



## KEEP YOUR SUMP PUMP READY FOR ACTION

As you maintain your home, it's easy to overlook the importance of the lowly sump pump. Sitting just below the surface, the sump pump helps protect against flooding and moisture in the home.

When groundwater seeps into the home, its damage can be far-reaching, affecting mechanicals and structural integrity, not to mention contributing to the growth of mold and fungus. A well-maintained, properly operating sump pump helps avoid those risks.

Utility safety organization, Safe Electricity, offers these tips to keep your sump pump at the ready:

- Make sure to keep the pump clean and free of debris. Check it at least once a year and more often if the pump runs frequently.
- Check the float to ensure it is not tangled or jammed in one position. A sump pump with a jammed float is useless because it will not sense when it should turn on and shut off.
- Test the pump by pouring water into the pit to make sure



it activates and pumps out the water. Seek professional assistance if the pump does not activate.

- When testing the pump, do not ever reach into the pit. The float can be reached and moved with a household item such as a golf club (with a rubber handle), or other non-conductive tool.
- It's recommended the sump pump have dedicated ground fault interrupter protection, an alarm that signals water build-up, and a back-up power source or battery in the event of a power outage, as that can be a time when the sump pump is needed most.

If water does get into the basement due to a power outage, use caution before entering. (411101) Never enter a space that is flooded, as this presents a risk of electrocution. Electrical equipment can energize standing water unless all of the electricity has been disconnected.

For more information on electrical safety, visit [SafeElectricity.org](http://SafeElectricity.org).



## "BAG LUNCH TO GO" Wednesday, March 14

From 11 a.m. – 1 p.m., pick up your brown bag lunch at OEC headquarters!

Hot Pulled Pork Sandwich, BBQ Sauce, Chips, Homemade Cookie, Beverage.  
Cost: \$6 for the meal or \$3 for sandwich only.

Proceeds go to OEC 2018 Employee Charities:  
Bridge the Gap, Inc. and Down Syndrome Association of Wisconsin – Green Bay



## ADDED DANGER IN CAR WRECKS WITH POWER POLES

A car accident can happen so quickly, yet the final seconds may seem to be in slow motion as the car and its passengers jolt upon contact. Such an accident can inflict serious injury and damage, and when the car wreck involves power poles, there is an added danger.

Knowing what actions to take to stay safe can make the difference between life and death. After a car wreck, it is natural for people to want to get out of the car to assess damage to themselves as well as the vehicle. However, when the wreck involves power poles and lines, that is the exact wrong thing to do. (75101)

Should you be involved in an automobile wreck with a power pole, utility safety organization, Safe Electricity, provides the following safety information:

- Stay in the car. Call 911 to have the utility notified.
- Do not leave the vehicle until utility professionals have de-energized the line and they advise you that it is safe to do so.
- If you must exit the vehicle because it is on fire, jump clear of it with your feet together and without touching the vehicle and ground at the same time. Keeping your feet together, “bunny hop” to safety. Doing this will ensure that you will not

have different strengths of electric current running from one foot to another.

- Be aware that, after an accident with a pole, wires can fall at any time.
- Downed lines can sometimes show they are live by arcing and sparking with electricity, but this is not always the case. Treat all downed wires as though they are energized.
- Remember, most power lines are not insulated. The coating on the lines is for weather proofing and will not offer any protection from the electrical current.
- The tires of the vehicle do not insulate it from electrical dangers. Follow the above safety precautions even if the car has rolled and is upside down or on its side. The vehicle is the path to ground for the electrical current. So while you remain in the car, you are safe. If you step out of the car, you are in danger of becoming the path to ground.

Also be cautious if you witness an accident involving a vehicle and downed lines. Stay back, and warn others to stay away. Make sure the occupants of the car stay inside the vehicle until the utility has arrived to de-energize the lines.

For more information on electrical safety, visit [SafeElectricity.org](http://SafeElectricity.org).

# OCONTO ELECTRIC COOPERATIVE 81<sup>ST</sup> 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, March 24, 2018**

**Registration opens 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:**

- Call to order/determination of quorum
- Invocation
- Adoption of Robert's 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 2017 Annual Meeting
- Presentation of 2017 Financial Report
- Chairman Report
- Approve/ratify reports and actions of officers & directors for 2017
- Election of Directors
- CEO's Report
- Presentation of 2018 scholarship recipients
- Presentation by Community "Change"
- Old business
- New business
- Final Announcements
- Adjournment
- \$100 Cash drawing
- Prize drawings
- \$1,000 Cash drawing

**Members will receive the official notice and registration card in the mail during the week of March 1.**

## NO OPPOSITION

***Incumbent Directors will Serve Another Three-Year Term***

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.

In District 7, incumbent Todd Duame was the only person nominated to fill the director position. Both nominations will be approved at the annual meeting by voice vote.



**Vernon Gisenas —** Vernon Gisenas, an OEC member for more than 35 years, was elected to the board of directors nine 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.

"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."

"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.



**Todd Duame —** Todd Duame is the incumbent director representing District 7. He was elected nine years ago, and he holds the office of secretary.

He is the owner of Duame Sand & Gravel and Duame Trucking. "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 nine years serving on the OEC board and representing our members," said Todd. "Our current board works well together. We are currently working on our new wholesale power contract that will benefit you, the member. We all have a common goal in mind and that is to keep our budget and rates down."

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



# MINUTES FROM THE 80<sup>TH</sup> ANNUAL MEETING OF OCONTO ELECTRIC COOPERATIVE HELD ON MARCH 25, 2017

Oconto Falls, Wisc. – More than 230 members and guests attended Oconto Electric Cooperative's 80th annual meeting on March 25, held at the Performing Arts Center, Oconto Falls High School. David Hischke, Chairman of the Board, presided over the meeting. The meeting commenced with members standing to recite the Pledge of Allegiance.

Pastor David Henke of the United Methodist Church, Oconto Falls provided the invocation.

Secretary Todd Duame read the official notice of the 80th annual meeting and proof of mailing, which was a postcard mailed out March 2, 2017 to each member of the cooperative. A motion was made and seconded to waive the reading of the 2016 79th OEC annual meeting minutes and to accept as published. Motion carried.

The 2016 cooperative audit report was presented by board treasurer Dan Kanack. The cooperative was found financially stable, finishing the year with net margins of \$1,688,556.

Treasurer Kanack and CEO Byron Nolde answered member questions regarding topics such as OEC's facility charge, director meetings, the distribution of the *WEC News* magazine as well as an explanation of what neutral-to-earth is. This concluded the treasurer's report.

Chairman Hischke reported on the capital credit retirements, employee safety record nearing an all-time high of 1,000,000 hours worked without a lost-time accident, new right-of-way clearing crew, wholesale power supply, OEC's RadioShack/Cellcom store, and the announcement of the 2017 OEC scholarship recipients.

Co-op Attorney Eslien called for a motion to approve and ratify the reports and actions taken by the officers and directors for 2016. A motion was made and seconded to approve as presented. Motion carried.

Attorney Eslien also called for a unanimous vote due to both districts having only one candidate nominated for each district, incumbent directors Douglas Allen, District #4, and Dan Kanack, District #5, for another term of three years. A motion was made and seconded to accept as nominated, for another three-year term. Motion carried.

CEO Nolde conducted a moment of silence to recognize our service men and women who protect our country. The CEO's report provided information about the 2016–2017 work

projects, outages, wholesale power contract, Focus on Energy programs; an update on the 2016 employee chosen charities: Rainbow House and the Lena Volunteer Fire Department. Each received \$6,000. OEC employees have raised a total of \$68,000 since 2004.

A special presentation ended the CEO's report with employee Ken Clausen sharing his experience of chaperoning a U.S. veteran on an Old Glory Honor Flight, one of the employee charities chosen for 2017. Clausen informed the members that the two charities chosen for 2017 both honored our veterans: The Old Glory Honor Flight and the Patriot Guard Riders, WI. Ken provided slides showing monuments visited and stated how rewarding it felt to be able to accompany his veteran and see firsthand the appreciation from the vets experiencing the trip. Special guests Del Schuh and Thomas O'Hearn, Korean war veterans, shared their experiences from attending an Old Glory Honor Flight to Washington, D.C., and what it meant to them personally to be recognized. They truly felt honored and humbled to be recognized for their service. The presentation ended with a very special tribute to veterans provided by the Oconto Falls Vocal Jazz Singers in honor of those who have served past and present in all branches of the U.S. armed forces.

The Community "*Change*" annual report was provided by President Dale Baker. Baker announced that due to board term limits, this would be his final term on the board. President Baker stated that it's been a privilege to serve on the board and for the community.

Chairman Hischke asked if there was any old or new business to be discussed. Hearing none, this concluded the business meeting of Oconto Electric Cooperative.

A motion was made and seconded to adjourn. Motion carried.

The meeting ended with prize drawings and a \$100 cash attendee drawing which was won by Richard and Karen Pillath of Pound. Lastly, the drawing for the membership drawing prize of \$1,000 was conducted (all co-op member names are entered in the drawing – member must be present to win). Leland Pansier's name was drawn. He was *not* in attendance. Congratulations to all the winners!



## Annual Meeting 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.***



# COMPARATIVE BALANCE SHEET

## ASSETS

	AUDITED 2016	UNAUDITED 2017
<b>UTILITY PLANT:</b>		
Electric Plant in Service	\$55,870,227	\$57,055,366
Construction Work in Progress	\$445,134	\$1,023,921
	<u>\$56,315,361</u>	<u>\$58,079,287</u>
<b>LESS:</b> Accumulated Provision for Depreciation	<u>\$21,763,171</u>	<u>\$23,139,094</u>
Net Utility Plant	<u>\$34,552,189</u>	<u>\$34,940,194</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>		
Investments in Associated Organizations	\$1,664,904	\$1,666,046
Other Investments	\$2,124	\$2,235
	<u>\$1,667,028</u>	<u>\$1,668,281</u>
<b>CURRENT ASSETS:</b>		
Cash – General	\$1,903,043	\$1,125,518
Temporary Cash Investments	\$1,053,212	\$101,426
Accounts Receivable	\$2,589,931	\$2,843,821
Materials and Supplies	\$898,428	\$944,872
Prepayments	\$91,334	\$90,104
Other Current Assets	\$5,341	\$5,341
	<u>\$6,541,289</u>	<u>\$5,111,083</u>
<b>DEFERRED CHARGES</b>	<u>\$87,320</u>	<u>\$79,978</u>
<b>TOTAL ASSETS</b>	<u>\$42,847,826</u>	<u>\$41,799,536</u>

## EQUITIES & LIABILITIES

	AUDITED 2016	UNAUDITED 2017
<b>EQUITIES AND MARGINS:</b>		
Other Margins & Equities	\$1,227,315	\$1,404,429
Patronage Capital	\$16,921,730	\$17,844,438
	<u>\$18,149,045</u>	<u>\$19,248,867</u>
<b>LONG-TERM LIABILITIES:</b>		
RUS Mortgage Notes	\$8,998,626	\$7,265,723
Other Long-Term Debt	\$13,762,559	12,766,190
	<u>\$22,761,184</u>	<u>\$20,031,913</u>
<b>CURRENT LIABILITIES</b>		
Notes Payable		\$500,000
Accounts Payable	\$1,012,510	\$1,100,543
Customer Deposits	\$157,495	\$146,009
Other Current & Accrued Liabilities	\$425,207	\$444,421
	<u>\$1,595,212</u>	<u>\$2,190,973</u>
<b>DEFERRED CREDITS</b>	<u>\$342,385</u>	<u>\$327,783</u>
<b>CONTINGENT LIABILITIES</b>	<u>\$0</u>	<u>\$0</u>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<u>\$42,847,826</u>	<u>\$41,799,536</u>



# STATEMENTS OF REVENUE & PATRONAGE CAPITAL

	AUDITED 2016	UNAUDITED 2017
<b>OPERATING REVENUE &amp; PATRONAGE CAPITAL</b>	\$15,488,662	\$15,357,699
<b>OPERATING EXPENSES</b>		
Power Production Expense	\$58,992	\$75,751
Cost of Purchased Power	\$7,810,407	\$7,459,442
Transmission Expense	\$27,351	\$16,726
Distribution Expense – Operations	\$845,613	\$784,758
Distribution Expense – Maintenance	\$508,481	\$739,815
Customer Accounts Expense	\$365,430	\$376,956
Customer Service & Informational Expense	\$311,626	\$328,999
Sales Expense	\$947	\$4,859
Administration & General Expense	\$1,110,349	\$1,109,935
Board of Directors per diem*	\$36,049	\$36,494
Board of Directors Education & Travel Expense*	\$88,114	\$96,186
Miscellaneous Board Expense	\$9,229	\$13,704
Depreciation Expense	\$1,761,643	\$1,788,639
Taxes	\$249,539	\$256,822
Interest on Long-Term Debt	\$957,477	\$961,381
Other Interest	(\$7,004)	(\$2,312)
Other Deductions	\$7,145	\$7,491
Total Operating Expense & Interest	\$14,141,387	\$14,055,644
Net Operating Margin	\$1,347,274	\$1,302,054
<b>NON-OPERATING MARGINS</b>		
Interest Income	\$139,147	\$205,897
Other Non-Operating Margins	\$31,490	\$25,359
Total	\$170,637	\$231,255
<b>CAPITAL CREDIT ALLOCATIONS</b>	\$170,645	\$163,117
<b>NET MARGINS</b>	\$1,688,556	\$1,696,426
<b>PATRONAGE CAPITAL AT BEGINNING</b>	\$15,843,875	\$16,921,730
Retirement of Capital Credits	(\$610,701)	(\$773,717)
<b>PATRONAGE CAPITAL AT END</b>	\$16,921,730	\$17,844,439

\*In accordance with the cooperatives 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, 2017, 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 deter-

mine 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 2016	UNAUDITED 2017
Net equity due members	\$16,921,730	\$17,844,439
Interest paid RUS/CFC/CoBank	\$957,477	\$963,141
Total paid to RUS/CFC/CoBank (principle & interest)	\$2,225,447	\$2,718,469
Total kilowatt hours generated	6,339,894	7,027,714
Total kilowatt hours purchased	111,401,666	110,234,235
Average kilowatt hour usage per month (residential only)	1025	996
Average cost per kilowatt hour to member (residential only)	\$.1412	\$.1422
Average member's bill per month	\$144.73	\$141.63
Number of connected services	9,784	9,848
Highest system demand	22,230	19,357
Cost per kilowatt hour generated in mils	19.050	19.700
Cost per kilowatt hour purchased in mils	75.233	76.179
Number of meters per mile	6.85	6.88
Miles of distribution line	1423.75	1427.41
Miles of transmission line	59.29	59.29
Total capital credits refunded during the year	\$610,701	\$773,717
Total capital credits refunded to date	\$14,932,510	\$15,706,227

## ANNUAL REPORT COMPARISON WITH PREVIOUS YEARS

	2007	2012	2017
Kilowatt hour sales	105,650,936	107,070,103	108,611,679
Operating revenue	\$13,314,265	\$14,543,977	\$15,357,699
Cost of power	\$8,210,591	\$7,868,938	\$7,459,442
Power cost as percent of revenue	61.67%	54.10%	48.57%
Operating & Maintenance expense	\$1,067,205	\$1,337,060	\$1,524,573
Operating & Maintenance expense as percent of revenue	8.08%	9.19%	9.93%
General & Administrative expense	\$871,492	\$1,092,965	\$1,256,319
General & Administrative expense as percent of revenue	6.55%	7.51%	8.18%
Consumer Accounting expense	\$276,906	\$304,377	\$376,956
Consumer Accounting expense as percent of revenue	2.08%	2.09%	2.45%
Depreciation	\$1,174,009	\$1,462,402	\$1,788,639
Depreciation expense as percent of plant total	3.00%	2.99%	3.08%
Interest (long term debt)	\$1,005,800	\$1,018,642	\$961,381
Interest as percent of revenue	7.55%	7.00%	6.26%
Total Costs	\$12,989,871	\$13,545,132	\$14,055,645
Total Costs as a percent of revenue	97.56%	93.13%	91.52%

## 2017 EXPENSE DOLLARS



Other 1%

Customer Service 2%

Consumer Accounts 3%

Interest 7%

Administrative & General 9%

Operations & Maintenance 11%

Depreciation 13%

Power Costs 54%



# TERRITORY SERVED BY YOUR COOPERATIVE



**Vernon Gisenas**  
District No. 1  
Term Expires: 2018



**Dan Kanack**  
District No. 6  
Term Expires: 2020



**David Hischke**  
District No. 2  
Term Expires: 2019



**Ronnie Kruse**  
District No. 5  
Term Expires: 2019



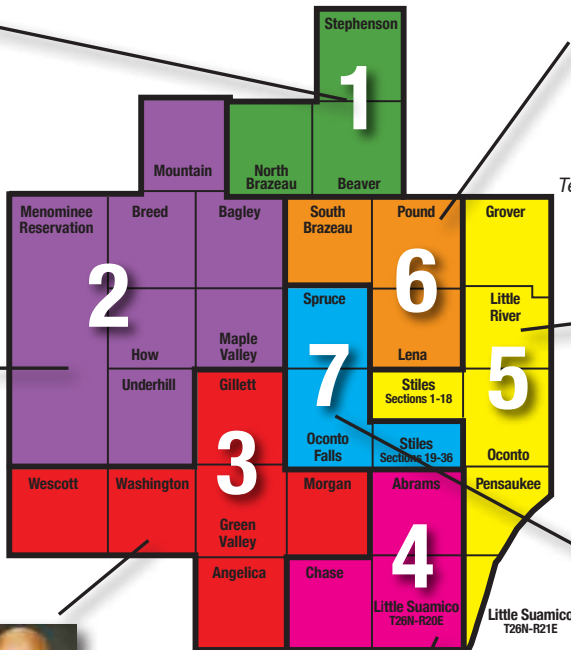
**Tony Wagner**  
District No. 3  
Term Expires: 2019



**Doug Allen**  
District No. 4  
Term Expires: 2020

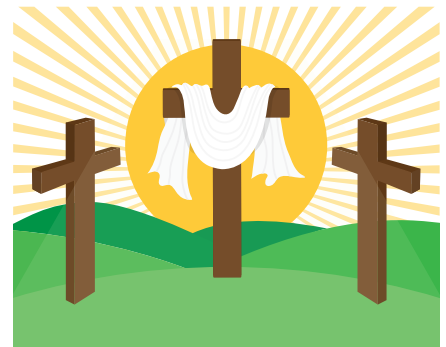


**Todd Duame**  
District No. 7  
Term Expires: 2018



## DAYLIGHT SAVING TIME

Don't forget to spring forward on **March 11!**  
Set your clocks ahead by one hour.



**OEC will be closed**  
**March 30**  
**to observe**  
**Good Friday**

**HAPPY**  
**EASTER!**

## 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 February account numbers belonged to Richard Ziemer, Coleman, and Scott Burns, Pound.

### Byron C. Nolde, CEO

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### Katie Jagiello, Editor

