

Since 1940

# WISCONSIN ENERGY

*Cooperative*



April 2018

## NEWS

### Concern for Community



Central Wisconsin  
Electric Cooperative's  
**80<sup>th</sup> Annual Meeting**  
**Saturday, April 14**  
Doors open at 9 a.m.

**New  
Location:  
Rosholt  
High School**

*Bring this slip to the annual meeting and be entered for a chance to win a \$50 energy credit.*

Central Wisconsin Electric Cooperative  
Rosholt, Wisconsin

OFFICIAL NOTICE OF  
ANNUAL MEETING

The annual meeting of the members of the Central Wisconsin Electric Cooperative will be held at the auditorium of the Rosholt High School on 346 Randolph Street, West in the Village of Rosholt, Portage County, Wisconsin, on April 14, 2018 at 10:00 o'clock a.m. to consider and take action upon the following matters:

- I. Reports of Officers, Directors, Committee and Management.
- II. For all business which may come before the meeting or any adjournment thereof.

In addition, a regular election will be held under the By-laws to choose Directors from Districts 1 and 2.

In accordance with SECTION 6 of ARTICLE III, any member who is absent from any annual meeting of the members and who has filed a written request in advance for an absentee ballot may vote by absentee mail ballot upon any motion or resolution to be acted upon at any such meeting with respect to any action submitted pursuant to a resolution adopted by the Board of Directors, the Resolutions Committee or by petition of not less than ten percent (10%) of the members. A ballot, the envelope enclosing which is signed by the member, shall be deemed a signed ballot within the meaning of this section. The receipt of mail ballots at any such meeting shall not preclude the offer and adoption of germane amendments to any resolution to be acted upon at such meeting. The adoption or rejection of such amendments shall be determined by the majority vote of those members present and voting at such meeting. After the adoption of any such amendment, the adoption or rejection of the original resolution as amended shall be determined solely on the basis of the votes cast by members in attendance at such meeting.

Dated this 25th day of January 2018.



Suzanne Rombalski, SECRETARY

Central Wisconsin Electric Cooperative  
80<sup>TH</sup> ANNUAL MEETING OF THE MEMBERS

April 14, 2018

Rosholt High School

346 Randolph Street, West, Rosholt, WI

Doors open at 9 a.m.  
Registration and coffee and donuts

- Entertainment by the Rosholt High School Band at 10:00 a.m. Business Meeting at 10:30 a.m., followed by lunch.
- Drawings for many door prizes and a grand prize drawing for a television! Must be present to win.
- Bring your questions with you. We have answers!
- Help fill our local food pantry shelves. Bring three or more non-perishable food items that are not expired, and you will receive a FREE LED bulb. *(limit of three bulbs per family)*

**New Location!**  
Rosholt High School  
346 Randolph Street, West,  
Rosholt, WI

The Rules Committee met on January 20, 2018, and approved the following rules to be observed at the CWEC Annual Meeting to be held on April 14, 2018, in Rosholt, WI.

ANNUAL MEETING RULES AND VOTING PROCEDURES

1. The meeting will be conducted in accordance with the Robert's Rules of Order Newly Revised edition.
2. Only members and duly recognized guests will be recognized by the Chair. Members will be recognized by their voting cards received at registration for the meeting.
3. Members should give their name and township when speaking. Each member's comments will be limited to three minutes with any rebuttal limited to two minutes.
4. Members will be limited to one question. If time allows, members may ask additional questions.
5. Questions and comments from members will be in order only during the unfinished and new business sessions, and at the conclusion of the officer reports, if invited.
6. Any advisory resolution a member wishes to propose at the Annual Meeting must be submitted no later than 90 days before the meeting so that the Resolutions Committee may review the proposed resolution.
7. All voting will be by delegate voting card; there will be no voice voting.
8. No signs or handouts will be permitted within the building of the place of the meeting, except such handouts as required for the official conduct of the Annual Meeting. No handouts made available outside of the building will use the name of the Cooperative, its letterhead or logo to imply that the Cooperative supports or opposes any resolution.
9. No demonstrations shall be held within the building of the place of the meeting.

THIS SLIP COULD BE YOUR CHANCE  
FOR A BIG PRIZE!

Bring it for a chance to win a \$50 energy credit!



Anthony Buss, Jr.,  
Board Chairman

## 2017: A YEAR IN REVIEW



Central Wisconsin  
Electric Cooperative

Your Touchstone Energy® Cooperative

Cooperative is working to improve the quality of life for our members and the communities in which we serve. That is why we do more than just provide electric energy.

**We Work Safely.** Our employees completed another year without a lost-time accident. Considering the terrain and weather conditions in which we serve, this is a great achievement. Our focus on employee engagement keeps our employees motivated to do the job correctly and more importantly, safely. This year we achieved another certification through the Rural Electric Safety Achievement Program (RESAP). RESAP is a program designed to promote the highest standards of safety among electric cooperatives and ensure cooperatives are making continual improvements in their safety program.

**We Help Others.** Storms impact our lives when they cause damage and interrupt electric service. We answered the call when Hurricane Irma struck Florida and wind storms caused widespread outages in the Upper Peninsula of Michigan. During these extreme weather events, our linemen traveled to Florida to assist Clay Electric Cooperative and also to assist Alger-Delta Electric Cooperative in the Upper Peninsula—a

great example of co-ops helping other co-ops. In addition, we provided a \$2,000 donation to the Tigerton Fire Department with the assistance of the CoBank Sharing Success Program, and we provided scholarships to area teachers to earn continuing education credits through the Wisconsin K-12 Energy Education program.

**We Govern.** The Board of Directors concluded their work reviewing and modifying our Service Rules and Regulations. This effort took the majority of the year but was a necessary part of the board's plan to keep our governing documents current. And to keep the membership informed on the board's progress, the board has included a summary of each board meeting in the monthly edition of the *WECN* magazine.

**We Work For You.** To improve the value of membership, a craft fair was added to the 2017 member appreciation breakfast. In addition, we provided a document disposal service to help our members destroy unneeded personal documents. The annual meeting saw the addition of electronic registration which sped up the process of registering for the event. And through the power of the cooperative business model, the cooperative returned \$227,215.16 in capital credits to our members.

These are just a few of the improvements and accomplishments of 2017. The new year will bring its own challenges, but we will continue to serve our members and communities and face the challenges that confront us. We wish you a wonderful and prosperous 2018.

### BOARD MEETING SUMMARY

A regular meeting of the Board of Directors of Central Wisconsin Electric Cooperative was held at the headquarters in Rosholt at 8:01 a.m. on January 25, 2018. The following is a summary of the meeting activities. The agenda, minutes of the December 28, 2017 meeting, new and terminated memberships, and the monthly safety report were approved.

#### Action Items

- Monthly Financial Statements and Reports were approved. Finance Committee reviewed checks written and the board and CEO expenses.
- The board approved a 2017 donation to Rural Housing, Inc. with funds coming from our Federated Youth Foundation fund. Rural Housing, Inc., is designed to assist and prevent homelessness for households in rural Wisconsin.
- The board approved the March regular monthly meeting date change to Friday, March 23, 2018, due to a conflict with the NRECA Directors Conference.
- The board approved the renewal of the one-year contract with Hilgenberg Realty (Coldwell Banker), Shawano, WI for the sale of the spec building in Wittenberg.
- The board approved Lila Shower as Acting President/CEO for 2018 in the event of an extended absence of the President/CEO to serve temporarily until the Board of Directors takes appropriate action. (Board Policy No 303 – Delegations of Authority from the Board of Directors to the President/CEO).

- The board selected three members, each of whom currently serves on either the Nominations Committee, Operation Round Up or MAG, to serve on the Dispute Resolution Committee.
- Multiple billing cycles were reviewed and the recommendation was to stay with a single billing cycle.

Operations and Engineering – The pole replacement bid for 2018 went to Push, Inc. of Rice Lake.

Accounting and Finance – We have 100 percent participation in ACRE again this year. On February 1, 2018, we will forfeit our unclaimed capital credits and send funds to Federated Youth Foundation.

Member Services – It was another successful year for our Toys for Tots drive as we helped over 760 kids in our service area. We had 32 collection sites and distributed 2,237 toys, 123 books, and 361 stocking stuffers.

President and CEO Report – All documents have been signed concerning our partial ownership of the West Riverside Energy Center project.

Graduation ceremony was held in Wisconsin Dells in conjunction with the line superintendents' conference. CWEC Linemen Quin Zdroik and Gabe Pospyhalla were among the graduates completing their apprenticeship.

Directors Anthony Buss, Jr., District 1, and Leonard Oppor, District 2, will be running unopposed in the upcoming election for Board of Directors.

Director Elaine Eckendorf has been selected to serve on the newly formed NRECA Director Advisory Group.

Meeting adjourned at 1:26 p.m.



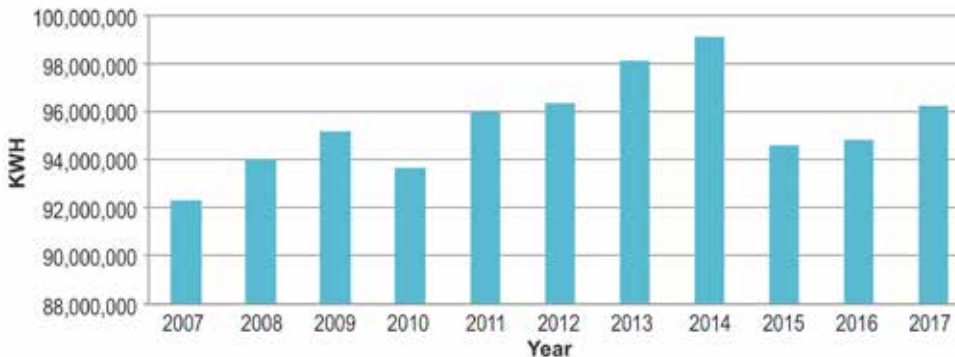


# STATEMENT OF REVENUE AND PATRONAGE CAPITAL

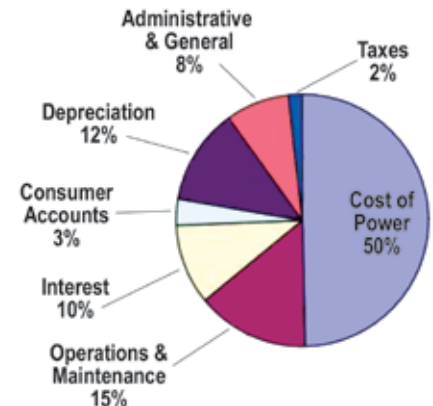
Years Ended December 31, 2017 and 2016

	<u>Unaudited 2017</u>	<u>Audited 2016</u>
<b>OPERATING REVENUES</b>	<b>\$15,892,300</b>	<b>\$15,122,429</b>
<b>OPERATING EXPENSES</b>		
Cost of Power	6,280,658	5,859,325
Transmission Expense – Operations	1,210,311	1,196,254
Distribution Expense – Operations	880,958	810,766
Distribution Expense – Maintenance	1,291,080	1,243,989
Consumer Accounts	444,079	407,476
Customer Service and Informational	215,548	228,358
Sales Expense	65,747	65,643
Administrative and General	1,225,113	1,184,234
Depreciation	1,866,231	1,828,708
Taxes	268,002	257,337
Other Deductions	43,643	61,781
<b>Total Operating Expenses</b>	<b><u>13,791,370</u></b>	<b><u>13,143,871</u></b>
<b>OPERATING MARGINS BEFORE FIXED CHARGES</b>	<b>2,100,930</b>	<b>1,978,558</b>
INTEREST ON LONG-TERM DEBT AND LINE OF CREDIT	1,636,622	1,646,552
<b>OPERATING MARGINS AFTER FIXED CHARGES</b>	<b>464,308</b>	<b>332,006</b>
OTHER CAPITAL CREDITS	162,939	173,380
<b>NET OPERATING MARGINS</b>	<b><u>627,247</u></b>	<b><u>505,386</u></b>
<b>NONOPERATING MARGINS</b>		
Interest and Dividend Income	190,912	186,197
Other Nonoperating Income (Loss)	64,342	(134,441)
Total Nonoperating Margins	<u>255,254</u>	<u>51,756</u>
<b>NET MARGINS</b>	<b><u>\$882,501</u></b>	<b><u>\$557,142</u></b>
<b>PATRONAGE CAPITAL – BEGINNING OF YEAR</b>	<b>15,955,135</b>	<b>15,613,704</b>
Net Margins Less Nonoperating Income (Loss)	818,159	628,010
Capital Credits Retirement	(255,232)	(306,814)
Other Equity Changes	29,918	20,235
<b>PATRONAGE CAPITAL – END OF YEAR</b>	<b><u>\$16,547,980</u></b>	<b><u>\$15,955,135</u></b>

**ELECTRIC KWH SALES**



**2017 EXPENSES**



# BALANCE SHEETS

## December 31, 2017 and 2016

	Unaudited 2017	Audited 2016
<b>ASSETS</b>		
<b>UTILITY PLANT</b>		
Plant in Service	\$57,944,975	\$56,738,928
Construction Work in Progress	268,776	545,463
Total	58,213,751	57,284,391
Accumulated Provision for Depreciation	(15,665,922)	(14,208,716)
<b>Net Utility Plant</b>	<b>42,547,829</b>	<b>43,075,675</b>
<b>OTHER ASSETS AND INVESTMENTS</b>		
Investment in Associated Organizations	9,960,130	6,953,257
Other Investments	9,264	9,264
Notes Receivable, Net	980,740	727,669
Nonutility Property, Net	496,922	681,872
<b>Total Other Assets and Investments</b>	<b>11,447,056</b>	<b>8,372,062</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2,964,217	321,538
Accounts Receivable, Net	2,396,753	2,195,940
Current Portion of Notes Receivable	183,185	134,650
Materials and Supplies Inventory	368,933	295,427
Other Current and Accrued Assets	170,706	155,644
<b>Total Current Assets</b>	<b>6,083,794</b>	<b>3,103,199</b>
<b>DEFERRED DEBITS</b>	<b>626,324</b>	<b>602,852</b>
<b>Total Assets</b>	<b>\$60,705,003</b>	<b>\$55,153,788</b>
	<b>Unaudited 2017</b>	<b>Audited 2016</b>
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Memberships	\$35,710	\$35,485
Patronage Capital	16,569,283	15,955,135
Other Equities	2,278,410	2,193,946
<b>Total Equities</b>	<b>18,883,403</b>	<b>18,184,566</b>
<b>LONG-TERM DEBT (Less Current Maturities)</b>	<b>38,521,616</b>	<b>32,878,300</b>
<b>OTHER NON-CURRENT LIABILITIES</b>		
Accumulated Employee Benefits	69,931	62,627
<b>Total Other Non-Current Liabilities</b>	<b>69,931</b>	<b>62,627</b>
<b>CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Debt	1,251,000	1,146,650
Notes Payable – Line of Credit	435,000	1,215,000
Accounts Payable	720,309	761,826
Consumer Deposits	62,158	78,352
Other Current and Accrued Liabilities	704,518	762,512
<b>Total Current Liabilities</b>	<b>3,172,985</b>	<b>3,964,340</b>
<b>DEFERRED CREDITS</b>	<b>57,068</b>	<b>63,955</b>
<b>Total Equities and Liabilities</b>	<b>\$60,705,003</b>	<b>\$55,153,788</b>



# CENTRAL WISCONSIN ELECTRIC COOPERATIVE

## ROSHOLT, WISCONSIN

### ANNUAL MEETING MINUTES • April 8, 2017

Following musical selections provided by the Bowler High School band under the direction of Al Marquardt, Vice Chairman Tom Smith welcomed the membership to the 79th Annual Meeting of Central Wisconsin Electric Cooperative. Miss Taylor Matsche sang the National Anthem.

Reverend Michael Larson of Saint Paul Lutheran Church of Wittenberg gave the invocation. Vice President of Operations Kevin Kurtzweil gave a safety message to the membership.

Board Chairman Anthony Buss, Jr. introduced the directors and candidates for director, as well as the Member Advisory Group (MAG), the Nominations Committee and Operation Round Up Trust, Cooperative Attorney Bruce Meagher, and special guests in attendance.

The 79th Annual Meeting of Central Wisconsin Electric Cooperative was called to order by Chairman Buss. Sue Rombalski, Secretary/Treasurer of the cooperative, kept the minutes thereof.

Director Rombalski announced that in accordance with the cooperative bylaws, sufficient members had registered to constitute a quorum. Motion was made and seconded to dispense with the reading of the Official Notice of Meeting and Proof of Mailing. Motion carried. Motion was made and seconded to close balloting for the director election. Motion carried. Motion was made and seconded to dispense with the reading of the 2016 Annual Meeting Minutes and approve as presented in the 2017 *Wisconsin Energy Cooperative News*. Motion carried.

Chairperson of the Board of Director Governance Committee Elaine Eckendorf reported on the bylaw language for director qualifications being somewhat dated and asked for approval of the amended language that updates and clarifies the qualifications needed to become a director on the cooperative's board. The Amendment being proposed was provided in the March 2017 edition of the *Wisconsin Energy Cooperative News* for the membership's review. Attorney Jessica Shrestha of Wheeler, Van Sickle and Anderson in Madison

went through the proposed Bylaw Amendment to Article IV, Directors, Section 5 in detail. Following discussion, a motion was made and seconded to approve the bylaw changes as presented. Motion carried.

Vice President of Member Relations and Economic Development Mark Forseth and Member Relations Coordinator Brenda Mazemke, Vice President of Accounting and Finance Lila Shower, and Vice President of Operations and Engineering Kevin Kurtzweil each gave their department reports for the year 2016.

Chairman Buss thanked the membership for their participation today and for their on-going interest in the electric cooperative. He stated Central Wisconsin Electric Cooperative is an organization dedicated to serving our membership in the most practical, cost-effective manner. He stated our goal is to meet the needs of our members, both today and tomorrow.

Jim Halvorsen of the accounting firm CliftonLarsonAllen gave the results of the 2017 Director Election as follows:

District 1	Tom Smith	three-year term
District 3	Sue Rombalski	three-year term
Director at Large	Ron Onesti	three-year term (defeated Fred W. Fleishauer)

President and CEO Mike Wade thanked the membership for their attendance.

At this time, there being no unfinished or new business, a motion was duly made and seconded to adjourn the business portion of the meeting. Motion carried.

Door prize and grand prize drawings were completed.

This concluded the 79th meeting of the membership of Central Wisconsin Electric Cooperative.

Sue Rombalski, SECRETARY/TREASURER

APPROVED:  
Anthony Buss, Jr., CHAIRMAN

#### Mike Wade, President & CEO

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#### Brenda Mazemke, Editor



**Central Wisconsin  
Electric Cooperative**

Your Touchstone Energy® Cooperative

#### Board of Directors

Anthony Buss, Jr. – Chairman, District 1 • Tom Smith, Vice Chairman, District 1 • Sue Rombalski, Secretary–Treasurer, District 3  
Ron Onesti, District 1 (At Large) • Lee Lehrer, District 2 • Leonard Oppor, District 2 • Elaine Eckendorf, District 3

## CENTRAL WISCONSIN ELECTRIC COOPERATIVE DIRECTORS



Chairman Anthony Buss, Jr., District 1  
Vice Chairman Tom Smith, District 1  
Secretary/Treasurer Sue Rombalski,  
District 3

Ron Onesti, District 1 (At Large)  
Lee Lehrer, District 2  
Leonard Oppor, District 2  
Elaine Eckendorf, District 3



## OPERATING PERSONNEL

Mike Wade – President & CEO

Lila Shower – Vice President Accounting & Finance

Kevin Kurtzweil – Vice President of Operations

Dennis Magee – Line Manager

Brenda Mazemke – Manager of Member Relations

John Bestul  
Stacy Claussen  
Lori Elmhorst  
Lisa Hardel

Larry Hull  
Tim Kraft  
Richard Lashua  
Patty Mork

Ray Oksuita  
Dell Olson  
Jeanne Opperman  
Patrick Ostrowski

Lenore Peterson  
Gabriel Pospyhalla  
Jeff Rice  
Michelle Tessen

Chris Tuszke  
Jason Walter  
Mackenzie Yarbrough  
Quinton Zdroik



# SNAPSHOTS OF 2017 Commitment to Community



Central Wisconsin  
Electric Cooperative  
Your Touchstone Energy® Cooperative

