



# ANNUAL MEETING AGENDA – APRIL 24, 2021

- Call to order/determination of quorum
- Invocation
- Introduction – Chairman
- Meeting Notice and Proof of Mailing
- Waive or read minutes of the 2020 Annual Meeting
- Approve/ratify reports and actions of officers & directors for 2020
- Election of directors
- Old business
- New business
- Cooperative update
- Election results
- Final announcements
- Adjournment
- \$100 Cash drawing
- Prize drawings
- \$1,000 Cash drawing

**\* No meal will be served.**

## MEET YOUR DIRECTOR CANDIDATES

Co-op membership has its advantages. One advantage of being a member of a cooperative is the opportunity to elect directors to the co-op’s board. The chance to vote for your board will be held on April 24 at the Oconto Electric Cooperative Warehouse, at OEC’s Annual Meeting.

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 nominat-

ing 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 Denise Langlay were nominated to fill the director position. The final election by the membership will be at the annual meeting.

### DISTRICT 1 – UNCONTESTED



#### Vernon Gisenas

Vernon has been a member of the cooperative for over 40 years, and was elected to the board of directors in 2009.

Since 1993 he has owned a 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,” he said. “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. Along with the rest of the board and staff we will all work to keep rates reasonable and the service excellent,” exclaimed Vernon.

# DISTRICT 7 – CAST YOUR VOTE



## Todd Duame

Todd Duame is the incumbent director representing District 7. He was elected 12 years ago and 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,” explained Todd.

“I have enjoyed the past 12 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 want to thank all of you that have supported me in the past and I am asking for your support now. I am proud of the many accomplishments we have made to make your cooperative better. One of them was our new wholesale power contract that, as of last year, received 50% of our power from renewables and will be at 80% in 2035, with a final goal of 100% carbon-free by 2050. At the same time controlling our rates. We belong to a group that will be providing charging stations throughout our state and region. At the same time, we will be providing charging in your home at a reduced cost when combined with our load control program. If you vote for me I can assure you that we will continue to look toward the future and do what’s right for you and at the same time control your rates.”

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



## Denise Langlay

Denise has been a member of Oconto Electric Cooperative for over 35 years and recently was nominated as a director candidate for District 7. Denise resides in Oconto Falls with her husband, Brent, and they have three adult children. She currently works in guest services at Kwik Trip and was formerly a business owner and certified veterinary technician.

In the past she enjoyed serving on the Community Change Board (president, secretary/treasurer), Home School Board at St. Anthony School (president), N.E.W. Credit Union (supervisory committee), Oconto County Farm Bureau (secretary/treasurer), Town of Oconto Falls Smart Growth Comprehensive planning committee, Oconto County Advisory Committee for Comprehensive Planning, and as an FFA Alumni member. “At this time I am not serving on any boards. I would devote my full attention to the members of OEC,” said Denise.

“I feel that electric cooperatives like OEC are an important part of the electric industry, otherwise we would be an investor-owned utility with no economic participation, autonomy or independence to vote in the direction of our needs for the community. I am looking forward to the opportunity to represent the members of OEC and contribute a new perspective of concepts, strategic planning and ensure economic solutions to our members. I would like to represent your rights as members.”

Denise enjoys gardening, canning vegetables, and traveling.

“I would be honored to serve Oconto Electric Cooperative as your District 7 Director for the next three years and ask for your support and vote.”



# OCONTO ELECTRIC COOPERATIVE'S 83RD ANNUAL MEETING MINUTES

## AUGUST 6, 2020

Oconto Falls, Wisc.—Due to the COVID-19 pandemic, Oconto Electric Cooperative conducted this year's meeting "drive-in" style at the new Dirt City Race Track in Lena, Wisconsin, with members arriving in their vehicles and tuning their radios to their local radio station 88.3 FM to hear the meeting broadcast.

Chairman Hischke determined a quorum of 53 voting members in attendance and called the meeting to order.

Special patriotic American flag songs in honor of all veterans serving past and present were presented by Sharon Stodola Eslien.

David Hischke, chairman of the board, presided over the meeting.

Secretary Todd Duame read the Official Meeting Notice of the 83rd annual meeting and Proof of Mailing, which was a postcard sent via mail and by email for those on paperless notifications on March 11, 2020, to each member of the cooperative. Secretary Duame also read the second meeting notice sent on July 8 via bill insert and/or email due to the postponement of the original meeting date due to the COVID-19 pandemic.

A motion was made and seconded to waive the reading of the 2019 82nd OEC annual meeting minutes and accept as published. Motion carried.

Members were reminded that the 2019 cooperative's audit report was published in the March issue of the *WEC News* magazine as well as being noted on OEC's website at [www.ocontoelectric.com](http://www.ocontoelectric.com).

Co-op Attorney Eslien called for a motion to approve and

ratify the reports and actions taken by the officers and directors for 2019. A motion was made and seconded to approve as presented. Motion carried.

Attorney Eslien also called for a unanimous vote due to District 4 and District 6 having only one candidate nominated for incumbent directors Doug Allen, District 4, and Dan Kanack, District 6. Director terms to begin retroactive back to the original meeting date of March 28, 2020, for another three (3) year term. A motion was made and seconded to accept as nominated for another three (3) year term. Motion carried.

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 the membership drawing of \$1,000. (All co-op member names are entered in the drawing—member must be present to win.) There was a small hiccup when opening the spinner containing the slips of papers with the members' names. The wind blew a slip of paper out and employees were unable to find where the slip of paper went, due to it being so windy and the grassy brush of the terrain. The chairman apologized and asked members to disqualify the first drawing and to agree to draw another name. Hearing no objections, Attorney Eslien drew member Robert D. Bystek's name. Unfortunately, he was not in attendance. Chairman Hischke extended a final thank you to all for attending the meeting.

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 2019	UNAUDITED 2020
<b>UTILITY PLANT:</b>		
Electric Plant in Service	\$60,044,138	\$61,598,146
Construction Work in Progress	\$457,782	\$986,354
	<u>\$60,501,920</u>	<u>\$62,584,500</u>
<b>LESS:</b> Accumulated Provision for Depreciation	\$26,059,620	\$27,089,013
Net Utility Plant	<u>\$34,442,300</u>	<u>\$35,495,486</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>		
Investments in Associated Organizations	\$1,720,355	\$1,765,037
Other Investments	\$2,235	\$2,235
	<u>\$1,722,590</u>	<u>\$1,767,272</u>
<b>CURRENT ASSETS:</b>		
Cash – General	\$4,388,982	\$1,760,917
Temporary Cash Investments	\$103,746	\$105,652
Accounts Receivable	\$2,223,736	\$2,102,597
Materials and Supplies	\$996,517	\$1,294,568
Prepayments	\$83,982	\$92,681
Other Current Assets	\$5,341	\$5,191
	<u>\$7,802,304</u>	<u>\$5,361,607</u>
<b>DEFERRED CHARGES</b>	\$100,374	\$129,735
<b>TOTAL ASSETS</b>	<u>\$44,067,568</u>	<u>\$42,754,100</u>
<b>EQUITIES AND MARGINS:</b>		

## EQUITIES & LIABILITIES

	AUDITED 2019	UNAUDITED 2020
Other Margins & Equities	\$1,687,281	\$1,774,109
Patronage Capital	\$18,991,160	\$20,217,198
	<u>\$20,678,441</u>	<u>\$21,991,308</u>
<b>LONG-TERM LIABILITIES:</b>		
RUS Mortgage Notes	\$8,981,110	\$10,491,191
Other Long-Term Debt	\$12,395,342	\$8,175,330
	<u>\$21,376,452</u>	<u>\$18,666,521</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$948,759	\$1,060,908
Customer Deposits	\$140,481	\$140,985
Other Current & Accrued Liabilities	\$493,370	\$464,398
	<u>\$1,582,610</u>	<u>\$1,666,291</u>
<b>DEFERRED CREDITS</b>	\$430,065	\$429,981
<b>CONTINGENT LIABILITIES</b>	\$0	\$0
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<u>\$44,067,568</u>	<u>\$42,754,100</u>



# STATEMENTS OF REVENUE & PATRONAGE CAPITAL

	AUDITED 2019	UNAUDITED 2020
<b>OPERATING REVENUE &amp; PATRONAGE CAPITAL</b>	\$15,788,903	\$16,309,364
<b>OPERATING EXPENSES</b>		
Power Production Expense	\$90,078	\$79,549
Cost of Purchased Power	\$7,378,145	\$8,287,529
Transmission Expense	\$13,103	\$29,033
Distribution Expense-Operations	\$789,712	\$729,524
Distribution Expense-Maintenance	\$1,078,787	\$699,983
Customer Accounts Expense	\$394,307	\$435,288
Customer Service & Informational Expense	\$315,673	\$318,983
Sales Expense	\$7,368	\$20,654
Administration & General Expense	\$1,312,769	\$1,247,103
Board of Directors per diem*	\$42,330	\$32,321
Board of Directors Education & Travel Expense*	\$94,851	\$34,380
Miscellaneous Board Expense	\$12,360	\$8,415
Depreciation Expense	\$1,903,358	\$1,962,967
Taxes	\$271,585	\$258,571
Interest on Long-Term Debt	\$1,007,655	\$773,695
Other Interest	(\$3,676)	(\$8,469)
Other Deductions	\$5,017	\$2,245
Total Operating Expense & Interest	<u>\$14,713,422</u>	<u>\$14,911,770</u>
Net Operating Margin	\$1,075,481	\$1,397,594
<b>NON-OPERATING MARGINS</b>		
Interest Income	\$339,495	\$225,849
Other Non-Operating Margins	\$34,297	\$28,633
Total	<u>\$373,792</u>	<u>\$254,482</u>
<b>CAPITAL CREDIT ALLOCATIONS</b>	\$133,255	\$148,222
<b>NET MARGINS</b>	\$1,582,527	\$1,800,298
<b>PATRONAGE CAPITAL AT BEGINNING</b>	\$18,026,486	\$18,991,160
Retirement of Capital Credits	(\$617,853)	(\$574,260)
<b>PATRONAGE CAPITAL AT END</b>	\$18,991,160	\$20,217,198

\*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, 2020, 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

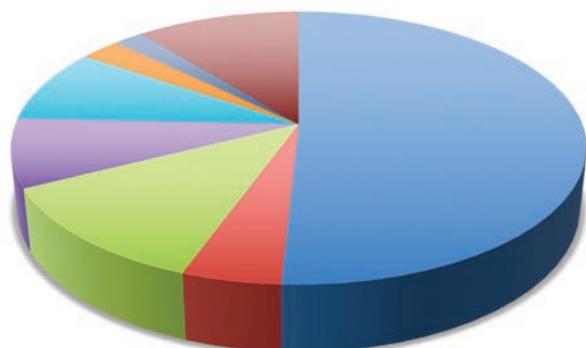
	AUDITED 2019	UNAUDITED 2020
Net equity due members	\$18,991,160	\$20,217,198
Interest paid RUS/CFC/CoBank	\$1,007,656	\$748,819
Total paid to RUS/CFC/CoBank (principle & interest)	\$2,610,666	\$2,152,917
Total kilowatt hours generated	7,383,529	8,295,513
Total kilowatt hours purchased	116,772,000	120,604,000
Average kilowatt hour usage per month (residential only)	1,032	1,050
Average cost per kilowatt hour to member (residential only)	\$.1375	\$.1373
Average member's bill per month (residential only)	\$141.90	\$144.17
Number of connected services	10,003	10,069
Highest system demand	23,867	26,689
Cost per kilowatt hour generated in mills	21.100	17.400
Cost per kilowatt hour purchased in mills	65.984	68.645
Number of meters per mile	6.96	7.55
Miles of distribution line	1,433.72	1,440.65
Miles of transmission line	59.29	59.29
Total capital credits refunded during the year	\$617,853	\$574,260
Total capital credits refunded to date	\$16,906,687	\$17,480,947

## ANNUAL REPORT COMPARISON WITH PREVIOUS YEARS

	2010	2015	2020
Kilowatt hour sales	105,877,761	108,559,504	118,752,725
Operating revenue	\$14,249,314	\$15,653,308	\$16,309,364
Cost of power	\$7,596,567	\$8,322,331	\$8,287,529
Power cost as percent of revenue	53.31%	53.17%	50.81%
Operating & maintenance expense	\$1,279,810	\$1,426,748	\$1,429,507
Operating & maintenance expense as percent of revenue	8.98%	9.11%	8.76%
General & administrative expense	\$998,360	\$1,159,814	\$1,322,219
General & administrative expense as percent of revenue	7.01%	7.41%	8.11%
Consumer accounting expense	\$339,710	\$336,034	\$435,288
Consumer accounting expense as percent of revenue	2.38%	2.15%	2.67%
Depreciation	\$1,350,360	\$1,643,450	\$1,962,967
Depreciation expense as percent of plant total	4.00%	2.99%	3.14%
Interest (long term debt)	\$1,061,408	\$940,608	\$773,695
Interest as percent of revenue	7.45%	6.01%	4.74%
Total costs	\$13,179,539	\$14,492,555	\$14,911,771
Total costs as a percent of revenue	92.49%	92.58%	91.43%

MY CO-OP

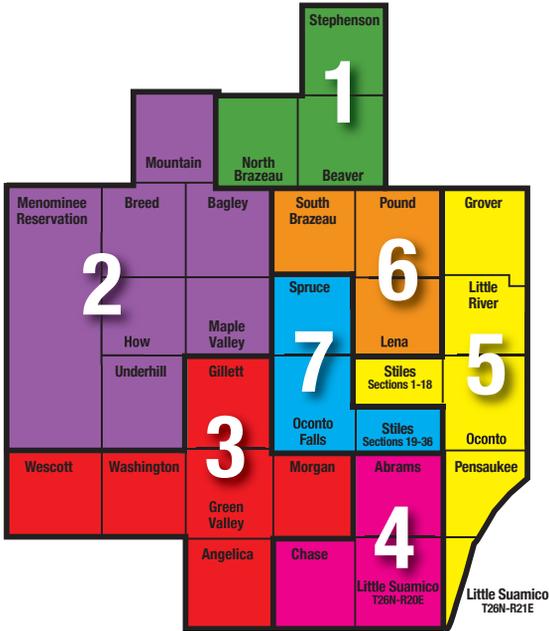
## 2020 EXPENSE DOLLARS



- Customer Service 2%
- Administrative & General 8%
- Consumer Accounts 3%
- Operations & Maintenance 9%
- Interest 5%
- Depreciation 12%
- Other 11%
- Power Costs 51%



# 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: 2023



**Ronnie Kruse**  
District No. 5  
Term Expires: 2022



**Dan Kanack**  
District No. 6  
Term Expires: 2023



**Todd Duame**  
District No. 7  
Term Expires: 2021



**BUILT** by our community.  
**SHAPED** by our community.  
**LED** by our community.

**WE'RE PROUD TO POWER YOUR LIFE.**



## Wisconsin Emergency Rental Assistance Program

### What Kind of Help is Available?



Utility and Home Energy Payments



Rent Payments



Services to help you stay in your home

Eligible households may receive up to 12 months of assistance to help with current and/or overdue bills.

### Does My Household Qualify?

Your household may qualify if at least one or more individuals in your home meet the following:

- 1) Qualifies for unemployment or has experienced a reduction in household income, experienced major costs, or experienced financial struggles due to COVID-19;
- 2) Demonstrates a risk of being evicted or losing your home; and,
- 3) Has a household income at or below 80 percent of the county median.



### Want to Apply?

Information about the Wisconsin Emergency Rental Assistance Program, including how to apply for assistance, is available in two convenient ways:

Your Local Community Action Agency

Visit: [wiscap.org/wera](http://wiscap.org/wera)

Energy Services, Inc.

Call: 1-833-900-9372 or

Email: [support@wera.help](mailto:support@wera.help)

Wisconsin Emergency Rental Assistance Program is administered by the Wisconsin Department of Administration