • Presentation by Community "Change" • Old business • New business • Final announcements • Adjournment • \$100 Cash drawing • Prize drawings • Progressive drawing |
|--|---|

Members will receive the official notice and registration card in the mail during the week of March 15.

Comparative Balance Sheet

ASSETS

	AUDITED 2013	UNAUDITED 2014
UTILITY PLANT:		
Electric Plant in Service	\$49,030,757	\$52,754,466
Construction Work in Progress	\$2,829,554	\$1,314,302
	\$51,860,311	\$54,068,768
LESS: Accumulated Provision for Depreciation	\$18,531,786	\$19,797,339
Net Utility Plant	\$33,328,525	\$34,271,429
OTHER PROPERTY AND INVESTMENTS:		
Investments in Associated Organizations	\$2,018,707	\$1,590,208
Other Investments	\$2,000	\$2,013
	\$2,020,707	\$1,592,221
CURRENT ASSETS:		
Cash – General	\$574,967	\$405,922
Accounts Receivable	\$2,379,988	\$2,401,373
Materials and Supplies	\$840,218	\$758,558
Prepayments	\$100,674	\$94,198
Other Current Assets	\$5,341	\$5,341
	\$3,901,189	\$3,665,392
DEFERRED CHARGES	\$70,421	\$51,185
TOTAL ASSETS	\$39,320,843	\$39,580,227

EQUITIES & LIABILITIES

	AUDITED 2013	UNAUDITED 2014
EQUITIES AND MARGINS:		
Other Margins & Equities	\$857,910	\$1,013,210
Patronage Capital	\$14,112,105	\$14,908,802
	\$14,970,015	\$15,922,012
LONG-TERM LIABILITIES:		
RUS Mortgage Notes	\$5,619,824	\$7,851,110
Other Long-Term Debt	\$16,341,805	\$13,531,430
	\$21,961,629	\$21,382,540
CURRENT LIABILITIES		
Notes Payable	\$200,000	\$400,000
Accounts Payable	\$1,070,698	\$975,762
Customer Deposits	\$158,641	\$164,430
Other Current & Accrued Liabilities	\$489,651	\$371,843
	\$1,918,990	\$1,912,035
DEFERRED CREDITS	\$470,209	\$363,640
CONTINGENT LIABILITIES	\$0	\$0
TOTAL EQUITIES & LIABILITIES	\$39,320,843	\$39,580,227

Statements of Revenue & Patronage Capital

	AUDITED 2013	UNAUDITED 2014
OPERATING REVENUE & PATRONAGE CAPITAL	\$15,273,300	\$16,003,187
OPERATING EXPENSES		
Power Production Expense	\$60,551	\$57,455
Cost of Purchased Power	\$8,393,762	\$8,723,969
Transmission Expense	\$24,279	\$17,814
Distribution Expense – Operations	\$791,374	\$826,872
Distribution Expense – Maintenance	\$608,084	\$610,039
Customer Accounts Expense	\$305,713	\$329,546
Customer Service & Informational Expense	\$341,370	\$309,625
Sales Expense	\$15,150	\$4,265
Administration & General Expense	\$986,572	\$985,934
Board of Directors per diem*	\$34,633	\$33,938
Board of Directors Education & Travel Expense*	\$63,697	\$83,639
Miscellaneous Board Expense	\$9,383	\$8,901
Depreciation Expense	\$1,514,413	\$1,599,620
Taxes	\$224,068	236,675
Interest on Long-Term Debt	\$1,052,083	\$959,984
Other Interest	\$11,903	(\$357)
Other Deductions	\$95,237	\$7,210
Total Operating Expense & Interest	\$14,532,272	\$14,795,129
Net Operating Margin	\$741,028	\$1,208,058
NON-OPERATING MARGINS		
Interest Income	\$60,243	\$62,428
Other Non-Operating Margins	\$34,986	\$57,606
Total	\$95,229	\$120,034
CAPITAL CREDIT ALLOCATIONS	\$114,875	\$123,850
NET MARGINS	\$951,131	\$1,451,942
PATRONAGE CAPITAL		
AT BEGINNING	\$13,804,840	\$14,112,105
Retirement of Capital Credits	(\$643,866)	(\$655,245)
PATRONAGE CAPITAL AT END	\$14,112,105	\$14,908,802

*In accordance with the cooperative's bylaws, directors do not receive a salary for their services. Instead, each director receives a fixed fee compensation (per diem) of \$295 per full day and \$175 per half day for attendance at board meetings, training seminars and while performing cooperative business. Directors are reimbursed actual out-of-pocket travel expenses when traveling for cooperative business purposes.

Audit Report

In accordance with our mortgage agreements with National Rural Utilities Cooperative Finance Corporation (NRUCFC), Rural Utilities Service (RUS) and CoBank, an independent audit is conducted of the cooperative's records each year. Our most recent audit was completed for the period ending December 31, 2014, by the auditing firm of Bauman Associates, Ltd., P.O. Box 1225, Eau Claire, WI 54702.

The audit included a complete examination of the past year's operations and the income and expense entries to determine if they are made in accordance with generally accepted auditing and accounting standards. Other tests are made of accounting records and procedures as considered necessary by the auditors.

The auditing firm will present its report directly to the board of directors at a regularly scheduled board meeting. Copies of the completed audit are sent to NRUCFC, RUS and CoBank and are available for review at the office of the cooperative.

Operating Statistics

	AUDITED 2013	UNAUDITED 2014
Net equity due members	\$14,112,105	\$14,908,802
Interest paid RUS/CFC/CoBank	\$1,065,952	\$960,060
Total paid to RUS/CFC/CoBank (principle & interest)	\$1,691,663	\$1,671,670
Total kilowatt hours generated	4,451,781	4,999,438
Total kilowatt hours purchased	117,470,143	118,579,573
Average kilowatt hour usage		
per month (residential only)	1,032	1,063
Average cost per kilowatt hour to member (residential only)	13.67¢	13.82¢
Average member's bill per month	\$141.07	\$146.91
Number of connected services	9,635	9,640
Highest system demand	22,808	22,047
Cost per kilowatt hour generated in mills	18.783	18.783
Cost per kilowatt hour purchased in mills	72.160	75.530
Number of meters per mile	6.74	6.75
Miles of distribution line	1425.03	1424.17
Miles of transmission line	59.23	59.23
Capital credits refunded	\$643,866	\$655,245
Total capital credits refunded to date	\$13,116,183	\$13,771,428

(Continued from page 16a)

and home schooled, Josie Beyer. The only recipient *not* present was Anthony Rottier, Pulaski High School.

Chairman continued the meeting with the annual report from Community “*Change*” presented by President Dale Baker. President Mr. Baker reported 15 grants were distributed totaling \$7,750 in 2013. Since the program began in 1999 the program honored 279 grants totaling \$142,494. Recent grants helped those with medical needs, house fire victims, accessibility equipment, food pantry assistance, service club projects, and homeless relief. Currently the program has 1,200 contributing members. President Baker encouraged those who are currently not rounding up their bill to consider signing up and being a part of this great community assisting program.

Chairman Hischke asked if there was any old or new business to be discussed.

Hearing of no other old or new business, Chairman Hischke thanked the members for attending and made

some final announcements.

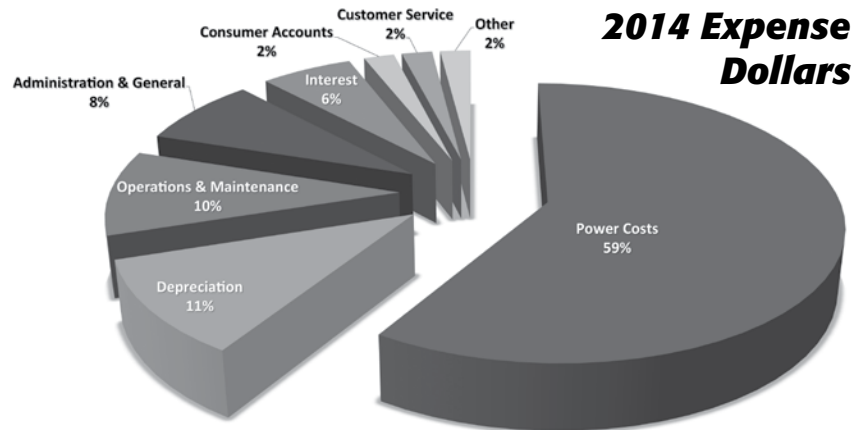
This concluded the business meeting of Oconto Electric Cooperative. A motion was made and seconded to adjourn. *Motion Carried.*

Chairman Hischke announced that he would begin the attendee drawing for the cash prize of \$100 utilizing the meeting registration cards. The \$100 cash prize winner was Mathew Dufeck. The drawing for other prizes donated by area businesses and OEC vendors concluded the morning’s event. Lastly, the drawing for the special progressive prize of \$1,000 was conducted (all co-op member names are entered in the drawing — member must be present to win). James and Debra Scray’s name was drawn. They were *not* in attendance. The progressive drawing will continue being offered until a winner is drawn.

Respectfully submitted,
Board Secretary, Todd Duame

Annual Meeting Progressive Drawing \$1,000

The name of every member of Oconto Electric Cooperative is entered into the drawing. The person whose name is drawn must be present to win.



Annual Report Comparison with Previous Years

	2004	2009	2014
Kilowatt hour sales	100,956,401	104,467,437	114,256,233
Operating revenue	\$7,894,401	\$14,054,859	\$16,003,187
Cost of power	\$3,216,900	\$7,533,141	\$8,723,969
Power cost as percent of revenue	40.75%	53.60%	54.51%
Operating & maintenance expense	\$1,056,449	\$1,336,393	\$1,436,911
Operating & maintenance expense as percent of revenue	13.38%	9.51%	8.98%
General & administrative expense	\$839,476	\$954,867	\$1,112,411
General & administrative expense as percent of revenue	10.63%	6.79%	6.95%
Consumer accounting expense	\$239,694	\$329,454	\$329,546
Consumer accounting expense as percent of revenue	3.04%	2.34%	2.06%
Depreciation	\$1,022,447	\$1,273,241	\$1,599,620
Depreciation expense as percent of plant total	3.00%	4.00%	2.96%
Interest	\$641,582	\$1,073,569	\$960,060
Interest as percent of revenue	8.13%	7.64%	6.00%
Total costs	\$7,338,281	\$13,035,603	\$14,795,129
Total costs as a percent of revenue	92.96%	92.75%	92.45%

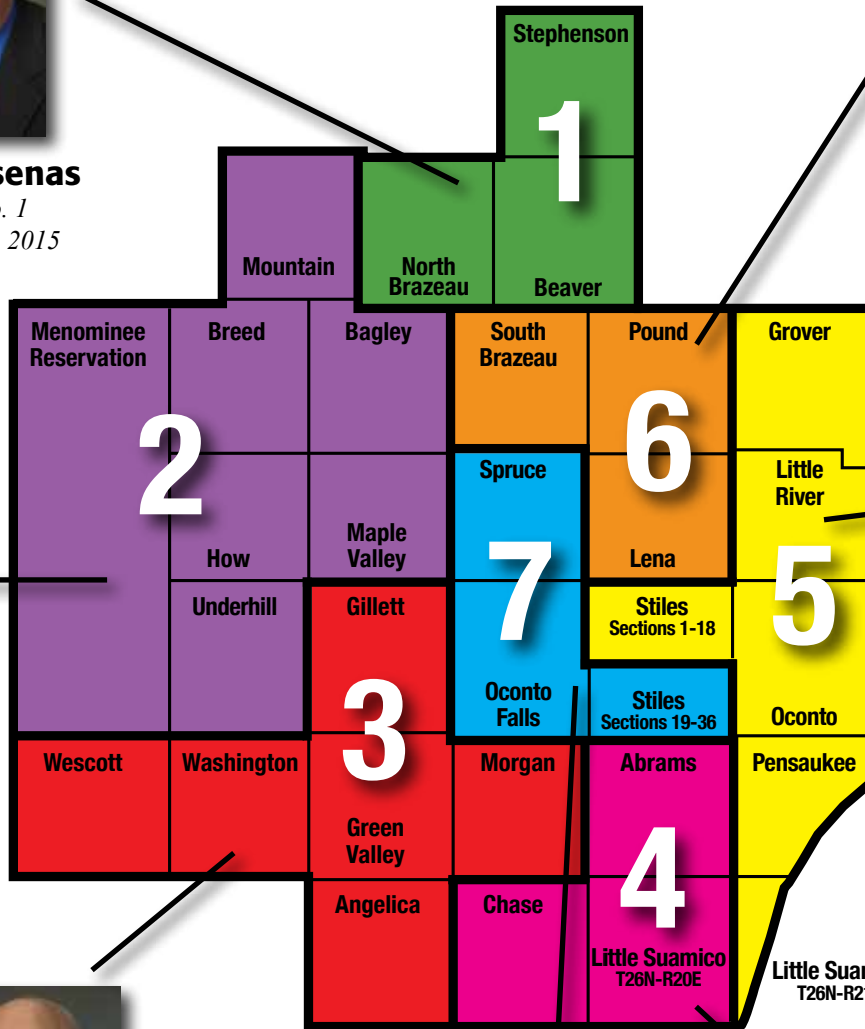
Territory Served by Your Cooperative



Vernon Gisenas
District No. 1
Term Expires: 2015



Dan Kanack
District No. 6
Term Expires: 2017



David Hischke
District No. 2
Term Expires: 2016



Ken Cisar
District No. 5
Term Expires: 2016



Tony Wagner
District No. 3
Term Expires: 2016



Todd Duame
District No. 7
Term Expires: 2015



Doug Allen
District No. 4
Term Expires: 2017



Youth Leadership Congress

UW-River Falls | July 15-17, 2015



WECA Youth Leadership Congress is a dynamic three-day event for youth leaders across Wisconsin to develop their leadership skills while learning about the purpose, operation, and scope of cooperative businesses.

Ally Magnin participating at the 2014 Youth Leadership Congress.

Take the opportunity to...

- See what makes the cooperative business model different and successful, then apply this knowledge to fun and challenging cooperative activities.
- Identify and learn how to develop your own leadership skills.
- Discuss cooperative careers with professionals in the industry.
- Be entertained and challenged by highly acclaimed motivational speakers who understand teens and address topics that are important and relevant in your life.

Oconto Electric Cooperative is looking for sophomore, junior, and senior high school students who want to attend the 2015 Youth Leadership Congress.

OEC will:

- Pay all expenses
- Provide transportation
- Have chaperones on hand throughout the conference

Space is limited. Deadline to sign up is June 1, 2015. Contact Katie Jagiello at OEC by calling 800-472-8410 or email kjagiello@ocontoelectric.com.

Hidden Account Numbers

Oconto Electric Cooperative hides two account numbers in the local pages of the *Wisconsin Energy Cooperative News* each month. If you spot your account number, call our office before you receive the next issue, and OEC will give you a \$15 credit on your electric bill or a \$25 credit if you have a load management receiver. The March account numbers belonged to Brian Egnarski, Pulaski, and Nels Jensen, Suring.

OEC Insight



Ken Clausen (R) and Mike Marcoe (metering apprenticeship instructor) at the meter technician graduation ceremony.

OEC Employee Graduates

Over the last four years, Ken Clausen worked hard to receive his journeyman meter technician certificate. He attended Midstate Technical College in Wisconsin Rapids. Classes were held four times a year during the summer months for a week at a time. Ken also took Train the Trainer course at Northeast Wisconsin Technical College. Ken completed the required 6,240 hours of training and related instruction in accordance with the Statutes of the State of Wisconsin to be recognized as a journeyman meter technician. Congratulations!



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