

Since 1940

WISCONSIN ENERGY *Cooperative* NEWS

April 2019

MEASURING UP TO OUR MEMBERS' EXPECTATIONS



Central Wisconsin Electric Cooperative's
81st Annual Meeting
Tuesday, April 23

New Location:
Iola-Scandinavia
High School

Registration begins at 5:15 p.m.

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

*Receive a \$20 bill credit and a gift for attending the meeting.
(one per member)*

**Central Wisconsin Electric Cooperative
Rosholt, Wisconsin**

**OFFICIAL NOTICE OF
ANNUAL MEETING**

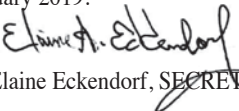
The annual meeting of the Members of the Central Wisconsin Electric Cooperative will be held at the auditorium of the Iola-Scandinavia High School at 540 S. Jackson Street, Iola, Waupaca County, Wisconsin, on April 23, 2019, at 5:15 o'clock p.m. registration, 6:00 o'clock p.m. business meeting, to consider 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 2 and 3.

In accordance with SECTION 6 of ARTICLE III, any member who is absent from any annual or special 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 per cent (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 31st day of January 2019.


Elaine Eckendorf, SECRETARY

**Central Wisconsin Electric Cooperative
81st ANNUAL MEETING OF THE MEMBERS**

April 23, 2019

**Iola-Scandinavia High School
540 S. Jackson Street, Iola, WI**

Registration begins at 5:15 p.m.

Light snack and refreshments

Business meeting begins at 6 p.m.

- Receive a \$20 bill credit and a gift for attending the meeting (one per member).
- Drawings for many door prizes and a grand prize drawing for an electric grill! Must be present to win.
- 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)*

**Receive a
\$20 bill credit for
attending meeting**

The Rules Committee met on January 19, 2019, and approved the following rules to be observed at the CWEC Annual Meeting to be held on April 23, 2019, in Iola, 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

2018: A YEAR IN REVIEW

2018 was a memorable year for a number of reasons. It was the year we invested in a new power plant under construction in Rock County, Wisconsin, and it will be remembered as the year we experienced above-average energy (kWh) sales. The late winter snow and the summer heat helped to increase our kWh sales beyond what we typically experience. While we do our best to help our members conserve electricity, the increased sales created a margin level sufficient to meet our financial objectives. And because we are a cooperative, we will allocate those margins back to the membership in the form of capital credits.

Financially, the co-op is well prepared for the future. We returned \$322,187.56 in capital credits back to the membership in 2018 and have satisfied our financial obligations to our lenders. We are currently accelerating the depreciation of our automated metering infrastructure and have deferred \$250,000 in revenue to 2019 to help offset this expense. I encourage you to review the financials found in this edition of *WECN* and contact the co-op if you have questions.

The ability to deliver power begins with the linemen who maintain the 1,400

miles of primary and secondary electric distribution facilities that serve our members. I am very pleased to report that we completed 2018 with zero loss-time accidents. This will be the fifth year we have experienced no loss-time accidents. To help us achieve our safety objectives, we have partnered with four other electric cooperatives to share regulatory compliance and safety services. We know that by working together for a common goal, we can be stronger and ensure our employees remain safe at the end of each day.

To promote their understanding of power generation, our employees visited the WPS-Domtar 50 MW BioMass facility in Rothschild in the fall of 2018. This was an excellent opportunity for our staff to see how electric energy is created using such an innovative method. The tour was educational and highlighted the distinctive partnership between an electric utility and a paper mill where both benefit from this type of generation.

The highlight of the year was our participation in the construction of the West Riverside Energy Center in Rock County. By partnering with Alliant Energy, the cooperative will have access to the newest high-efficiency natural gas power plant in Wisconsin. We will own 5 MW of the 700 MW unit, which will go online in mid-2020. This partnership will

help control power costs and represents a unique opportunity for our membership to benefit from for many years.

I want to thank the Operations Round Up Trust Board, the Member Advisory Group, and the Nominations Committee for the outstanding assistance you provided to the cooperative in 2018. The strength of any cooperative is its membership and we are fortunate to have so many members who are willing to give of their time and talent to help keep our cooperative healthy and strong.

Throughout 2018, the cooperative focused on providing excellent service to our consumer-members. As we look to the future, we will continue to set the bar for others to follow. We look forward to all 2019 has to offer, and continuing to provide our members safe and reliable energy. I look forward to seeing you at our 81st annual meeting on Tuesday, April 23, at 6 p.m.

ELECTRICAL SAFETY TIP OF THE MONTH

Downed and Dangerous

If you see a downed power line, always assume it is energized and dangerous. Avoid going near it, or anything in contact with the power line. Call 911 or your electric provider immediately.

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 a.m. on January 31, 2019. The following is a summary of the meeting activities. The agenda, minutes of the December 27, 2018, meeting, new and terminated memberships, and the monthly safety and compliance 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 sending bylaw changes to the annual meeting for member review and approval.
 - The board approved the elimination of the \$5 membership fee and to refund membership fees currently held on member accounts.
 - The board approved deferring \$250,000 of the 2018 revenue to 2019 due to the accelerated metering depreciation.
 - Due to holiday scheduling conflicts, the board approved changing the dates of the November and December 2019 meeting dates.
 - The board approved holding the strategic planning meeting May 15 & 16, 2019, in the training room at the Rosholt headquarters building.
- The board approved Kevin Kurtzweil as acting president/CEO for 2019 in the event of an extended absence of the president/CEO to serve temporarily until the board of directors takes appropriate action.
 - The board approved Linda Hammerschmidt to fill the vacancy in Sub-District 3(b) on the Member Advisory Group (MAG).
 - The board approved a donation of \$760 for 2019 to Rural Housing, Inc. with funds coming from the Federated Youth Foundation fund.
 - Directors Lee Lehrer from District 2 and Elaine Eckendorf from District 3 will be running unopposed in the upcoming election of board of directors.

Operations and Engineering – The department had two internal promotions and will be adding two new apprentice linemen later this spring. Zielies Tree Service has been contracted for 2019 to perform vegetation management.

Accounting and Finance – The NISC document vault project has been completed. Data collected regarding the use of the lola drop box has warranted keeping the box open.

Member Services – Toys-For-Tots campaign was very successful, helping 1,020 children in the area. The communications intern will be starting next week.

President and CEO – The cooperative is not required to establish a 501(c)(3) for our Operation Round Up.

Meeting adjourned at 1:48 p.m.

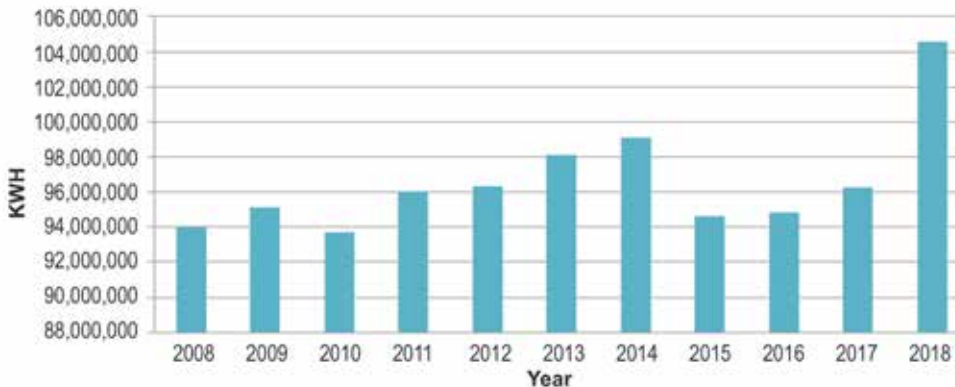


STATEMENT OF REVENUE AND PATRONAGE CAPITAL

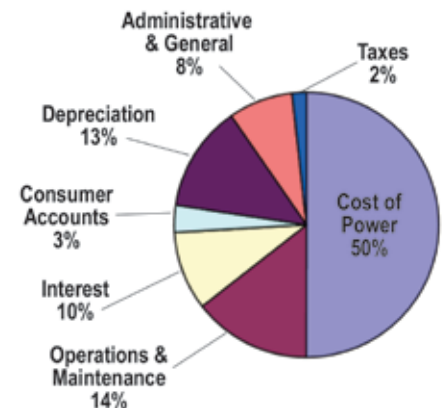
Years Ended December 31, 2018 and 2017

	Unaudited 2018	Audited 2017
OPERATING REVENUES	\$16,162,036	\$15,892,300
OPERATING EXPENSES		
Cost of Power	6,572,778	6,280,658
Transmission Expense – Operations	1,256,871	1,210,311
Distribution Expense – Operations	1,012,975	880,958
Distribution Expense – Maintenance	1,242,649	1,291,080
Consumer Accounts	456,555	444,079
Customer Service and Informational	171,728	215,548
Sales Expense	60,689	65,747
Administrative and General	1,232,324	1,225,113
Depreciation	2,032,420	1,866,231
Taxes	273,810	268,002
Other Deductions	53,992	43,643
Total Operating Expenses	14,366,791	13,791,370
OPERATING MARGINS BEFORE FIXED CHARGES	1,795,245	2,100,930
INTEREST ON LONG-TERM DEBT AND LINE OF CREDIT	1,585,333	1,636,622
OPERATING MARGINS AFTER FIXED CHARGES	209,912	464,308
OTHER CAPITAL CREDITS	181,223	162,939
NET OPERATING MARGINS	391,135	627,247
NONOPERATING MARGINS		
Interest and Dividend Income	202,879	190,912
Other Nonoperating Income (Loss)	186,658	64,342
Total Nonoperating Margins	389,537	255,254
NET MARGINS	\$780,672	\$882,501
PATRONAGE CAPITAL – BEGINNING OF YEAR	\$16,547,980	\$15,955,135
Net Margins less Other Nonoperating Income (Loss)	672,558	818,159
Capital Credit Retirement	(356,392)	(255,232)
Other Equity Changes	(29,629)	29,918
PATRONAGE CAPITAL – END OF YEAR	\$16,834,517	\$16,547,980

ELECTRIC KWH SALES



2018 EXPENSES



BALANCE SHEETS

December 31, 2018 and 2017

	Unaudited 2018	Audited 2017
ASSETS		
UTILITY PLANT		
Plant in Service	\$58,789,384	\$57,944,975
Construction Work in Progress	243,560	268,776
Total	59,032,944	58,213,751
Accumulated Provision for Depreciation	(17,485,917)	(15,665,922)
Net Utility Plant	41,547,027	42,547,829
OTHER ASSETS AND INVESTMENTS		
Investment in Associated Organizations	8,757,754	9,960,130
Other Investments	9,264	9,264
Notes Receivable, Net	992,620	980,740
Nonutility Property, Net	477,770	496,922
Total Other Assets and Investments	10,237,408	11,447,056
CURRENT ASSETS		
Cash and Cash Equivalents	1,269,594	2,964,217
Accounts Receivable, Net	2,040,906	2,396,753
Current Portion of Notes Receivable	191,718	183,185
Materials and Supplies Inventory	369,621	368,933
Other Current and Accrued Assets	188,310	170,706
Total Current Assets	4,060,149	6,083,794
DEFERRED DEBITS		
Total Assets	4,304,250	626,324
	\$60,148,834	\$60,705,003
	Unaudited 2018	Audited 2017
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$35,660	\$35,710
Patronage Capital	16,834,517	16,547,980
Other Equities	2,495,942	2,299,713
Total Equities	19,366,119	18,883,403
LONG-TERM DEBT (Less Current Maturities)		
	37,410,579	38,521,616
OTHER NON-CURRENT LIABILITIES		
Accumulated Employee Benefits	66,027	69,931
Total Other Non-Current Liabilities	66,027	69,931
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	1,288,000	1,251,000
Notes Payable – Line of Credit	-	435,000
Accounts Payable	901,433	720,309
Consumer Deposits	55,118	62,158
Other Current and Accrued Liabilities	746,409	704,518
Total Current Liabilities	2,990,960	3,172,985
DEFERRED CREDITS		
	315,149	57,068
Total Equities and Liabilities	\$60,148,834	\$60,705,003



CENTRAL WISCONSIN ELECTRIC COOPERATIVE

ROSHOLT, WISCONSIN

ANNUAL MEETING MINUTES • May 22, 2018

Vice Chairman Tom Smith welcomed the membership to the rescheduled 80th Annual Meeting of Central Wisconsin Electric Cooperative at 6:00 p.m.

Vice Chairman Smith recognized all veterans and thanked them for their service before leading the membership in the reciting of the Pledge of Allegiance.

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 80th 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 2017 Annual Meeting Minutes and approve as presented in the 2018 *Wisconsin Energy Cooperative News*. Motion carried.

Chairperson of the Board of Director Governance Committee Elaine Eckendorf reported on the bylaw additions the board noted as needing improvement and were passed in 2017. The board felt it was important to create a Rules Committee to develop meeting rules so that all of our meetings are performed in a fair and efficient manner. As such, the board of directors has amended the bylaws to add Section 8, Annual and Special Meeting Rules to Article 3, Meetings of Members. In addition, based on the high cost of litigation and upon recommendation by our insurance provider, the board of directors has amended the bylaws to add Section 4, Dispute Resolution to Article 12, Miscellaneous. The new section allows for the arbitration of certain disputes by an impartial arbitrator or panel of arbitrators as an alternative to litigating disputes in a court. These amendments were provided in the March 2018 edition of the *Wiscon-*

sin Energy Cooperative News.

Vice President of Operations Kevin Kurtzweil, Manager of Member Relations Brenda Mazemke, and Vice President of Accounting and Finance Lila Shower each gave their department reports for the year 2017.

Chairman Buss thanked the membership for their participation in the evening meeting which was brought about due to the snowstorm that postponed our original meeting date on April 14, 2018. He stated Central Wisconsin Electric Cooperative ended the year in a strong financial position even though the weather didn't always cooperate with us this winter and this spring. The cooperative's emphasis on safety and the efforts of each employee to work safely provided another year without a loss-time accident. 2017 was a "Year of Co-ops helping Co-ops." Our employees were part of a group of over 50 employees from 18 Wisconsin electric cooperatives that traveled to Florida to assist with restoration of electric service. There was a similar need in the Upper Peninsula of Michigan and we again sent employee volunteers to the area to assist with the restoration of power. He stated our goal is to meet the needs of our members, both today and tomorrow.

David Wozniak of the accounting firm of CliftonLarsonAllen gave the results of the 2018 Director Election as follows:

District 1	Anthony Buss, Jr.	three-year term
District 2	Leonard Oppor	three-year term

President and CEO Mike Wade thanked the employees for their service to the membership and discussed the cooperative's partial ownership in the West Riverside Energy Center.

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 at 6:59 p.m. Motion carried.

Door prize and grand prize drawings were completed.

This concluded the 80th 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 • Elaine Eckendorf, Secretary–Treasurer, District 3
Ron Onesti, District 1 (At Large) • Lee Lehrer, District 2 • Leonard Oppor, District 2 • Sue Rombalski, District 3



CENTRAL WISCONSIN ELECTRIC COOPERATIVE DIRECTORS

Chairman Anthony Buss, Jr., District 1
Vice Chairman Tom Smith, District 1
Secretary/Treasurer Elaine Eckendorf,
District 3

Ron Onesti, District 1 (At Large)
Lee Lehrer, District 2
Leonard Oppor, District 2
Sue Rombalski, 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

Stacy Claussen
Lori Elmhorst
Lisa Hardel
Larry Hull
Patty Mork
Patrick Ostrowski
Lori Patoka
Lenore Peterson
Gabriel Pospyhalla
Michelle Tessen



THANK A LINEMAN For all of his hard work!

Our linemen endure some pretty tough weather conditions to restore your power, but that doesn't stop them from restoring your power during an outage.

We celebrate our men who put their lives at risk to keep the power flowing through our communities. Thank you!

Dell Olson
Chris Tuszke
Richard Lashua
Jason Walter

Quinton Zdroik
John Bestul
Mackenzie Yarbrough



SNAPSHOTS OF 2018

Commitment to Community

