

Since 1940

WISCONSIN ENERGY *Cooperative* NEWS

April 2024

OCONTO ELECTRIC
OEC
COOPERATIVE



LUNCH

Enjoy lunch
after the
business
meeting.

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.



Welcome Gift

Each member
account will receive a
welcome gift at
registration.

87th Annual Meeting

Saturday,
April 13, 2024

For quick and easy registration
at the annual meeting, bring the
address label from this magazine.

OFFICIAL NOTICE

of Oconto Electric Cooperative's 2024 Annual Meeting

The 87th annual meeting of the members of Oconto Electric Cooperative will be at the Oconto Falls High School Performing Arts Center at 210 Farm Road, Oconto Falls, on Saturday morning, April 13, 2024. Registration opens at 9 a.m. The business meeting will begin promptly at 10 a.m.

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.



ANNUAL MEETING AGENDA

Saturday, April 13, 2024 • 10 a.m.
Oconto Falls High School Performing Arts Center

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 2023 annual meeting
- Treasurer's Report
- Approve/ratify reports and actions of officers & directors for 2023
- Election of directors
- Old business
- New business
- Cooperative update
- Scholarship recipients
- Final announcements
- Adjournment
- \$100 cash drawing
- Prize drawings
- \$1,000 cash drawing



IMPORTANT:
THIS IS YOUR
REGISTRATION CARD

This card will assist OEC employees in registering you at the annual meeting and for the prize drawings.

Only OEC members and their immediate family members are eligible for prize drawings.

You MUST be present to win.

Since 1940

WISCONSIN ENERGY *Cooperative* NEWS

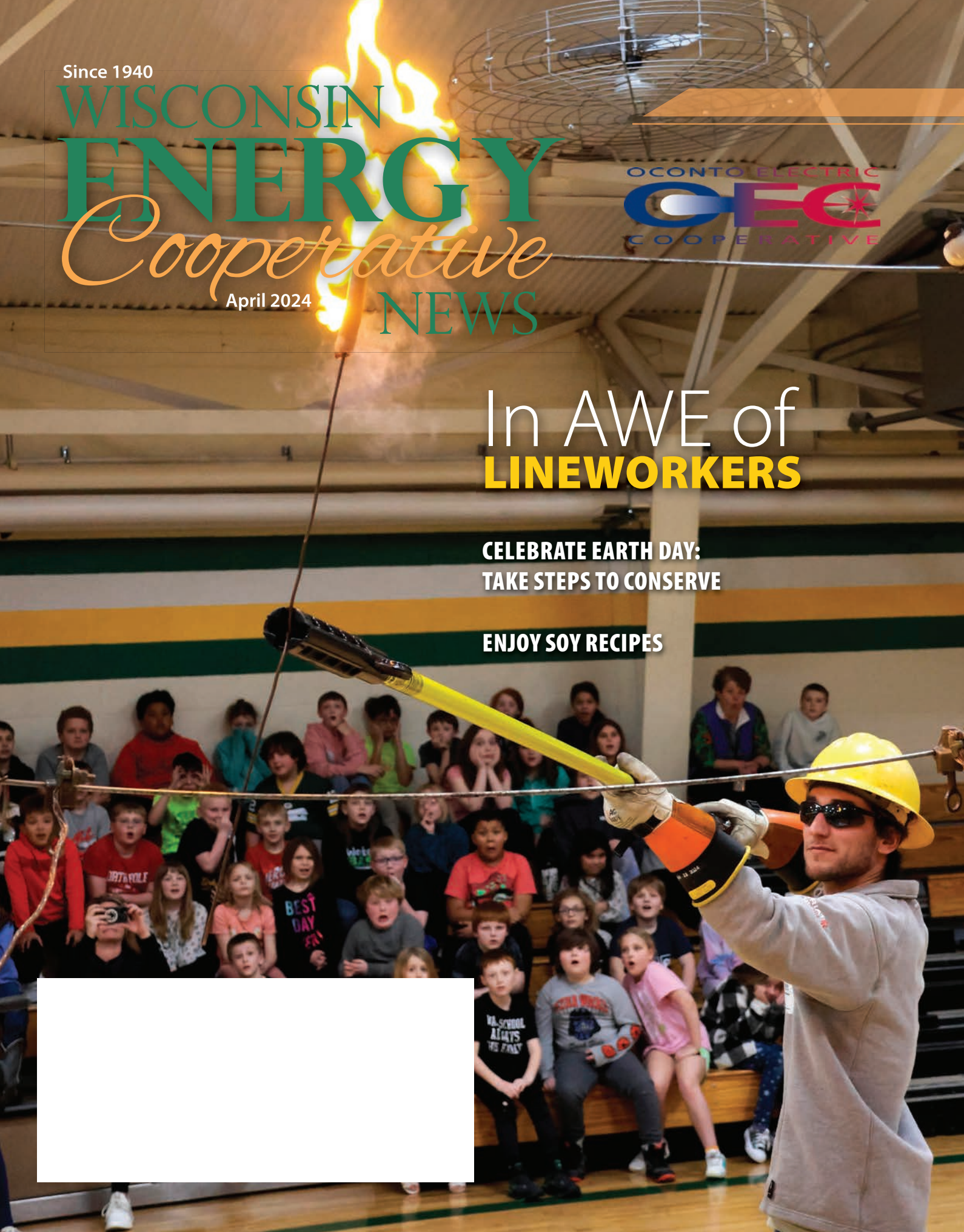
April 2024

OCONTO ELECTRIC
OEC
COOPERATIVE

In AWE of LINEWORKERS

**CELEBRATE EARTH DAY:
TAKE STEPS TO CONSERVE**

ENJOY SOY RECIPES





Oconto Electric Cooperative's 86th Annual Meeting Highlights

Oconto Falls, Wisc. – On April 1, 2023 Oconto Electric Cooperative conducted its 86th annual meeting in-person, at the Oconto Falls Performing Arts Center.

Chairman Duame called the meeting to order with a quorum of 223 voting members in attendance.

Father Walter Stumpf of St. Anthony & St. Patrick Parishes in Oconto Falls and Stiles 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.

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 and proof of mailing. On March 15, 2023 each member of the cooperative received the meeting notice via mail, and by email for those on paperless notifications. Motion by Ralph Papesh and seconded to waive the reading of the 2022 85th OEC annual meeting minutes and accept as published. *Motion Carried.*

Treasurer Tony Wagner was called upon to provide the 2022 Financial Report. Due to the ripple down effect from the pandemic, current inflation, and the high cost of materials and fuel, the cooperative experienced a loss in margins at year-end for 2022. In spite of these many challenges, the cooperative continues to remain in good financial standing. A copy of the 2022 cooperative's audit report was published in the March issue of the *WEC News* magazine, and posted on OEC's website: 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 2022. Motion by Ralph Papesh and seconded to approve as presented. *Motion Carried.*

Attorney Eslien explained the election process for candidates running for District 4. Each candidate was provided three (3) minutes to address the membership prior to casting their vote. Attorney Eslien called for a unanimous voice-vote from the membership for Incumbent Director Dan Kanack representing District 6. Kanack was solely nominated at the District 6 meeting held in January 2023. A unanimous voice-vote was cast and accepted to serve another three (3) year term.

While votes were being counted for District 4, Chairman Duame called for any old business to be brought before the membership. Hearing none, a call for any new business was made. Hearing none, Community Change board member, Ron

Lenz, V.P., was called to provide its annual report of grants awarded in 2022, as well as additional information about the Change Matters Grant available through the generosity of donated capitals credits earned from the former Bay Lakes Cooperative.

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 on the following topics:

- Costs of material and utility supplies up 25 – 50%, with delivery times out on some products 2 years
- OEC rate increase – effective December 2022
- New bill design
- Rural Utilities Service (RUS) government loan application approved
- Member Appreciation Day is back – with a new date set for September 2023
- Sale of the Cellcom business and closing of the Radio Shack store
- What's ahead in 2023 – Renewables – community solar and third-party solar
- Cybersecurity

Chairman Duame recognized twelve (12) 2023 OEC Scholarship recipients in attendance.

Attorney Eslien provided the election results for District 4. Challenger Jan Stranz defeated incumbent Doug Allen with 242 votes cast, Jan Stranz received 157 votes, Doug Allen received 85 votes.

This concluded the business portion of the meeting. Motion by Ralph Papesh 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 Tina and Robert Kasper of Johnson Creek, WI were drawn, but they were not in attendance. The second drawing was the \$100 cash members in attendance drawing. Attending member Konop Construction was the winner of the \$100 cash. Final drawing of gifts donated by vendors was conducted. Chairman Duame extended a final thank you to all for attending the meeting and encouraged members to stay for the luncheon.

Respectfully submitted,

Secretary, Dan Kanack

COMPARATIVE BALANCE SHEET

ASSETS

UTILITY PLANT:

Electric Plant in Service	\$67,649,745	\$70,783,997
Construction Work in Progress	\$1,618,964	\$1,522,201
	<u>\$69,268,709</u>	<u>\$72,306,198</u>

LESS:

Accumulated Provision for Depreciation	\$29,469,623	\$30,819,122
Net Utility Plant	<u>\$39,799,086</u>	<u>\$41,487,076</u>

OTHER PROPERTY AND INVESTMENTS:

Investments in Associated Organizations	\$1,855,328	\$1,949,562
Other Investments	\$2,235	\$2,235
	<u>\$1,857,563</u>	<u>\$1,951,797</u>

Cash – General	\$177,082	\$1,183,109
Temporary Cash Investments	\$105,810	\$105,823
Accounts Receivable	\$2,234,694	\$2,419,391
Materials and Supplies	\$1,186,925	\$1,175,280
Prepayments	\$109,413	\$102,557
Other Current Assets	\$5,191	\$5,191
	<u>\$3,819,115</u>	<u>\$4,991,351</u>

DEFERRED CHARGES

TOTAL ASSETS

\$166,008	\$156,032
<u>\$45,641,772</u>	<u>\$48,586,256</u>

EQUITIES & LIABILITIES

EQUITIES AND MARGINS:

Other Margins & Equities	\$1,764,813	\$2,485,742
Patronage Capital	\$19,780,421	\$18,666,036
	<u>\$21,545,234</u>	<u>\$21,151,778</u>

LONG-TERM LIABILITIES:

RUS Mortgage Notes	\$12,841,452	\$18,076,255
Other Long-Term Debt	\$7,089,863	\$7,024,562
	<u>\$19,931,315</u>	<u>\$25,100,817</u>

CURRENT LIABILITIES

Notes Payable	\$2,000,000	
Accounts Payable	\$1,049,127	\$1,082,088
Customer Deposits	\$145,456	\$145,934
Other Current & Accrued Liabilities	\$495,680	\$616,916
	<u>\$3,690,263</u>	<u>\$1,844,938</u>

DEFERRED CREDITS

\$474,960	\$488,723
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CONTINGENT LIABILITIES

\$0	\$0
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TOTAL EQUITIES & LIABILITIES

<u>\$45,641,772</u>	<u>\$48,586,256</u>
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STATEMENTS OF REVENUE & PATRONAGE CAPITAL

	AUDITED 2022	UNAUDITED 2023
OPERATING REVENUE & PATRONAGE CAPITAL	\$16,950,689	\$18,232,447
OPERATING EXPENSES		
Power Production Expense	\$150,047	\$139,670
Cost of Purchased Power	\$9,436,114	\$9,852,720
Transmission Expense	\$14,625	\$17,743
Distribution Expense – Operations	\$1,038,828	\$1,021,644
Distribution Expense – Maintenance	\$1,418,421	\$1,245,040
Customer Accounts Expense	\$441,408	\$486,935
Customer Service & Informational Expense	\$279,568	\$282,375
Sales Expense	\$26,142	\$27,192
Administration & General Expense	\$1,411,357	\$1,559,867
Board of Directors Per Diem*	\$36,105	\$50,202
Board of Directors Education & Travel Expense*	\$86,402	\$80,140
Miscellaneous Board Expense	\$9,973	\$10,190
Depreciation Expense	\$2,087,523	\$2,148,736
Taxes	\$242,826	\$270,270
Interest on Long-Term Debt	\$661,749	\$747,877
Other Interest	\$13,381	\$88,970
Other Deductions	\$4,993	\$7,651
Total Operating Expense & Interest	\$17,359,462	\$18,037,222
Net Operating Margin	(\$408,773)	\$195,224
NON-OPERATING MARGINS		
Interest Income	\$22,839	\$43,098
Other Non-Operating Margins	\$6,613	\$20,546
Total	\$29,452	\$63,644
CAPITAL CREDIT ALLOCATIONS	\$210,059	\$187,570
NET MARGINS	(\$169,265)	\$446,439
PATRONAGE CAPITAL AT BEGINNING	\$20,763,559	\$19,611,566
Retirement of Capital Credits	(\$982,731)	(\$979,424)
PATRONAGE CAPITAL AT END	\$19,611,566	\$19,078,581

*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, 2023, 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.

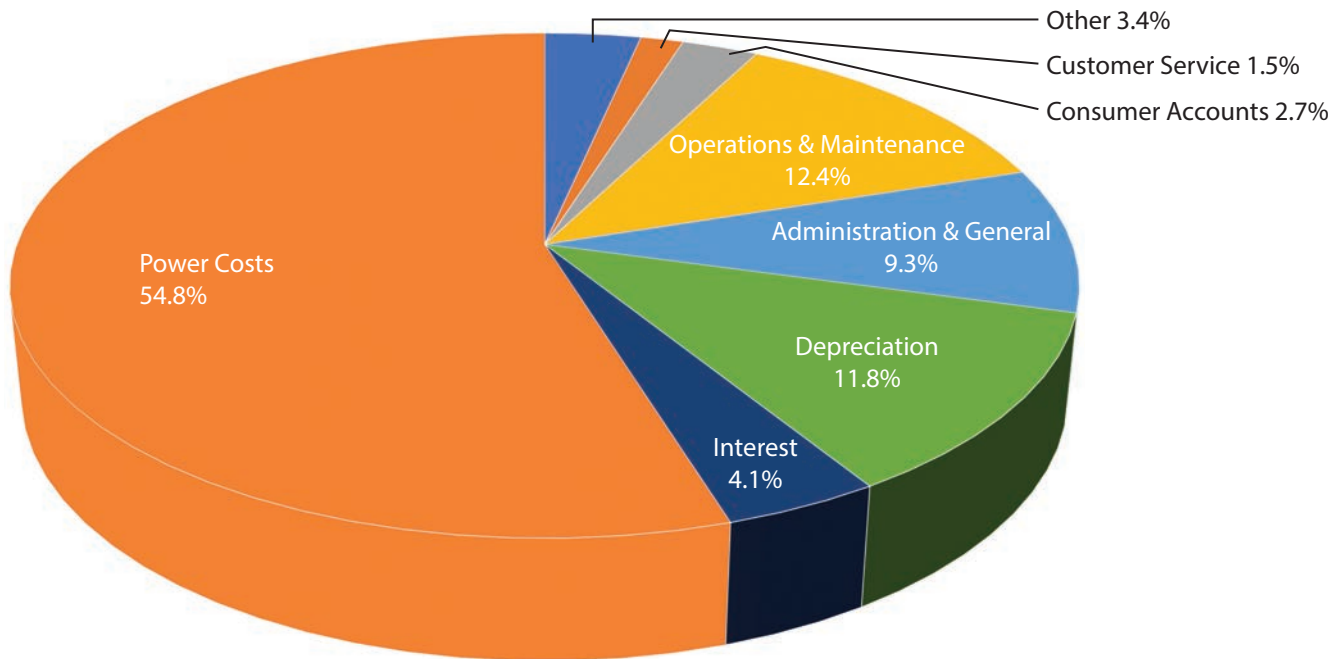
OPERATING STATISTICS

	AUDITED 2022	UNAUDITED 2023
Net equity due members	\$19,611,566	\$19,078,581
Interest paid RUS/CFC/CoBank	\$662,102	\$748,255
Total paid to RUS/CFC/CoBank (principle & interest)	\$1,825,151	\$1,578,753
Total kilowatt hours generated	5,310,975	5,327,079
Total kilowatt hours purchased	130,474,000	131,698,000
Average kilowatt hour usage per month (residential only)	1,060	1,027
Average cost per kilowatt hour to member (residential only)	\$.1375	\$.1332
Average member's bill per month (residential only)	\$145.75	\$136.80
Number of connected services	10,223	10,298
Highest system demand	25,595	28,930
Cost per kilowatt hour generated in mills	41.166	40.473
Cost per kilowatt hour purchased in mills	72.254	74.700
Number of meters per mile	7.56	7.58
Miles of distribution line	1,454.85	1,460.51
Miles of transmission line	59.29	59.29
Total capital credits refunded during the year	\$982,731	\$979,424
Total capital credits refunded to date	\$19,161,845	\$20,141,269

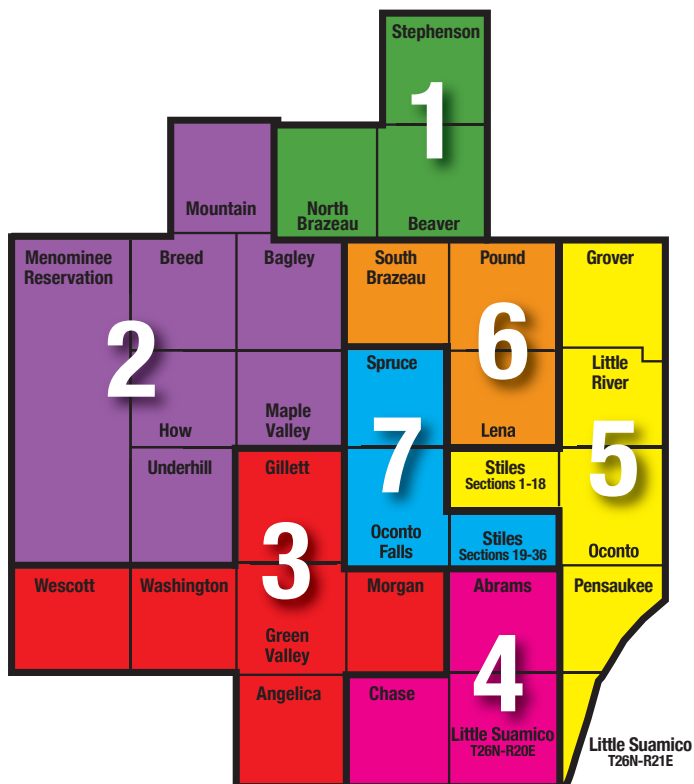
ANNUAL REPORT COMPARISON WITH PREVIOUS YEARS

	2013	2018	2023
Kilowatt hour sales	112,182,492	114,882,055	126,892,625
Operating revenue	\$15,273,300	\$15,054,074	\$18,232,447
Cost of power	\$8,352,155	\$7,529,906	\$9,852,720
Power cost as percent of revenue	54.68%	50.02%	54.04%
Operating & maintenance expense	\$1,399,458	\$1,686,275	\$2,266,684
Operating & maintenance expense as percent of revenue	9.16%	11.20%	12.43%
General & administrative expense	\$1,094,285	\$1,327,859	\$1,700,399
General & administrative expense as percent of revenue	7.16%	8.82%	9.33%
Consumer accounting expense	\$305,713	\$405,234	\$486,935
Consumer accounting expense as percent of revenue	2.00%	2.69%	2.67%
Depreciation	\$1,514,413	\$2,141,109	\$2,148,736
Depreciation expense as percent of plant total	2.92%	3.63%	2.97%
Interest (long-term debt)	\$1,052,083	\$997,974	\$747,877
Interest as percent of revenue	6.89%	6.63%	4.10%
Total costs	\$14,532,272	\$14,819,627	\$18,037,223
Total costs as a percent of revenue	95.15%	98.44%	98.93%

2023 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



Jan Stranz
District No. 4
Term Expires: 2026



Ronnie Kruse
District No. 5
Term Expires: 2025



Dan Kanack
District No. 6
Term Expires: 2026



Todd Duame
District No. 7
Term Expires: 2024

A farewell message from the CEO



Dear Members,

It has been an honor and a pleasure to serve as manager and CEO of Oconto Electric Cooperative for the past 20 years.

Connie and I came here from the small town of Onaway, Michigan, where I was employed by another cooperative as the chief financial officer.

Leaving behind family and

friends, we began this journey with two daughters, two dogs, and one cat in tow. Now here we are 20+ years later. Our children are grown, married, and now we are embracing grand-parenthood! As most of you know, those grandkids have a way of wrapping your hearts up so tight with love that it's hard not to be around them.

Over the past two decades we have accomplished a lot as a cooperative. The one thing I'm most proud of is going 17 years without a lost-time accident. This was truly a team effort from all of the employees and I want to thank them for their accomplishment.

As Connie and I turn the page to a new chapter in our lives, we want to say thank you for your support throughout the years. We will miss the friendships we have made and the camaraderie with our cooperative family.

We will be returning to our small town in Michigan forever changed by our experiences here in beautiful northeast Wisconsin. Never again will we look at the colors green and gold and not think of our amazing Green Bay Packers. Being a Packer fan becomes ingrained in your psyche and soul living here. We will miss the spirit and energy of Titledown. There's no other place like it on earth.

We will be retiring on our beautiful "Golden Pond," where we'll spend countless hours playing with our grandchildren, enjoying sunrises and sunsets, and growing old together.

In closing, I'd like to say thank you again for making us a part of your northeast Wisconsin family. We are forever grateful.

May God watch over all of you,

Byron





FACILITY CHARGE ADJUSTMENT

Increase effective April 1

It's no secret that energy costs are increasing. The issue is not unique to any one location or sector. The cost of electricity is rising across the country. The cooperative has seen higher prices for equipment, supplies, interest, and services such as technology, software, engineering, and line upgrades just to name a few.

When will this change go into effect?

The increased rate will take effect April 1, 2024, and will be reflected on the bill you receive in May. Watch your April bill for more information.

What is the facility charge?

The facility charge is the monthly minimum needed to cover the cost of providing access to electricity, before any energy is used. Because they serve rural areas with fewer consumers per mile of line, cooperatives like Oconto Electric collect less in facility charges per mile of line compared to other power suppliers.

The cooperative incurs expenses such as poles, wire, fleet, labor, billing, interest, and overall depreciation in order to build and maintain our electric system and provide customer service. OEC serves approximately seven electric meters per mile of line, which means there is a large amount of infrastructure required to bring power to each member. The facility charge helps cover these expenses and ensures that members have access to electricity when they need it.

I only use my service a few times out of the year. Do I still need to pay the facility charge?

All members benefit from having reliable electric service available when they need it, and the facility charge ensures that all members pay their fair share of the basic costs. Some of our members use a lot of electricity all year long, and some may use electricity only one or two months per year. Whether you use a lot or a little, the cost of getting electric power to your home remains the same.

Why is the rate increase necessary?

Oconto Electric Cooperative's board of directors and staff work continuously to keep costs as low as possible, but as we analyze the costs (35801) to provide electric service along with our financial projections, the cooperative recognizes the need to adjust rates.

Please keep in mind that your local electric cooperative is a not-for-profit utility. It always has been OEC's goal to provide the highest quality electric service at the least cost possible. Our rates are designed not to make a profit, but simply cover the costs of providing that power.

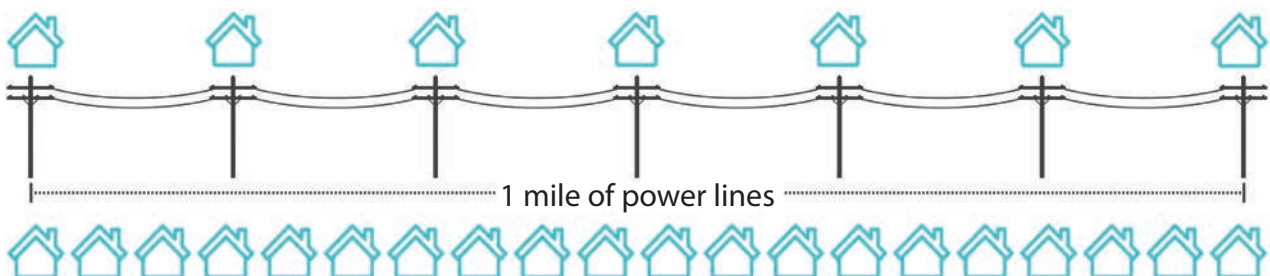
We're proud of our efforts to serve your needs with competitively priced electricity, responsive member service, proactive and necessary investments in the electricity delivery grid, all while maintaining the financial ability to pay out capital credits on a regular basis.

If you have any questions, please give us a call.

GOING THE EXTRA MILE

Did you know electric co-ops power fewer consumers per mile of line compared to other utilities?

OCONTO ELECTRIC COOPERATIVE — Serve 7 consumer-members per mile of line



OTHER ELECTRIC UTILITIES — Serve 20 consumers per mile of line



Spreading Cheer

This Valentine's Day, Oconto Electric Cooperative office staff came together to ensure that the residents at Meadowbrook at Oconto Falls felt extra special.

The initiative began when OEC employee Amy Winkler saw a similar story on the news. She presented the idea to fellow co-workers to see if they would like to help her decorate cookies and deliver them to a local nursing home.

This act of collective kindness serves as a reminder of cooperative principle number seven, concern for community. Through small gestures, OEC employees came together to make a difference in the lives of its elders, spreading joy on Valentine's Day and beyond.



Energy Efficiency Tip of the Month

A well-designed landscape can add beauty to your home and reduce home heating and cooling costs. Plant deciduous trees with high, spreading crowns to the south of your home to block sunlight in the summer and reduce the need for air conditioning. Deciduous trees lose their leaves in the winter, allowing sunlight to warm your home.

Plant evergreen trees and shrubs with low crowns to block winter winds. Dense evergreen trees and shrubs planted to the north and northwest are the most common type of windbreak and can help lower energy used for home heating.

Source: energy.gov



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 March account numbers belonged to Brad & Mary Rodgers, Gillett, and William Angus, Coleman.



Byron C. Nolde, CEO

Katie Jagiello, Communications and Marketing

7479 REA Road, P.O. Box 168, Oconto Falls, WI 54154
www.ocontoelectric.com

Hours of Operation: 7:30 a.m.–4:00 p.m. | Monday-Friday

Hours of Lobby: 9:00 a.m.– 3 p.m. | Monday-Friday

Non-emergencies: 920-846-2816

Emergencies & outages: Toll FREE 800-472-8410
 24 hours a day, 7 days a week

SLOW DOWN MOVE OVER & STAY ALERT

Wisconsin sees nearly 2,000 work zone crashes per year, according to the Wisconsin Department of Transportation. Unfortunately these numbers continue to increase.

April 15-19 is National Work Zone Awareness Week. This year's theme is "Work Zones are temporary. Actions behind the wheel can last forever." Next time you drive through a work zone, please slow down, move over, and stay alert. Those are real people, with real families, out there working.

Oconto Electric Cooperative is currently exploring the use of a Portable Traffic Signal System. Portable traffic signals are a much safer and cost-effective way of controlling

traffic in a work zone. Removing the need for linemen to physically flag will decrease the risk of them being struck by moving vehicles, flying debris/dust, and exposure to car exhaust and other harmful fumes.

In the long run, portable traffic lights would provide the co-op substantial savings. When you look at the labor costs for a linemen to be flagging traffic instead of working on the project, the cost savings quickly becomes apparent.

Next time you enter a work zone, please put down your phone, slow down, and think of those utility workers as your dad, brother, sister, or spouse. At the end of the day they just want to go home safely to their families.



Pictured above is the Portable Traffic Signal System that OEC used for the first time instead of having the crew flag. Not only will this provide crews increased safety, the bright lights are clearly visible during the day and night time to drivers.



On April 8, we celebrate Lineworker Appreciation Day to honor the men and women who power life! Rain or shine, day or night, lineworkers brave challenging conditions to make sure we have electricity when we need it. Thank a lineworker when you see them.

2024 YOUTH LEADERSHIP CONFERENCE



PARTICIPATE

in fun, hands-on, educational activities



DISCOVER

your leadership skills, and the purpose/value of
cooperatives



EXPERIENCE

a typical college environment

JULY 16-18 | UW-STOUT

For students entering their sophomore, junior, or senior year in fall of 2024

Students parent(s)/legal guardian must be an active OEC member.
All costs covered by OEC, including transportation to and from UW-Stout.

Space is limited. Deadline to sign up is June 14.



Interested? Here's how to apply...
Contact Katie Jagiello at 920-846-2816 or
email kjagiello@ocontoelectric.com

Scan For More Info

