

Oconto Electric Cooperative 86th Annual Meeting Agenda APRIL 1, 2023

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 2022 annual meeting
- Treasure's Report
- Approve/ratify reports and actions of officers & directors for 2022
- Election of directors
- Old business
- New business
- Cooperative update
- Scholarship recipients
- Final announcements
- Adjournment
- \$100 cash drawing
- Prize drawings
- \$1,000 cash drawing

Held at
Oconto Falls High School
Performing Arts Center
210 Farm Road, Oconto Falls, WI

Registration opens at 9 a.m.
(NO EARLY ENTRY)

Meeting begins at 10 a.m.
Registration for door prize entry
closes at 10:15 a.m.

Members will receive the
official notice and registration
card in the mail.

Annual Meeting \$1,000 Drawing

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



PLEASE JOIN US FOR YOUR 2023 ANNUAL MEETING



Todd Duame

The board and I are looking forward to seeing all of you at the upcoming 86th OEC annual meeting on April 1, being held in the Oconto Falls Performing Arts Center. The annual meeting is an important way for us to communicate with members on what has taken place in the industry and your cooperative.

As a cooperative, we are governed by you—the members we serve. Directors are local members just like you, and represent the best interests of all when making decisions for the cooperative.

These past few years have certainly been challenging due to the pandemic, rising inflation, and material shortages, just to name a few. These major issues have caused OEC to adjust our rates accordingly. CEO Byron Nolde will be speaking more about how these challenges have affected and changed our everyday operations during his report at the meeting.

I believe we are heading back to operating in a more normal state, as we have in the past.

Again, we look forward to seeing all of you and reporting to you the current audited financial position of the cooperative at this year's 86th annual meeting.

Todd Duame, Board Chairman



Byron C. Nolde

As usual, I look forward to connecting with our membership "in person" once again. As the chairman stated, these past two years have certainly been challenging, as well as unpredictable, to say the least. I continue to remain optimistic with being able to report to you on how OEC has adapted to these challenges to ensure the future success of the cooperative.

Byron C. Nolde, CEO

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 at OEC's Annual Meeting on April 1 at the Oconto Falls Performing Arts Center.

There are two director terms expiring this year—District 4, incumbent Doug Allen and District 6, incumbent Dan Kanack. 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.

In District 4, incumbent Doug Allen and Jan Stranz were nominated to fill the director position. The final election by the membership will be at the annual meeting.

At the District 6 meeting, incumbent Dan Kanack was the only person nominated to fill the position of director. His nomination will be approved at the annual meeting by voice vote.

Kanack has served as a director of OEC's board for 48 years, a career that has included service as the board's secretary, treasurer, and president; 17 years as a WECA director; eight years representing Wisconsin on the NRECA board of directors; past chairman of the Wisconsin Cooperative Development Council; along with terms in local elected office as a town supervisor.

Kanack has been a lifelong member of the co-op.



Dan Kanack
District 6

DISTRICT 4 – CAST YOUR VOTE



Doug Allen (I)

Lifelong member of OEC

As a lifelong OEC member, I am seeking re-election to the Oconto Electric Cooperative Board of Directors.

Occupation: I am a retired dairy farmer who now owns and operates a small grain and beef farm. Since retiring, I turned my passion for community engagement into my full-time job. In my spare time, my wife Sue and I enjoy spending time with our family of seven children and 12 grandchildren.

Present and Past Board Positions: Through my years of experience in public service, I bring a wealth of knowledge and experience to the OEC board, where I currently serve as vice-chairman. During my time as an OEC director, I have successfully worked to address issues such as access to infrastructure and resources, and have helped bring new programs and initiatives to our members.

In addition to my service with OEC, I have been an active member of a multitude of community boards and a strong voice for the needs of residents.

Present Board Positions:

Oconto Electric Cooperative Director – (since 1984, multiple positions held)
Little Suamico Town Supervisor – 16 years
Little Suamico Planning Commission – 18 years
Oconto County Land Conservation Committee
Agricultural Stabilization and Conservation Services (ASCS)

Past Board Positions:

Oconto Falls School Board (multiple positions held)
Little Suamico Fire Department – Volunteer Firefighter
Oconto County Farm Service Agency Board Member
St. Pius Catholic Church Board Member
Oconto County Fair Board

Education/Experience: My combination of career experience as a farmer, education in engineering, and over 40 years of service on various boards, particularly in the rural electric and power industry, positions me as a knowledgeable and well-rounded director. My dedication to continue pursuing education opportunities through various board positions demonstrates my commitment to staying current in my understanding of the subject matter areas I support so I can more effectively advocate for our members. I have earned both the Credentialed Cooperative Director Certificate in 2002 and the Board Leadership Certificate in 2007, and I continue to educate myself through various cooperative director classes.

Comments: Continuing my grandfather's legacy of improving the community through advancements in energy and being a voice for the ever-changing community is both a calling and a passion. It has been an honor to serve the members of the Oconto Electric Cooperative and I aim to continue doing so in the future. I am proud of the progress we have made in securing the cooperative's future and will utilize my industry knowledge to ensure we take advantage of programs to manage energy prices while controlling construction and maintenance costs, and providing reliable energy at competitive rates.

Our members are the backbone of the co-op, and ensuring your access to continued progress, growth, and essential services is a responsibility I take extremely seriously.

**Jan Stranz**

Member of OEC for 39 years

Cooperatives are strong and healthy because members are invested in them. As a longtime OEC member and former employee, and as a someone who deeply understands the need for people to be involved in their communities, I am excited and prepared to be a candidate for the OEC Board of Directors.

Occupation/Family:

Retired (former VP-Member Services at OEC)

Married to Al Stranz since 1984; two adult children and two grandchildren

I enjoy family time, kayaking, gardening, reading

Present Board Positions:

Serving on local boards has given me a deep, functional understanding that the duty of a board member is to provide strategic direction and management oversight, based on the needs and best interests of the members while ensuring the financial integrity and sustainability of the organization.

Oconto Falls Board of Education, 2005 through present; leaving the board in 4/2023

HSHS St. Clare Memorial Hospital Board, 1999 through present; term expires 12/2023 (Formerly Community Memorial Hospital)

Community “Change” Board, 2018-present

Oconto FFA Alumni member since 1999

Past Board Positions:

CESA 8 Board of Control, 2019-2022

Oconto County Economic Development Corporation, 1993-2020

Wisconsin FFA Foundation, 2006-2008

Parish Council Member, St. Louis Catholic Church (now St. Maximilian Kolbe) serving at various times over the past 30 years.

Education/Experience:

Bachelor’s Degree, Business Administration, Lakeland University

Master’s Degree, Business Administration, Lakeland University

Oconto Electric Cooperative (1992-2018)

Member Services Representative and later VP-Member Services. Specialized in leading energy management programs, member information initiatives, farm issues, hydro plant relicensing, retail business development, and buildings/grounds maintenance.

Associated Bank (1986-1992)

Served in Trust Operations as paying agent for corporate and municipal bonds.

Excel Energy (employed 1978-1984)

Residential Energy Analyst and Energy Information Specialist. Developed residential and small commercial energy conservation programs; provided data for state building codes involving energy conservation.

Comments: I truly believe in the power of the cooperative business model. The member is at the center of this model. I am prepared to invest my time, experience, and energy to represent you, the OEC members, as the cooperative continues its mission to provide affordable, reliable electricity.

COMPARATIVE BALANCE SHEET

ASSETS

UTILITY PLANT:

Electric Plant in Service	\$65,083,522	\$67,649,745
Construction Work in Progress	\$1,037,956	\$1,618,964
	<u>\$66,121,479</u>	<u>\$69,268,709</u>

LESS:

Accumulated Provision for Depreciation	\$28,204,639	\$29,469,623
Net Utility Plant	<u>\$37,916,839</u>	<u>\$39,799,086</u>

OTHER PROPERTY AND INVESTMENTS:

Investments in Associated Organizations	\$1,859,817	\$1,855,328
Other Investments	\$2,235	\$2,235
	<u>\$1,862,052</u>	<u>\$1,857,563</u>

Cash – General	\$1,571,682	\$177,082
Temporary Cash Investments	\$105,757	\$105,810
Accounts Receivable	\$2,300,196	\$2,234,694
Materials and Supplies	\$1,082,598	\$1,186,925
Prepayments	\$93,592	\$109,413
Other Current Assets	\$5,191	\$5,191
	<u>\$5,159,016</u>	<u>\$3,819,115</u>

DEFERRED CHARGES

TOTAL ASSETS

\$89,915	\$166,008
<u>\$45,027,823</u>	<u>\$45,641,772</u>

EQUITIES & LIABILITIES

EQUITIES AND MARGINS:

Other Margins & Equities	\$1,839,392	\$1,764,813
Patronage Capital	\$20,763,559	\$19,780,421
	<u>\$22,602,951</u>	<u>\$21,545,234</u>

LONG-TERM LIABILITIES:

RUS Mortgage Notes	\$12,762,390	\$12,841,452
Other Long-Term Debt	\$7,525,482	\$7,089,863
	<u>\$20,287,872</u>	<u>\$19,931,315</u>

CURRENT LIABILITIES

Notes Payable		\$2,000,000
Accounts Payable	\$1,085,886	\$1,049,127
Customer Deposits	\$144,099	\$145,456
Other Current & Accrued Liabilities	\$513,062	\$495,680
	<u>\$1,743,048</u>	<u>\$3,690,263</u>

DEFERRED CREDITS

\$393,952	\$474,960
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CONTINGENT LIABILITIES

\$0	\$0
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TOTAL EQUITIES & LIABILITIES

<u>\$45,027,823</u>	<u>\$45,641,772</u>
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STATEMENTS OF REVENUE & PATRONAGE CAPITAL

	AUDITED 2021	UNAUDITED 2022
OPERATING REVENUE & PATRONAGE CAPITAL	\$16,663,216	\$16,950,689
OPERATING EXPENSES		
Power Production Expense	\$85,839	\$150,047
Cost of Purchased Power	\$8,884,368	\$9,436,114
Transmission Expense	\$16,175	\$14,625
Distribution Expense – Operations	\$716,689	\$1,038,828
Distribution Expense – Maintenance	\$946,735	\$1,418,421
Customer Accounts Expense	\$409,408	\$441,408
Customer Service & Informational Expense	\$317,940	\$279,568
Sales Expense	\$24,234	\$26,142
Administration & General Expense	\$1,282,362	\$1,411,357
Board of Directors per diem*	\$36,105	\$36,105
Board of Directors Education & Travel Expense*	\$32,389	\$86,402
Miscellaneous Board Expense	\$10,610	\$9,973
Depreciation Expense	\$2,008,449	\$2,087,526
Taxes	\$250,831	\$242,826
Interest on Long-Term Debt	\$684,623	\$661,749
Other Interest	(\$8,468)	\$13,381
Other Deductions	\$5,856	\$4,993
Total Operating Expense & Interest	\$15,704,146	\$17,359,465
Net Operating Margin	\$959,070	(\$408,776)
NON-OPERATING MARGINS		
Interest Income	\$51,960	\$22,839
Other Non-Operating Margins	\$49,741	\$6,613
Total	\$101,702	\$29,452
CAPITAL CREDIT ALLOCATIONS	\$186,182	\$210,059
NET MARGINS	\$1,246,954	(\$169,265)
PATRONAGE CAPITAL AT BEGINNING	\$20,217,198	\$20,763,559
Retirement of Capital Credits	(\$700,593)	(\$982,731)
PATRONAGE CAPITAL AT END	\$20,763,559	\$19,611,563

*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. (61200)

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, 2022, 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

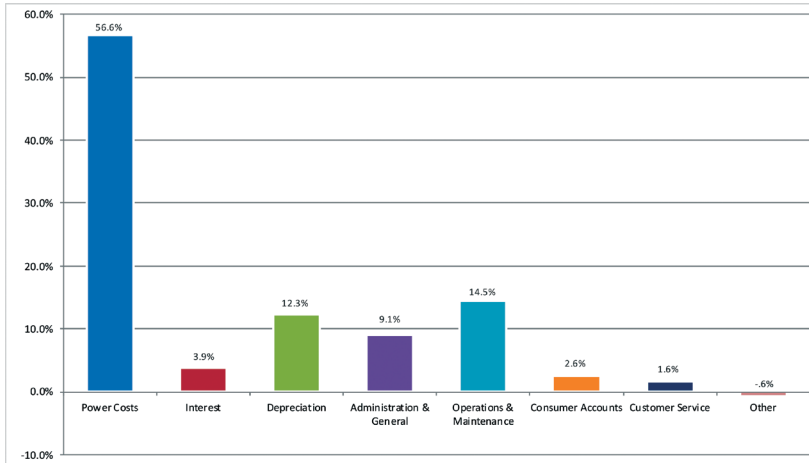
	AUDITED 2021	UNAUDITED 2022
Net equity due members	\$20,763,559	\$19,611,563
Interest paid RUS/CFC/CoBank	\$684,953	\$662,102
Total paid to RUS/CFC/CoBank (principle & interest)	\$1,673,426	\$1,825,151
Total kilowatt hours generated	4,154,680	5,310,975
Total kilowatt hours purchased	126,068,000	130,474,000
Average kilowatt hour usage per month (residential only)	1,036	1,060
Average cost per kilowatt hour to member (residential only)	\$.1381	\$.1375
Average member's bill per month (residential only)	\$143.07	\$145.75
Number of connected services	10,136	10,223
Highest system demand	26,706	26,595
Cost per kilowatt hour generated in mills	36.707	41.166
Cost per kilowatt hour purchased in mills	70.403	72.254
Number of meters per mile	7.53	7.56
Miles of distribution line	1,450.37	1,454.85
Miles of transmission line	59.29	59.29
Total capital credits refunded during the year	\$700,593	\$982,731
Total capital credits refunded to date	\$18,179,114	\$19,161,845

ANNUAL REPORT COMPARISON WITH PREVIOUS YEARS

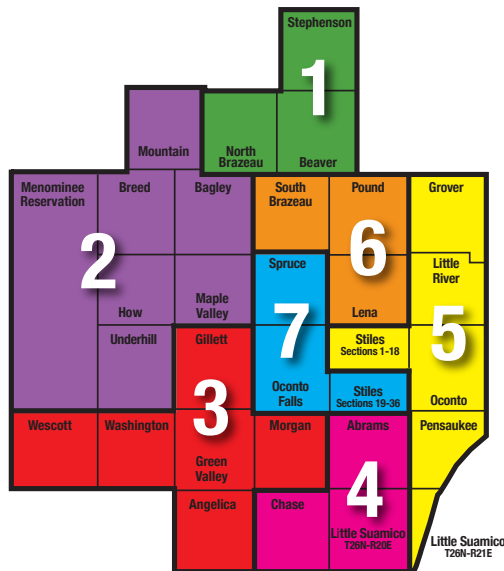
	2012	2017	2022
Kilowatt hour sales	107,070,103	108,611,679	125,463,597
Operating revenue	\$14,543,977	\$15,357,699	\$16,950,689
Cost of power	\$7,868,938	\$7,459,442	\$9,436,114
Power cost as percent of revenue	54.10%	48.57%	55.67%
Operating & maintenance expense	\$1,324,605	\$1,524,573	\$2,457,249
Operating & maintenance expense as percent of revenue	9.11%	9.93%	14.5%
General & administrative expense	\$1,081,182	\$1,256,319	\$1,543,837
General & administrative expense as percent of revenue	7.43%	8.18%	9.11%
Consumer accounting expense	\$301,010	\$376,956	\$441,408
Consumer accounting expense as percent of revenue	2.07%	2.45%	2.60%
Depreciation	\$1,462,402	\$1,788,639	\$2,087,526
Depreciation expense as percent of plant total	3.00%	3.08%	3.01%
Interest (long-term debt)	\$1,018,642	\$961,381	\$661,749
Interest as percent of revenue	7.00%	6.26%	3.90%
Total costs	\$13,545,132	\$14,055,645	\$17,359,465
Total costs as a percent of revenue	93.13%	91.52%	102.41%



2022 EXPENSE DOLLARS



Territory Served by Your Cooperative



Dennis Langenberg
District No. 1
Term Expires: 2024



David Hischke
District No. 2
Term Expires: 2025



Tony Wagner
District No. 3
Term Expires: 2025



Doug Allen
District No. 4
Term Expires: 2023



Ronnie Kruse
District No. 5
Term Expires: 2025



Dan Kanack
District No. 6
Term Expires: 2023



Todd Duame
District No. 7
Term Expires: 2024

Energy Efficiency Tip of the Month

Washing windows and screens is a great way to practice energy efficiency during spring cleaning. (64601) Clean windows and screens make your home brighter by allowing more sunlight in, reducing the need for lamps and fixtures.

Clean screens also allow more fresh air in the home when the windows are open to recycle indoor air. Natural light and clean air are energy savers, and they enhance overall health and productivity.

Source: energy.gov



Oconto Electric Cooperative's 85th Annual Meeting Highlights

Oconto Falls, Wisc. — After another long year of the COVID pandemic, Oconto Electric Cooperative was finally able to once again conduct their 85th annual meeting in-person, in the Oconto Fall Performing Arts Center on April 9, 2022.

Chairman Duame determined a quorum of 154 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 Duame presided over the meeting and called for the Pledge of Allegiance.

Introductions of the board of directors and guests in attendance were recognized. Chairman Duame called for a moment of silence in memory of Director Vernon Gisenas who passed away on June 25, 2021. Director Dennis Langenberg was introduced and appointed by the board of directors to complete the remaining term of Director Gisenas representing members of District 1.

Cooperative Attorney Howard Eslien will conduct the meeting following Roberts Rules of Order. All member questions will be limited to three (3) minutes.

Secretary Dan Kanack was called upon to provide the reading of the official meeting notice of the 85th annual meeting and proof of mailing, which was a postcard sent via mail on March 21, 2022, and by email for those on paperless notifications to each member of the cooperative.

A Motion was made and seconded to waive the reading of the 2021 84th OEC annual meeting minutes and accept as published. *Motion Carried.*

Treasurer Tony Wagner was called upon to provide the 2021 Financial Report, reporting the cooperative was found to be in good financial standing. It was noted that the 2021 Cooperative's Audit report was published in the March issue of the *WEC News* magazine, and could also be found on OEC's website at: www.ocontoelectric.com.

Cooperative Attorney Howard Eslien called for a motion to approve and ratify the reports and actions taken by the officers and directors for 2021. A Motion was made and seconded to approve as presented. *Motion Carried.*

Attorney Eslien continued with a call from the membership for a unanimous voice-vote for Incumbent Director(s), David Hischke – District 2, Tony Wagner – District 3, and Ronnie Kruse – District 5, to serve another three (3) year term. All three directors were solely nominated at their district meetings held in January 2022. A unanimous voice-vote was cast and accepted.

Chairman Duame called upon Community *Change* board

member Jan Stranz to provide its annual report.

A moment of silence was observed for all veterans who served, past and present, in keeping our freedom and country safe.

Chairman Duame and CEO Byron Nolde provided their annual reports, with the chairman sharing a trip down memory lane depicting how automation has changed many of the cooperative procedures over the years. Chairman Duame informed members and congratulated Nolde on receiving the prestigious Ally of Cooperative Electrification (ACE) Award. The honorees of this Wisconsin Electric Cooperative Association award are those who have truly made outstanding contributions to the rural electrification in Wisconsin. Congratulations to CEO Nolde. Additional report updates included the following cooperative topics: the Machickanee flowage drawdown, major storms, ROPE (Restoration of Power in an Emergency), RUS (Rural Utilities Service), COVID 19, future industry challenges of electric cars and battery storage, employee charities, and generator safety hook-up.

CEO Nolde concluded his report with a special presentation in acknowledging the recent retirement announcement of longtime employee Kent Lyng, engineer. Kent has served the cooperative and membership with 33 years of dedicated service. A slideshow was viewed depicting some of Kent's many contributions and accomplishments throughout his career at OEC. A member's letter was also read thanking Kent for his dedication to the cooperative in helping its members with heating and/or water heater problems, even if the member's problem occurred on Christmas Eve. On behalf of the board of directors and cooperative, Kent received a standing ovation and was wished the very best in his well-deserved upcoming retirement.

Chairman Duame asked if there was any old or new business to be discussed. Hearing no other business, the chairman recognized the 2022 OEC Scholarship recipients in attendance.

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 Brett and Debra Zahn of Gillett were drawn, but they were not in attendance. The second drawing was the \$100 cash members in attendance drawing. Member James Swiecichowski was the winner of the \$100 cash. The meeting concluded with the final drawing of gifts donated by vendors. Chairman Duame extended a final thank you to all for attending the meeting.

Respectfully submitted,
Secretary, Dan Kanack

HIDDEN ACCOUNT NUMBERS

Oconto Electric Cooperative hides two account numbers in the local pages of the *Wisconsin Energy Cooperative News* each month. (88401) 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 Dale & Joann Henry, Shawano, and Paul Yeager, Suring.

Byron C. Nolde, CEO

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Katie Jagiello, Editor

