

Oconto Electric Cooperative 85th Annual Meeting Agenda APRIL 9, 2022

The following items of business will be conducted:

- Call to order/determination of quorum
- Invocation
- Introduction - Chairman
- Meeting notice and proof of mailing
- Waive or read minutes of the 2021 annual meeting
- Treasure's Report
- Approve/ratify reports and actions of officers & directors for 2021
- Election of directors
- Old business
- New business
- Cooperative update
- Final announcements
- Adjournment
- \$100 cash drawing
- Prize drawings
- \$1,000 cash drawing

*** Due to COVID-19 no meal will be served.**

District Meetings

There are three director terms expiring this year — districts 2, 3 and 5. Meetings were 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.

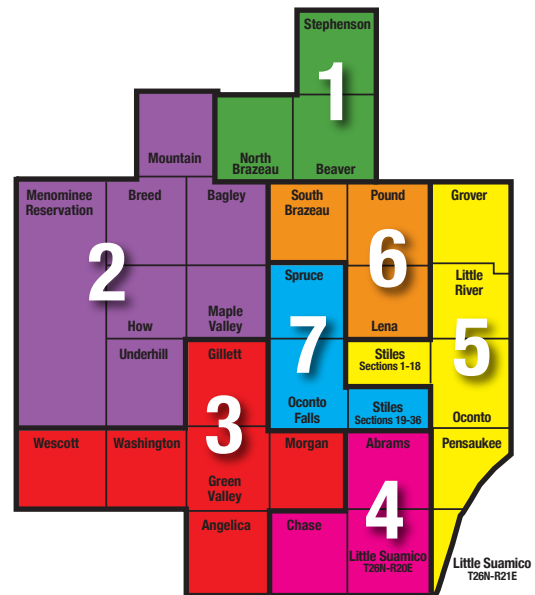
At the district 2 meeting, incumbent David Hischke was the only person nominated to fill the position of director.

In district 3, incumbent Tony Wagner was the only person nominated to fill the director position.

In district 5, incumbent Ronnie Kruse was the only person nominated to fill the director position.

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

Territory Served by Your Cooperative



Dennis Langenberg
District No. 1
Term Expires: 2024



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: 2024



Oconto Electric Cooperative's 84th Annual Meeting Minutes

April 24, 2021

Oconto Falls, Wisc. - Due to the continued challenges of the COVID-19 Pandemic and the unavailability of the Oconto Falls Performing Arts Center, Oconto Electric Cooperative conducted their 84th annual meeting utilizing OEC's Warehouse #3, on April 24, 2021.

Chairman Hischke determined a quorum of 195 voting members in attendance and called the meeting to order.

Pastor Bill Tisch of Our Saviors Christian Church in Pulaski, WI provided the invocation.

Chairman Hischke presided over the meeting.

Secretary Todd Duame read the official meeting notice of the 84th annual meeting and proof of mailing, which was a postcard sent via mail and by email for those on paperless notifications on April 2, 2021 to each member of the cooperative.

A Motion was made and seconded to waive the reading of the 2020 83rd OEC annual meeting minutes and accept as published. Motion Carried.

Members were reminded that the 2020 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.

Coop. Attorney Eslien called for a motion to approve and ratify the reports and actions taken by the officers and directors for 2020. A Motion was made and seconded to approve as presented. Motion Carried.

Attorney Eslien called for a unanimous vote for District 1 with incumbent director Vernon Gisenas being solely nominated to serve another three (3) year term. A unanimous vote was cast and accepted. Attorney Eslien provided incumbent director Todd Duame and Denise Langlay, candidates nominated at their district 7 meeting, an opportunity to address the membership prior to members casting their vote. Election tellers gathered the ballots and went to a separate designated area to tally the ballots.

Chairman Hischke asked if there was any old or new business to be discussed. A member noted that the pie chart displayed in the WEC News magazine appeared to be slightly off when adding up the expense percentages. CEO thanked the member for the question and explained when the data was pulled into the graph format it rounded up the figures causing the chart to reflect 101%. Hearing no other business, the Chairman noted that due to the pandemic the 2021 OEC Scholarship recipients were not in attendance to be publicly acknowledged as in the past, but were recognized in the WEC News magazine. While awaiting the voting results, the Chairman and CEO provided members an update on the following topics: wholesale power supply, renewable energy, electric cars and battery storage, drawdown of the Machickanee Flowage, and the unfortunate ending of OEC's remarkable 17-year safety record without a lost-time accident.

Attorney Eslien presented Chairman Hischke with the final voting results and deemed incumbent director, Todd Duame, having received the most votes. (Todd Duame 142, Denise Langlay 62). This concluded the business portion of the meeting. A Motion was made and seconded to adjourn. Motion Carried.

Before members dispersed the annual membership drawing of \$1,000 dollars was conducted (all co-op member names are entered in the drawing - member must be present to win). Members, Karen & Michael Wanta of Pound were drawn, they were not in attendance. The second drawing was the \$100 cash members in-attendance drawing. Thomas & Nancy Jagodzinski were winners of the \$100 cash. The meeting concluded with the final drawing of gifts donated by vendors. 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

UTILITY PLANT:

Electric Plant in Service	\$61,598,146	\$65,083,522
Construction Work in Progress	\$986,354	\$1,037,956
	<u>\$62,584,500</u>	<u>\$66,121,479</u>

LESS:

Accumulated Provision for Depreciation	\$27,089,013	\$28,204,639
Net Utility Plant	<u>\$35,495,486</u>	<u>\$37,916,839</u>

OTHER PROPERTY AND INVESTMENTS:

Investments in Associated Organizations	\$1,765,037	\$1,859,817
Other Investments	\$2,235	\$2,235
	<u>\$1,767,272</u>	<u>\$1,862,052</u>

Cash - General	\$1,760,917	\$1,571,682
Temporary Cash Investments	\$105,652	\$105,757
Accounts Receivable	\$2,102,597	\$2,300,196
Materials and Supplies	\$1,294,568	\$1,082,598
Prepayments	\$92,681	\$93,592
Other Current Assets	\$5,191	\$5,191
	<u>\$5,361,607</u>	<u>\$5,159,016</u>

DEFERRED CHARGES

	\$129,735	\$89,915
	<u>\$42,754,100</u>	<u>\$45,027,823</u>

EQUITIES & LIABILITIES

EQUITIES AND MARGINS:

Other Margins & Equities	\$1,774,109	\$1,839,392
Patronage Capital	\$20,217,198	\$20,763,559
	<u>\$21,991,308</u>	<u>\$22,602,951</u>

LONG-TERM LIABILITIES:

RUS Mortgage Notes	\$10,491,191	\$12,762,390
Other Long-Term Debt	\$8,175,330	\$7,525,482
	<u>\$18,666,521</u>	<u>\$20,287,872</u>

CURRENT LIABILITIES

Accounts Payable	\$1,060,908	\$1,085,886
Customer Deposits	\$140,985	\$144,099
Other Current & Accrued Liabilities	\$464,398	\$513,062
	<u>\$1,666,291</u>	<u>\$1,743,048</u>

DEFERRED CREDITS

	\$429,981	\$393,952
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CONTINGENT LIABILITIES

	\$0	\$0
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TOTAL EQUITIES & LIABILITIES

	<u>\$42,754,100</u>	<u>\$45,027,823</u>
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STATEMENTS OF REVENUE & PATRONAGE CAPITAL

	AUDITED 2020	UNAUDITED 2021
OPERATING REVENUE & PATRONAGE CAPITAL	\$16,309,364	\$16,663,216
OPERATING EXPENSES		
Power Production Expense	\$79,549	\$85,839
Cost of Purchased Power	\$8,287,529	\$8,884,368
Transmission Expense	\$29,033	\$16,175
Distribution Expense-Operations	\$729,524	\$716,689
Distribution Expense-Maintenance	\$699,983	\$946,735
Customer Accounts Expense	\$435,288	\$409,408
Customer Service & Informational Expense	\$318,983	\$317,940
Sales Expense	\$20,654	\$24,234
Administration & General Expense	\$1,247,103	\$1,282,362
Board of Directors per diem*	\$32,321	\$36,105
Board of Directors Education & Travel Expense*	\$34,380	\$32,389
Miscellaneous Board Expense	\$8,415	\$10,610
Depreciation Expense	\$1,962,967	\$2,008,449
Taxes	\$258,571	\$250,831
Interest on Long-Term Debt	\$773,695	\$684,623
Other Interest	(\$8,469)	(\$8,468)
Other Deductions	\$2,245	\$5,856
Total Operating Expense & Interest	\$14,911,770	\$15,704,146
Net Operating Margin	\$1,397,594	\$959,070
NON-OPERATING MARGINS		
Interest Income	\$225,849	\$51,960
Other Non-Operating Margins	\$28,633	\$49,741
Total	\$254,482	\$101,702
CAPITAL CREDIT ALLOCATIONS	\$148,222	\$186,182
NET MARGINS	\$1,800,298	\$1,246,954
PATRONAGE CAPITAL AT BEGINNING	\$18,991,160	\$20,217,198
Retirement of Capital Credits	(\$574,260)	(\$700,593)
PATRONAGE CAPITAL AT END	\$20,217,198	\$20,763,559

*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.

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, 2021, 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

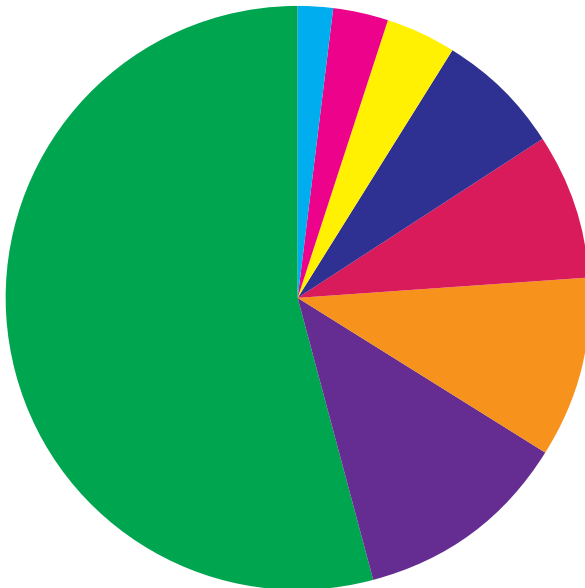
	AUDITED 2020	UNAUDITED 2021
Net equity due members	\$20,217,198	\$20,763,559
Interest paid RUS/CFC/CoBank	\$748,819	\$684,953
Total paid to RUS/CFC/CoBank (principle & interest)	\$2,152,917	\$1,673,426
Total kilowatt hours generated	8,295,513	4,154,680
Total kilowatt hours purchased	120,604,000	126,068,000
Average kilowatt hour usage per month (residential only)	1,050	1,036
Average cost per kilowatt hour to member (residential only)	\$.1373	\$.1381
Average member's bill per month (residential only)	\$144.17	\$143.07
Number of connected services	10,069	10,136
Highest system demand	26,689	26,706
Cost per kilowatt hour generated in mills	17.500	36.700
Cost per kilowatt hour purchased in mills	68.645	70.403
Number of meters per mile	7.55	7.53
Miles of distribution line	1,440.65	1,450.37
Miles of transmission line	59.29	59.29
Total capital credits refunded during the year	\$574,260	\$700,593
Total capital credits refunded to date	\$17,480,947	\$18,179,114

ANNUAL REPORT COMPARISON WITH PREVIOUS YEARS

	2011	2016	2021
Kilowatt hour sales	108,035,952	109,499,922	120,140,005
Operating revenue	\$14,489,807	\$15,488,662	\$16,663,216
Cost of power	\$7,734,445	\$7,810,407	\$8,884,368
Power cost as percent of revenue	53.38%	50.43%	53.32%
Operating & Maintenance expense	\$1,329,789	\$1,354,094	\$1,663,425
Operating & Maintenance expense as percent of revenue	9.18%	8.74%	9.98%
General & Administrative expense	\$958,003	\$1,243,741	\$1,361,466
General & Administrative expense as percent of revenue	6.61%	8.03%	8.17%
Consumer Accounting expense	\$352,648	\$365,430	\$409,408
Consumer Accounting expense as percent of revenue	2.43%	2.136%	2.46%
Depreciation	\$1,413,329	\$1,761,643	\$2,008,449
Depreciation expense as percent of plant total	3.00%	3.13%	3.04%
Interest (long term debt)	\$1,041,121	\$957,477	\$684,623
Interest as percent of revenue	7.19%	6.18%	4.11%
Total Costs	\$13,411,245	\$14,141,387	\$15,704,146
Total Costs as a percent of revenue	92.56%	91.30%	94.24%



2021 EXPENSE DOLLARS



- Customer Service 2%
- Administrative & General 8%
- Consumer Accounts 3%
- Operations & Maintenance 10%
- Interest 4%
- Depreciation 12%
- Other 7%
- Power Costs 54%



Energy Efficiency Tip of the Month

When was your cooling system last serviced? Most manufacturers recommend an annual tune up for your home's cooling system. March is a great time to schedule this service so you can beat the summer rush when the pros are busiest.

A qualified professional can check the amount of refrigerant, accuracy of the thermostat, condition of belts and motors and other factors that can greatly impact the efficiency of your system.

Source: Dept. of Energy

