



OCONTO ELECTRIC COOPERATIVE 83RD ANNUAL 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 28, 2020

Registration opens at 9 a.m.

Meeting begins at 10 a.m.

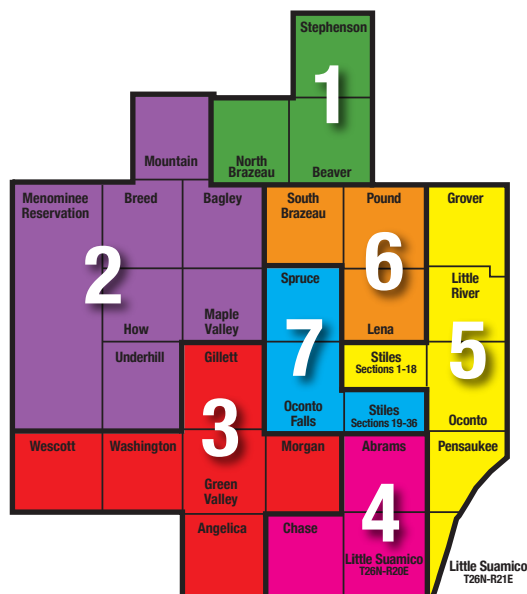
**Held at the Performing Arts Center in the
Oconto Falls High School**

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 2019 Annual Meeting
- Presentation of 2019 Financial Report
- Chairman's report
- Approve/ratify reports and actions of officers & directors for 2019
- Election of directors
- CEO's report
- Presentation of 2020 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 9.

TERRITORY SERVED BY YOUR COOPERATIVE



Vernon Gisenas
District No. 1
Term Expires: 2021



David Hischke
District No. 2
Term Expires: 2022



Tony Wagner
District No. 3
Term Expires: 2022



Doug Allen
District No. 4
Term Expires: 2020



Ronnie Kruse
District No. 5
Term Expires: 2022



Dan Kanack
District No. 6
Term Expires: 2020



Todd Duame
District No. 7
Term Expires: 2021

District Meetings

There are two director terms expiring this year—Districts 4 and 6. 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 4 meeting, incumbent Doug Allen was the only person nominated to fill the position of director.

In District 6, incumbent Dan Kanack was the only person nominated to fill the director position.

All nominations will be approved at the annual meeting by voice vote.



OCONTO ELECTRIC COOPERATIVE'S 82ND ANNUAL MEETING HIGHLIGHTS

MARCH 30, 2019

Oconto Falls, Wisc.—More than 266 members and guests attended Oconto Electric Cooperative's 82nd annual meeting on March 30th, 2019, 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.

Reverend Lloyd Luedeman of St. John's Lutheran Church, Morgan, Wisc., provided the invocation.

Secretary Todd Duame read the official notice of the 82nd annual meeting and proof of mailing, which was a postcard mailed out March 15, 2019, to each member of the cooperative. Motion was made and seconded to waive the reading of the 2018 81st OEC annual meeting minutes and to accept as published. Motion carried.

The 2018 cooperative's audit report was presented by board treasurer, Dan Kanack. The cooperative was found to be financially stable, finishing the year with net-margins of \$764,654.00.

Chairman Hischke reported on the Seven Cooperative Principles. They are: 1) Open and Voluntary Membership 2) Democratic Member Control 3) Members' Economic Participation 4) Cooperation Among Cooperatives 5) Concern for Community 6) Education Training & Information and 7) Autonomy & Independence. Hischke provided a brief review of each principle and how they relate to the work that is done at Oconto Electric Cooperative.

Coop. Attorney Eslien called for a motion to approve and ratify the reports and actions taken by the officers and directors for 2019. Motion was made and seconded to approve as presented. Motion carried.

Attorney Eslien also called for a unanimous vote due to all districts having only one candidate nominated for each district, incumbent directors David Hischke, District #2; Tony Wagner, District #3; and Ronnie Kruse, District #5, for another term of three (3) years. Motion was made and seconded to accept as nominated for another three (3) year term. Motion carried.

Chairman Hischke called for the Community "Change" annual report which was provided by Jan Stranz. Stranz reported since 2000, 310 grants totaling \$160,458 dollars were distributed. Since 2001, grants for 59 house fires totaling

\$26,500 were given. Members were encouraged to sign up and participate in this worthwhile program.

CEO Nolde called for a moment of silence to recognize our service men and women who served past and present to protect our country. During the moment of silence Oconto Falls High School band students provided a special duet of echo taps. Also in honor of this moment, Congressman Mike Gallagher gave a special presentation of some lost service information to OEC employee Kriss Krause in honor of her grandfather's service in the U.S. Army in WWI during the France Campaign.

The CEO reported on the following topics: OEC's new wholesale power supplier, Minnesota Power "MP"; new rates; renewable energy options and the next big change coming—battery storage; member capital credits; and the milestone of OEC employees reaching a safety record of 1 million hours worked without a lost-time incident. Members were reminded to use caution when installing generators to avoid deadly backfeeding of electricity to OEC's distribution system to ensure our linemen are safe. OEC has begun implementing the safety training principles of ALICE (Alert, Lockdown, Inform, Counter, Evacuate) to all employees and directors in the event of a violent incident. The 2018 Employee Charities, Bridge the Gap, Inc. and the Down Syndrome Association, each received \$7,000 dollars.

At this time Chairman Hischke announced the recipients of this year's 2019 OEC Scholarships.

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.

Motion was made, seconded to adjourn. Motion carried.

The meeting ended with a \$100 cash attendee drawing; the winning member drawn was Jean Eastman of Oconto Falls. Several vendors donated prizes and 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). Mark and Amy Fessenden's name was drawn. They were not in attendance. Congratulations to all prize winners!

Respectfully submitted,
Secretary, Todd Duame

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 2018	UNAUDITED 2019
UTILITY PLANT:		
Electric Plant in Service	\$58,734,099	\$60,044,138
Construction Work in Progress	\$297,736	\$457,782
	<u>\$59,031,835</u>	<u>\$60,501,920</u>
LESS: Accumulated Provision for Depreciation	\$24,843,625	\$26,059,620
Net Utility Plant	<u>\$34,188,210</u>	<u>\$34,442,300</u>
OTHER PROPERTY AND INVESTMENTS:		
Investments in Associated Organizations	\$1,696,152	\$1,720,355
Other Investments	\$2,235	\$2,235
	<u>\$1,698,387</u>	<u>\$1,722,590</u>
CURRENT ASSETS:		
Cash - General	\$2,421,456	\$4,388,982
Temporary Cash Investments	\$101,579	\$103,746
Accounts Receivable	\$2,006,249	\$2,223,736
Materials and Supplies	\$949,974	\$996,517
Prepayments	\$75,855	\$83,982
Other Current Assets	\$5,327	\$5,341
	<u>\$5,560,438</u>	<u>\$7,802,304</u>
DEFERRED CHARGES	<u>\$155,420</u>	<u>\$100,374</u>
TOTAL ASSETS	<u><u>\$41,602,455</u></u>	<u><u>\$44,067,568</u></u>

EQUITIES & LIABILITIES

	AUDITED 2018	UNAUDITED 2019
EQUITIES AND MARGINS:		
Other Margins & Equities	\$1,540,331	\$1,687,281
Patronage Capital	\$18,026,486	\$18,991,160
	<u>\$19,566,817</u>	<u>\$20,678,441</u>
LONG-TERM LIABILITIES:		
RUS Mortgage Notes	\$6,545,672	\$8,981,110
Other Long-Term Debt	\$13,694,902	\$12,395,342
	<u>\$20,240,575</u>	<u>\$21,376,452</u>
CURRENT LIABILITIES		
Accounts Payable	\$859,205	\$948,759
Customer Deposits	\$140,807	\$140,481
Other Current & Accrued Liabilities	\$448,919	\$493,370
	<u>\$1,448,931</u>	<u>\$1,582,610</u>
DEFERRED CREDITS	\$346,132	\$430,065
CONTINGENT LIABILITIES	\$0	\$0
TOTAL EQUITIES & LIABILITIES	<u><u>\$41,602,455</u></u>	<u><u>\$44,067,568</u></u>



STATEMENTS OF REVENUE & PATRONAGE CAPITAL

	AUDITED 2018	UNAUDITED 2019
OPERATING REVENUE & PATRONAGE CAPITAL	\$15,054,074	\$15,788,903
OPERATING EXPENSES		
Power Production Expense	\$71,023	\$90,078
Cost of Purchased Power	\$7,529,606	\$7,378,145
Transmission Expense	\$11,170	\$13,103
Distribution Expense-Operations	\$860,263	\$789,712
Distribution Expense-Maintenance	\$826,012	\$1,078,787
Customer Accounts Expense	\$405,234	\$394,307
Customer Service & Informational Expense	\$397,778	\$315,673
Sales Expense	\$2,798	\$7,368
Administration & General Expense	\$1,191,124	\$1,312,768
Board of Directors per diem*	\$42,352	\$42,330
Board of Directors Education & Travel Expense*	\$83,701	\$94,851
Miscellaneous Board Expense	\$10,682	\$12,360
Depreciation Expense	\$2,141,109	\$1,903,358
Taxes	\$243,271	\$271,585
Interest on Long-Term Debt	\$997,971	\$1,007,655
Other Interest	\$1,151	(\$3,675)
Other Deductions	\$4,382	\$5,017
Total Operating Expense & Interest	\$14,819,627	\$14,713,422
Net Operating Margin	\$234,447	\$1,075,481
NON-OPERATING MARGINS		
Interest Income	\$304,565	\$339,494
Other Non-Operating Margins	\$48,579	\$34,297
Total	\$353,144	\$373,791
CAPITAL CREDIT ALLOCATIONS	\$177,063	\$133,255
NET MARGINS	\$764,654	\$1,582,527
PATRONAGE CAPITAL AT BEGINNING	\$17,844,439	\$18,026,486
Retirement of Capital Credits	(\$582,607)	(\$617,853)
PATRONAGE CAPITAL AT END	\$18,026,486	\$18,991,160

*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, 2019, 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.

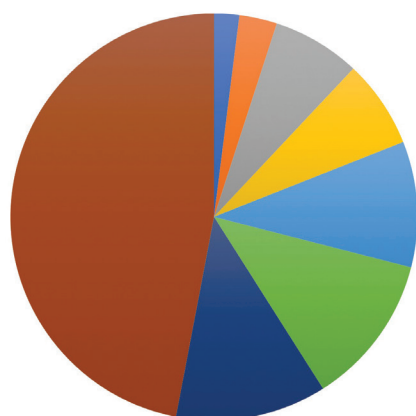
OPERATING STATISTICS

	AUDITED 2018	UNAUDITED 2019
Net equity due members	\$18,026,486	\$18,991,160
Interest paid RUS/CFC/CoBank	\$1,006,251	\$1,007,656
Total paid to RUS/CFC/CoBank (principle & interest)	\$2,349,492	\$2,610,666
Total kilowatt hours generated	5,928,404	7,383,529
Total kilowatt hours purchased	108,521,694	116,772,000
Average kilowatt hour usage per month (residential only)	1,045	1,032
Average cost per kilowatt hour to member (residential only)	\$.1303	\$.1375
Average member's bill per month (residential only)	\$136.16	\$141.90
Number of connected services	9,904	10,003
Highest system demand	21,563	23,867
Cost per kilowatt hour generated in mills	22.600	21.100
Cost per kilowatt hour purchased in mills	68.530	65.984
Number of meters per mile	6.91	6.96
Miles of distribution line	1,429.40	1,433.72
Miles of transmission line	59.29	59.29
Total capital credits refunded during the year	\$582,607	\$617,853
Total capital credits refunded to date	\$16,288,834	\$16,906,687

ANNUAL REPORT COMPARISON WITH PREVIOUS YEARS

	2009	2014	2019
Kilowatt hour sales	104,467,437	114,256,233	114,259,074
Operating revenue	\$14,054,859	\$16,003,187	\$15,788,903
Cost of power	\$7,533,141	\$8,723,969	\$7,378,145
Power cost as percent of revenue	53.60%	54.51%	46.73%
Operating & Maintenance expense	\$1,336,393	\$1,436,911	\$1,868,499
Operating & Maintenance expense as percent of revenue	9.51%	8.98%	11.83%
General & Administrative expense	\$954,867	\$1,112,411	\$1,462,309
General & Administrative expense as percent of revenue	6.79%	6.95%	9.26%
Consumer Accounting expense	\$329,454	\$329,546	\$394,307
Consumer Accounting expense as percent of revenue	2.34%	2.06%	2.50%
Depreciation	\$1,273,241	\$1,599,620	\$1,903,358
Depreciation expense as percent of plant total	4.00%	2.96%	3.15%
Interest (long term debt)	\$1,073,569	\$960,060	\$1,007,655
Interest as percent of revenue	7.64%	6.00%	6.38%
Total Costs	\$13,035,603	\$14,795,129	\$14,713,422
Total Costs as a percent of revenue	92.75%	92.45%	93.19%

2019 EXPENSE DOLLARS



Customer Service 2%

Consumer Accounts 3%

Other 7%

Interest 7%

Administrative & General 10%

Operations & Maintenance 12%

Depreciation 12%

Power Costs 47%



36 JOY-FILLED YEARS

Karen Friedman bids farewell to OEC

RETIREMENT NEXT EXIT

Looking back at 1984, a postage stamp was 20 cents, a gallon of gas was \$1.13, a movie ticket was \$2.50, the original Apple Macintosh personal computers went on sale, and Karen Friedman began her career at Oconto Electric Cooperative (OEC).

Karen began working at OEC on May 7, 1984, as a receptionist. Her duties included answering the phone and processing mail. "Back then, we got a lot more mail than we do now. I had to open the payments and make a handwritten receipt. It is amazing how things have evolved," said Karen.

As Karen reminisced about all her past positions, she said, "God put me here at OEC at a perfect time; as others retired I was able to take over their positions."

In 1991, Bob Metzler retired and she stepped into his role as the customer service coordinator, handling the appliance sales. In 1996 Karen took over as the billing supervisor with the retirement of Elaine Miller.

The chief financial officer (CFO) position became available in 1999 after the retirement of Mike Marquardt, and that is where Karen has been for the last 20 years. "It has been fun and I can't express enough of how blessed I've been to have worked here. I have made wonderful friendships with employees over the years, and I am retiring still loving my job!" said Karen.

During her 36 years at OEC, Karen has had six different managers, whom she said were all absolutely amazing to work for.

Karen is married to Ron, a lineman at OEC, and they have two sons, Mitch (Abbi) and Mike. She looks forward to spending more time with her kids after retirement. You will also find her on the golf course, pickleball court, in her flower gardens, and antique shopping.

Karen, you will be greatly missed. Thank you for your 36 years of dedicated service and all the great memories. OEC runs through your veins, and your loyalty to OEC has always been noticed by those around you. We wish you all the best in your retirement years!



"Always upbeat attitude. Die-hard Packer fan. Keeps the attention on servicing our members to the best of our ability and putting them first. Her smiles and laugh will be missed on a daily basis. I wish her the best on her next adventure in life!" — Amy Winkler

"Working with Karen for almost 20 years has shown me she is patient, positive, and wants nothing more for someone than to succeed and do their very best. She has a heart of gold and puts fun into every day at the office! A co-worker and friend like you is irreplaceable." — Brenda Friction

"I don't have enough time to say everything I would like to about Karen. It has been my pleasure and honor to have worked with her. She is such a kind-hearted soul. When it comes to her job, she has done an extraordinary job and will be greatly missed by all of us. I want to wish Karen nothing but the best as she starts a new chapter in her life." — Byron Nolde

"Karen not only has a kind heart towards people but is truly an animal lover too. She leaves OEC with a wealth of cooperative knowledge. We wish her all the best in her well-deserved retirement. She will be greatly missed!" — Kriss Krause


"It has been an absolute pleasure to work with Karen for the past 20 years. She has been a great boss and even better friend. Things won't be the same without her in the office every day. Congratulations Karen!" — Stephanie Paitl

PREVENTING ELECTRICAL FIRES

Take steps to help prevent electrical fires by identifying possible safety problems before they occur. Safe Electricity offers the following checklist to help find possible issues with your electrical system or appliances before they become a fire hazard in your home:

- **Electrical outlets** – Check for loose-fitting plugs and loose wall receptacles. Replace missing or broken wall plates. If you have young children, install tamper resistant outlets (TROs). Avoid overloading outlets with adapters and too many appliance plugs.
- **Electrical wiring** – If an outlet is not working, it may be an indicator of unsafe wiring. Have an electrician check it out. Also check for loose wires and loose lighting fixtures. Listen for popping or sizzling sounds behind walls. If light switches are hot to the touch or lights spark and flicker, immediately shut them off at the circuit breaker and contact a qualified electrician to make repairs.
- **Ground Fault Circuit Interrupters (GFCIs)** – Make sure GFCIs are installed in your kitchen, bathrooms, laundry, workshop, basement, garage, and outdoor outlets. GFCIs help protect against electrical shock. Use the test and reset button monthly to ensure they are working properly.
- **Arc Fault Circuit Interrupters (AFCIs)** – Consider having AFCIs installed in your home. An AFCI installed in a circuit breaker monitors the flow of electricity throughout your home. If the AFCI detects any abnormality, it will shut the system off, preventing a fire.
- **Plugs** – Do not remove the grounding pin (third prong) to make a plug fit a two-conductor outlet.
- **Cords** – Make sure cords are not frayed or cracked, placed under rugs, tightly wrapped around any object, or located in high-traffic areas. Do not nail or staple them to walls, floors, or other objects.
- **Extension cords** – These are not intended as permanent household wiring, so use them on a temporary basis only. If you find you need more electrical outlets, talk to an electrician about installing more so you will not need to use extension cords.
- **Light bulbs** – Verify that your light bulbs are the intended wattage for the lamp or fixture they are in, and make sure they are screwed in securely so they do not overheat.
- **Appliances/Electronics** – If an appliance repeatedly blows a fuse, trips a circuit breaker, or has given you an electrical shock, immediately unplug it and have it repaired or replaced. Use surge protectors to protect expensive electronics. Make sure your appliances and electronics are placed in dry locations. If an appliance has been water damaged, be sure to replace it.
- **Circuit breakers/fuses** – Check that circuit breakers are working properly. Fuses should be properly rated for the circuit they are protecting.
- **Service capacity** – If fuses blow or trip frequently, you may need to increase the capacity of your electrical service or add new branch circuits. Contact a qualified electrician. (856001)

For more information on electrical safety in your home, visit SafeElectricity.org.

35,100 
reported home fires*
per year involve electrical
or lighting issues. Use AFCIs
to help protect your home.

*On average, per year, home structure fires between 2012 and 2016; Source: NFPA

**Safe
Electricity.org**



DAYLIGHT SAVING TIME REMINDER

Don't forget to spring forward on March 8! Set your clocks forward by one hour.



“NATIONAL AG DAY”

March 24 is National Ag Day. We thank all our local farmers for everything they provide.

Today and every day, we appreciate the food you bring to our tables!



Energy Efficiency Tip of the Month

Placing hot food in the refrigerator makes the appliance work harder than necessary, using more energy. Allow food to cool down before you place it in the fridge.

Source: energy.gov





BUSINESS SHOWCASE

P & P WILDLIFE ART STUDIO & GALLERIES



Most days, artists Paul Murphy and Pat Williams can be found working in their art studio.

I'd like to introduce you to OEC members Paul Murphy and Pat Williams. Their love for nature, especially wildlife, really shines through in the exquisite artwork they create.

Paul is a self-taught pyrography artist, who designs various types of wood burns. This art involves scorching a piece of wood or other natural material with a fine, heated tip in the place of a brush or pencil. Most recently he started carving wooden bowls of all sizes and shapes by hand—no lathe is used.

Pat Williams is an accomplished artist in many mediums: oil, pencil, wood carvings, clay sculpture, quilting, and pyrography. A self-taught artist since she was 13 years old, Pat has earned many art awards along the way.

Paul and Pat offer art classes in the

spring and fall of the year, right in their home. Children and adults are welcome.

Paul and Pat invite you to visit their two galleries. I was in such awe of their artwork and the stories behind each piece that I didn't realize I had been there for two hours. They ask that you please call ahead to make sure they are home, or ring the doorbell. If they are home, they are open.

P & P Wildlife Art Studio is located at 5420 Kruegers Quarry Road, Oconto, WI 54153, just east of Hwy 141 (3.5 miles south of Hwy 22).

Phone: 920-604-0152 or 920-883-6089.

Websites: paulmurphywoodburing.com and tranquilbayartstudio.com.

If you have suggestions for businesses that are on OEC's power lines, call Katie at 920-846-2816.

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 Virgie Gruselle, Green Bay, and Harold Lacoy, Pound.

Byron C. Nolde, CEO

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800-472-8410 • 920-846-2816
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Katie Jagiello, Editor



Pizza Mac & Cheese

Submitted by Becky Seefeldt, OEC Member

kosher salt

1 lb. penne

3 tbsp. unsalted butter

3 tbsp. all-purpose flour

1/4 c. tomato paste

2 c. whole milk

1 tsp. dried oregano, plus more for garnish

1/2 tsp. crushed red pepper flakes

3 c. grated mozzarella

1/4 lb. mini pepperoni slices

DIRECTIONS

Preheat oven 375°. In a large pot of salted boiling water, cook pasta according to package directions until al dente, less 2 minutes.

Meanwhile, in a large cast-iron skillet over medium-high heat, melt butter, whisk in flour, and cook for 1 minute. Add tomato paste and whisk in milk until smooth. Add oregano, red pepper flakes, and 1/2 teaspoon salt and bring to a boil. Simmer for 1 minute on medium heat.

Fold in half the cheese and add drained pasta. Top pasta with remaining cheese and sprinkle pepperoni all over.

Bake until pepperoni is crispy and pasta is bubbling, 10 minutes. Serve immediately.

If you have a recipe that you would like to share, please email kjagiello@ocontoelectric.com or mail it to Oconto Electric Cooperative, P.O. Box 168, Oconto Falls, WI 54154. If your recipe is printed, you will receive a gift.

