

Since 1940

WISCONSIN ENERGY *Cooperative*

April 2016

NEWS

Your Cooperative Vision

**To be your trusted energy partner
and provider of valued services**



CENTRAL
WISCONSIN
ELECTRIC
COOPERATIVE

Central Wisconsin Electric Cooperative's
78th Annual Meeting

Saturday, April 9

Doors open at 9 a.m.

*Bring this magazine 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 9, 2016, 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 Bylaws to choose directors from Districts 2 and 3.

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 28th day of January 2016.

Sue Rombalski, SECRETARY

**Central Wisconsin Electric Cooperative
78TH ANNUAL MEETING
OF THE MEMBERS**

April 9, 2016

Rosholt High School, Rosholt

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

Entertainment and Business Meeting at 10 a.m., followed by lunch.

Drawing 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! Visit our information tables, and energy professionals will help you find a solution.

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 compact fluorescent light (CFL bulb). (limit of five bulbs per family)



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**THIS MAGAZINE COULD BE YOUR
CHANCE FOR A BIG PRIZE!**

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

EXECUTIVE SUMMARY



Mike Wade,
President & CEO

Our mission statement provides direction for the directors and employees as they chart the cooperative's course and set sail into the future. By creating a summary of our core values, our mission statement helps guide our actions and keeps us focused on what is important. In 2015, the board of directors and management staff joined together to discuss our future and develop a strategic plan for achieving our objectives. As a result of this planning process, a new mission statement emerged—a statement that was simple, easy to remember, and conveyed the essence of who we are as a co-op. The mission statement that came from this collaboration is:

To Be Your Trusted Energy Partner and Provider of Valued Services

There are many things we like about our new mission statement. Given the times in which we live, “trust” is getting harder and harder to come by. The days of the handshake deal are mostly gone. At your co-op, we still believe in trust. We strive to be an organization in which you have confidence. We use the term “partner” in our mission statement because our relationship with you is more than just being a customer. As a member-owned cooperative we have a vested interest in your success and you in ours. We work as a team with our members and strive for the benefit of both. And last, we want to be more than just an energy provider. We want to find other valued services we can assist our rural members with to improve their lives. In summary, our new mission statement embodies who we are and the ideals we stand for.

Our 2015 strategic plan gave us several areas to focus on over the next few years. Because of the advances that have been made in the area of technology, we are embracing new technology tools and features that allow us to provide better service to our members.

Strategic Initiative #1: Our success depends on using technology to maximize productivity to provide greater value to our membership. We will develop and implement technology planning and provide necessary technology training for all employees.

Cybersecurity and identity theft are prevalent in today's society. Thieves are stealing data from the largest of companies at an unprecedented rate. And small companies are not immune from the data theft and unwanted intrusion that is taking place.

Strategic Initiative #2: Protecting corporate and member

data and physical assets is key to business continuity. We will develop a comprehensive approach to cyber and physical security to ensure the protection of all cooperative assets.



Anthony Buss, Jr.,
Board Chairman

In order to allow us to meet the challenges that lay ahead, we must be fiscally conservative, but financially strong. We have made hard choices as an organization to cut operational expenses, but we must generate the revenue needed to maintain the financial ratios required of us.

Strategic Initiative #3: Financial strength is key to meeting our obligations and commitments and allowing us to accomplish the objectives set forth by our membership. We will evaluate our revenue and expenses as well as our financial ratios and goals to develop prudent financial measures to ensure our long-term success.

Electric cooperatives have been very effective at the state and national level to limit laws and regulations that cause our members harm. This level of influence is not by accident. It is because we have a continuous dialog with our lawmakers to ensure our members' rights are protected.

Strategic Initiative #4: We are often reminded that electric cooperatives were born in politics and can die a political death. We will develop a plan to remain engaged in the political process so that our members' voices may be heard.

We are committed to providing the very best service to our members that we can offer. Customer service is important for any organization, but as member-owners you deserve our very best.

Strategic Initiative #5: As anyone in the customer service business is aware, “Perception Is Reality.” We want to improve overall member perception of the cooperative, educate members on the benefits of the cooperative business model, and make a greater effort to engage younger/new members.

Our hope is that this summary of our strategic planning process and our new mission statement gives you an idea of what we value and what we will be focused on in the upcoming years. We believe that a partnership based on trust will allow us to maintain our strength and see us through the challenges of the years ahead. As always, we thank you for your support of your cooperative, and we embrace the mission you have set for us.



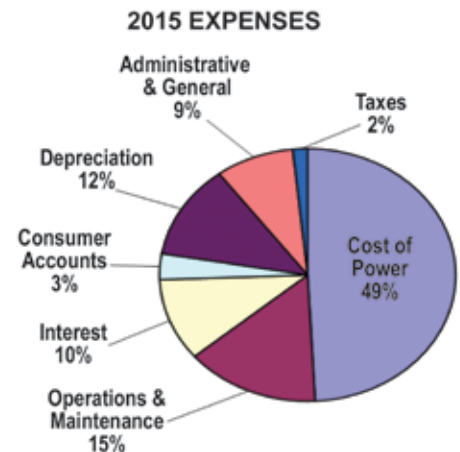
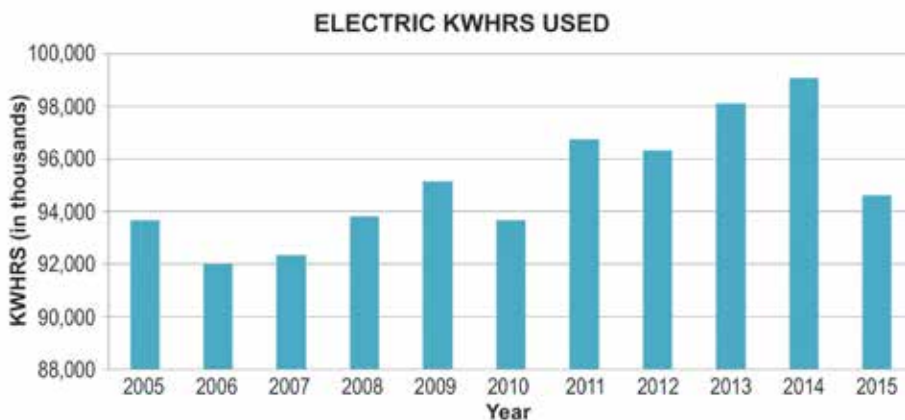
Central Wisconsin
Electric Cooperative
Your Tradition. Energy. Cooperative.



STATEMENT OF REVENUE AND PATRONAGE CAPITAL

Years Ended December 31, 2015 and 2014

	Unaudited 2015	Audited 2014
OPERATING REVENUES	\$14,572,868	\$14,845,111
OPERATING EXPENSES		
Cost of Power	6,026,019	6,559,563
Transmission Expense – Operations	1,157,036	1,096,186
Distribution Expense – Operations	935,433	807,217
Distribution Expense – Maintenance	1,204,007	1,001,338
Consumer Accounts	421,321	342,596
Customer Service and Informational	201,847	181,365
Sales Expense	62,885	59,519
Administrative and General	1,251,131	1,191,851
Depreciation	1,767,383	1,591,051
Taxes	235,699	229,360
Other Deductions	39,737	39,137
Total Operating Expenses	<u>13,302,498</u>	<u>13,099,183</u>
OPERATING MARGINS BEFORE FIXED CHARGES	1,270,370	1,745,928
INTEREST ON LONG-TERM DEBT AND LINE OF CREDIT	<u>1,628,388</u>	<u>1,635,181</u>
OPERATING MARGINS AFTER FIXED CHARGES	(358,018)	110,747
GENERATION AND TRANSMISSION AND OTHER CAPITAL CREDITS	<u>163,447</u>	<u>185,704</u>
NET OPERATING MARGINS	(194,571)	296,451
NON-OPERATING MARGINS		
Interest and Dividend Income	179,828	157,692
Equity in Income of Subsidiary Companies	-	-
Other Non-Operating Income	129,265	157,554
Total Non-Operating Margins	<u>309,093</u>	<u>315,246</u>
NET MARGINS	<u>\$114,522</u>	<u>\$611,697</u>
PATRONAGE CAPITAL – BEGINNING OF YEAR	15,774,632	15,566,337
Operating Margins	105,485	571,232
Capital Credits	(266,413)	(361,448)
Other Equity Changes	-	(1,489)
PATRONAGE CAPITAL – END OF YEAR	<u>15,613,704</u>	<u>15,774,632</u>



BALANCE SHEETS

December 31, 2015 and 2014

	Unaudited 2015	Audited 2014
ASSETS		
UTILITY PLANT		
Plant in Service	\$55,116,154	\$52,561,759
Construction Work in Progress	311,894	993,720
Total	55,428,048	53,555,479
Accumulated Provision for Depreciation	(12,907,769)	(11,864,809)
Net Utility Plant	<u>42,520,279</u>	<u>41,690,670</u>
OTHER ASSETS AND INVESTMENTS		
Investment in Associated Organizations	6,871,908	6,779,922
Other Investments	9,264	15,264
Notes Receivable, Net	710,271	788,020
Non-Utility Property, Net	873,448	900,496
Total Other Assets and Investments	<u>8,464,891</u>	<u>8,483,702</u>
CURRENT ASSETS		
Cash and Cash Equivalents	411,149	557,231
Accounts Receivable, Net	2,013,614	2,037,061
Current Portion of Notes Receivable	186,103	227,072
Materials and Supplies Inventory	417,728	679,249
Other Current and Accrued Assets	147,865	143,062
Deferred Income Taxes	-	-
Total Current Assets	<u>3,176,459</u>	<u>3,643,675</u>
DEFERRED DEBITS		
	<u>1,083,105</u>	<u>1,200,950</u>
Total Assets	<u>\$55,244,734</u>	<u>\$55,018,997</u>
	Unaudited 2015	Audited 2014
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$35,300	\$35,238
Patronage Capital	15,613,704	15,774,632
Other Equities	2,212,080	2,168,775
Total Equities	<u>17,861,084</u>	<u>17,978,645</u>
LONG-TERM DEBT (Less Current Maturities)	<u>34,422,456</u>	<u>32,390,150</u>
OTHER NON-CURRENT LIABILITIES		
Deferred Income Taxes	-	-
Accumulated Employee Benefits	70,346	120,909
Total Other Non-Current Liabilities	70,346	120,909
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	1,143,000	1,121,000
Notes Payable – Line of Credit	200,000	1,821,000
Accounts Payable	706,651	678,064
Consumer Deposits	82,128	81,155
Other Current and Accrued Liabilities	699,948	710,181
Total Current Liabilities	<u>2,831,727</u>	<u>4,411,400</u>
DEFERRED CREDITS		
	<u>59,121</u>	<u>117,893</u>
Total Equities and Liabilities	<u>\$55,244,734</u>	<u>\$55,018,997</u>



CENTRAL WISCONSIN ELECTRIC COOPERATIVE

ROSHOLT, WISCONSIN

ANNUAL MEETING MINUTES • April 18, 2015

President and CEO Mike Wade opened the meeting and Tyler and Tina Faldet provided the singing of the National Anthem. Pastor Dale Wilson of Hitterdahl Lutheran Church of Iola gave the invocation.

President and CEO Mike Wade introduced the directors and candidates for director. Board Vice Chairman Tom Smith welcomed all the members and guests to the meeting.

The 77th Annual Meeting of Central Wisconsin Electric Cooperative was called to order by Anthony Buss, Jr., chairman of the board of directors. Sue Rombalski, secretary/treasurer of the cooperative, kept the minutes thereof.

President and CEO Wade introduced guests in attendance. At this time WECA Government Relations Director Beata Kalies presented a Co-op Information Award – Honorable Mention to Brenda Mazemke, member relations coordinator, for our local pages of the 2014 *Wisconsin Energy Cooperative News*.

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 2014 Annual Meeting Minutes and approve as presented in the 2015 Annual Report. Motion carried.

Vice President of Accounting and Finance Lila Shower, on behalf of Director Rombalski, reported that the investment in the electric system increased to \$53,555,479 at the end of 2014. Revenues were \$14,845,111 and expenses were \$13,099,183, with operating margins of \$571,232. Thereupon a motion was duly made and seconded that the Secretary/Treasurer's Report be approved. Motion carried.

Board Chairman Buss gave his report to the membership. He was pleased to announce that Central Wisconsin Electric Cooperative was granted a Certificate of Safety Achievement for having completed year one of the Rural Electric Safety Achievement Program. This marks a commitment shared

by directors and employees. He updated the membership on system improvements made in an effort to keep our outage numbers down. He highlighted the cooperative's support of economic development in our local communities.

Ron Yenter, secretary of the Resolutions Committee, was called upon for the report of the Resolutions Committee. Mr. Yenter presented fourteen (14) continuing resolutions which included a change to Resolution 5 – Environmental Protection Agency Regulation of Greenhouse Gases to reflect recent changes regarding the proposed CO₂ standards in the EPA's Clean Power Plan. Motion was made and seconded to approve the 14 continuing resolutions as presented. Motion carried. Resolution 15 – Third Party Ownership was added. There was discussion on this new resolution and motion was made and seconded to approve Resolution 15 as presented. Motion carried. Secretary Yenter then read the Appreciation to the Board of Directors, CEO, Management Staff and Employees as approved by the Resolutions Committee.

Cooperative Attorney Bruce Meagher gave the results of the 2015 director election as follows:

District 1 Anthony Buss, Jr. Three-year term

District 2 Leonard Oppor Three-year term

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.

President and CEO Mike Wade discussed the 2014 member satisfaction survey as well as the strategic planning session that is planned for 2015. He acknowledged the dedication of the employees and thanked everyone for their participation in this year's annual meeting.

Entertainment was provided by ComedyCity Improv troupe.

This concluded the 77th meeting of the membership of Central Wisconsin Electric Cooperative.

Sue Rombalski, SECRETARY/TREASURER

APPROVED:



Anthony Buss, Jr., CHAIRMAN

Mike Wade, President & CEO

10401 Lystul Rd., P.O. Box 100, Rosholt, WI 54473


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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

Mark Forseth – Vice President Member Relations & Economic Development

Kevin Kurtzweil – Vice President of Operations

John Bestul
 Stacy Claussen
 Lori Elmhorst
 Lisa Hardel
 Larry Hull

Tim Kraft
 Richard Lashua
 Dennis Magee
 Brenda Mazemke
 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 2015 –
Commitment
to Community

