

Since 1940

WISCONSIN ENERGY *Cooperative* May 2019 NEWS


Annual Meeting Issue



**FOR QUICK AND EASY REGISTRATION
AT THE ANNUAL MEETING, BRING THE
ADDRESS LABEL FROM THIS MAGAZINE**



Adams-Columbia Electric Cooperative

Your Touchstone Energy® Partner 

NOTICE OF THE 2019 ANNUAL MEETING

Adams–Columbia Electric Cooperative Saturday, May 11, 2019

The 2019 Annual Meeting of the members of Adams-Columbia Electric Cooperative will be held at the Adams-Friendship Fine Arts Center, located at 1109 E North St, Adams, Wisconsin on Saturday, May 11, 2019, beginning at 9:30 a.m. Action will be taken on the following items of business:

1. The election of three directors for three-year terms: one each from Districts 2, 3, and 4 to succeed the present directors from said districts whose terms expire at this meeting.
District 2: Patrick Connolly
District 3: Marj Colby
District 4: Lawrence Becker
2. Reports on cooperative operations.
3. Action on the proposed Bylaw amendments included as part of this Notice.
4. Such other business, special or regular, as may come before the meeting or any adjournment thereof.

Dated this 12th day of April, 2019

Karen Fahey
Karen Fahey, Secretary

Annual Report Table of Contents

Cover 2	Official Notice of Annual Meeting
Cover 3	Agenda
Cover 4	Voting Rules
Page 15	CEO/Chairman's Report
Pages 16 & 16a	Abbreviated Minutes from May 15, 2018 Annual Meeting
Page 16a	Map of ACEC Director Districts
Page 16b & 16c	Voting Instructions
Pages 16d–16g	Director Candidate Profiles
Pages 16h–17	Financial Report
Page 18	Member Photo Contest
Cover 5–7	Proposed Bylaw Amendments
Cover 8	Member Appreciation Event

AGENDA

Saturday, May 11, 2019
Adams-Friendship Fine Arts Center
1109 East North Street, Adams

8:45

Meeting Registration Opens

9:30

Business Meeting Called to Order
National Anthem
Invocation
Proof of Mailing
Annual Meeting Minutes
Introduction of Directors and Guests
Election of Directors

Reports

2018-Year in Review
Old Business
New Business
Question and Answer Period
Election Results

Adjourn



*Cover photo by ACEC member
Mark Wessel*

Adams-Columbia Electric Cooperative

2019 Annual Meeting Rules and Voting Procedures

Meeting Rules

1. Except as specifically modified below the meeting will be conducted in accordance with ACEC Bylaws, Board Policy #2-18, and the current edition of Robert's Rules of Order, Revised.
2. Any speaker must be recognized by the Chair before speaking.
3. Only members and duly registered guests will be recognized by the Chair; each person so recognized must give his or her name and show their voting card.
4. Unless otherwise approved by the Chair, those recognized are to limit their questions and comments to three minutes, with any rebuttal limited to two minutes.
5. Questions and comments from members and duly registered guests will be in order during old and new business sessions, and at the conclusion of the officer reports if invited.
6. No resolution affecting Adams-Columbia Electric Cooperative may be submitted by any member unless written copies were received by the Cooperative by February 8, 2019, in accordance with the prior notification to the membership to permit review by the Rules Committee, and its recommendation to the meeting as to approval or rejection.
7. 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. Invited Legislators may distribute government issued items such as highway maps or similar information. 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 or candidate for director.
8. No demonstration shall be held within the building of the place of the meeting.

Voting Procedures

1. Voting will be done by each member holding up his or her card so that the voting card may be seen and counted by the Chair. The Bylaws of the Cooperative require that voting for election of directors must be by ballot vote.
2. Each member will be given a voting card (one card per membership), which the member should hold up to be recognized or to designate his or her vote as directed by the Chair.
3. Once cast, an electronic vote will not be discarded in favor of another voting method.
4. Only the Chairperson is authorized to vote electronically for a business entity.



ACEC'S 32ND ANNUAL MEETING COOPERATIVE ANNUAL REPORT

We are pleased to say that as the audited financial report indicates, your cooperative had a good fiscal year. Kilowatt-hour sales in 2018 increased 7 percent over the prior year, primarily due to weather conditions. Operating expenses, excluding the cost of purchased power, decreased by \$500,000 from the prior year.

Why was there such a significant decrease in operating expenses? A large portion is thanks to aggressive right-of-way maintenance in previous years. Due to the proactive clearing of trees and other vegetation that can cause damage to ACEC's lines, this year's expenses came in significantly less than prior years.

The board of directors has authorized over \$7 million in patronage capital allocations this year. After expenses have been paid, any funds remaining—called margins—are allocated to you. You will see this notice on your May bill. Not all of these funds can be returned to you immediately—a portion must be held for operating expenses and system improvements. Late this summer the board will determine how much is returned to members as patronage capital retirements. In 2018, ACEC returned \$2.4 million in retirements.

**In 2018, ACEC
returned
\$2.4 million
in retirements.**

In August 2018, several counties in our service area were impacted by a tornado and straight-line winds. Many resources, including linemen from other cooperatives, were called in to help restore power. We have applied for FEMA funds to offset a portion of the storm expenses.

Safety continues to be a top priority for ACEC. From safety for our communities in a disaster, to employees practicing safety every day, it's always on the forefront. Regular safety meetings are part of our culture here; in fact, we begin every meeting we have with a safety message, and our annual meeting is no different.

Now that we've highlighted these facts from last year, we wanted to share what is in store for 2019.



Lawrence Becker, Chairman of the Board
Jay A. Porter, PE, Chief Executive Officer

The West Riverside project continues. This project began back in June of 2016. As of the end of February 2019, the plant is 80 percent finished and is predicted to be completed by October of this year. The Riverside plant is a highly efficient natural gas facility that we have invested in as a measure to stabilize future wholesale power costs. We also have a share of a solar project that is being built at the plant.

The second major development in the works is the new meter project. With the life of our current technology nearing its end, new meters are necessary. The investment in the new meters will provide overall efficiency and reliability of the distribution system and give you access to detailed usage information. This project will continue over the next couple of years.

The goal of any cooperative is to improve the lives of its members. Our goal at ACEC is to do that by not only bringing safe, reliable electricity to our members, but by also being involved in the communities we serve. Through programs like Operation Round-Up, STEM, Federated Youth Foundation, scholarships, and our annual school supply and holiday toy drives, we hope you think of us as more than just the electric provider. Again, thank you for giving us the opportunity to serve you. Without your continued participation and support, success at ACEC would not be possible.



Adams-Columbia Electric Cooperative Abbreviated Annual Meeting Minutes

May 15, 2018

The 31st Annual Meeting of Adams-Columbia Electric Cooperative was held at the Portage High School Auditorium on Tuesday, May 15, 2018. Board Chairman Kendal Nichols called the meeting to order at 6:05 p.m.

Maggie Mae sang the national anthem and Gene Alexander gave the invocation.

Larry Becker, vice-chairman, presented the safety message noting the exits in the auditorium and ten tips on tick bites.

There were 110 voting members registered at the commencement of the meeting, plus 39 absentee ballots and 280 electronic votes using Survey & Ballot Systems.

Secretary Cheri Gibeaut read the affidavit of Notice of Annual Meeting and Proof of Mailing.

Motion made, seconded and carried unanimously, the members approved the 2017 Abbreviated Annual Meeting Minutes as printed in the *Wisconsin Energy Cooperative News* magazine's (*WEC News*) May 2018 edition.

Current directors were introduced. Former directors and employees, Operation Round-Up board members, the Advisory Committee members and the Rules Committee members were recognized. Nichols also introduced the invited guests in attendance: Representative Joan Ballweg; Steve Freese, WECA; David Hoopman, WECA; and Scot McClure, Alliant Energy.

The meeting was turned over to Attorney Niles Berman of Wheeler, Van Sickle & Anderson, who represents Adams-Columbia Electric Cooperative in a legal capacity, to handle the director election process.

Attorney Berman noted this was a historical event, with the cooperative's first use of electronic voting. He introduced the appointed tellers and explained the voting procedure to the members. Each candidate introduced themselves to the membership: District 1, Gene Alexander, incumbent, and Michael Reuteman, challenger; District 6, Cheri Gibeaut, incumbent; and At-Large Candidates, Barbara Bays-Presley, James Kelly, and Dietrich Vedder. The election of directors was held. Election results: Alexander was re-elected to District 1, Gibeaut was re-elected to District 6, and Vedder elected to the At-Large Seat. These director terms expire at the annual meeting in 2021.

Jay Porter, CEO, introduced guest speaker Dave Hoopman, WECA director of news and communication. Hoopman gave the political history of Wisconsin's presidential voting, an analysis of the nation's angry political landscape, and how most people want what's best for the country regardless if blue or red. A video depicting ACEC's involvement in Florida's Hurricane Irma relief effort was viewed by the membership.

Nichols recognized and expressed appreciation to retiring Board Treasurer Scott Parr for his 13 years of service to the cooperative.

There was no Unfinished Business. Nichols asked if there was any New Business to come before the membership. Member Vedder asked to propose his three advisory resolutions.

Motion by Vedder to have *ACEC's annual meetings held on a Saturday*, motion was seconded. After much discussion and comments from the membership, and the Rules Committee having no recommendation on this resolution from their March 2, 2018 meeting, Berman called for the vote with the majority of the membership then voting against the resolution. Motion failed.


In his second advisory resolution, Vedder moved to have *at least one decision or action by the members attending the annual meeting*; motion was duly seconded. Jim Bays, Rules Committee, addressed the membership, reporting on the recommendation from the committee that the members not approve this resolution. Berman called for the vote, with the majority of the membership then voting against the resolution. Motion failed.

Vedder moved his third advisory resolution, *to limit directors to four consecutive three-year terms*; motion was duly seconded. Bays advised the membership of the Rules Committee recommendation to not approve this advisory resolution. After some discussion and explanation by Berman of the Bylaw change that would need to be adopted to implement the proposal and details about a transition to term limits for those currently in a board position that would need to be resolved, he called for the vote, with the majority of the members then voting against the resolution. Motion failed.

Nichols thanked Vedder for his interest in the cooperative. A question and answer session was offered to the membership. A question was presented by member Tim Dolata on the two-year retirement of idle service in his mobile home park. A meeting will be scheduled with CEO Porter and staff to discuss this issue with the member.

In closing, Nichols congratulated the incumbent board members on their re-election and welcomed new board member Vedder. Nichols announced John Link as the grand prize package winner and thanked the membership for attending their cooperative's annual meeting.

Meeting adjourned at 8:09 p.m.


Cheri Gibeaut, Secretary

ACEC BOARD OF DIRECTORS



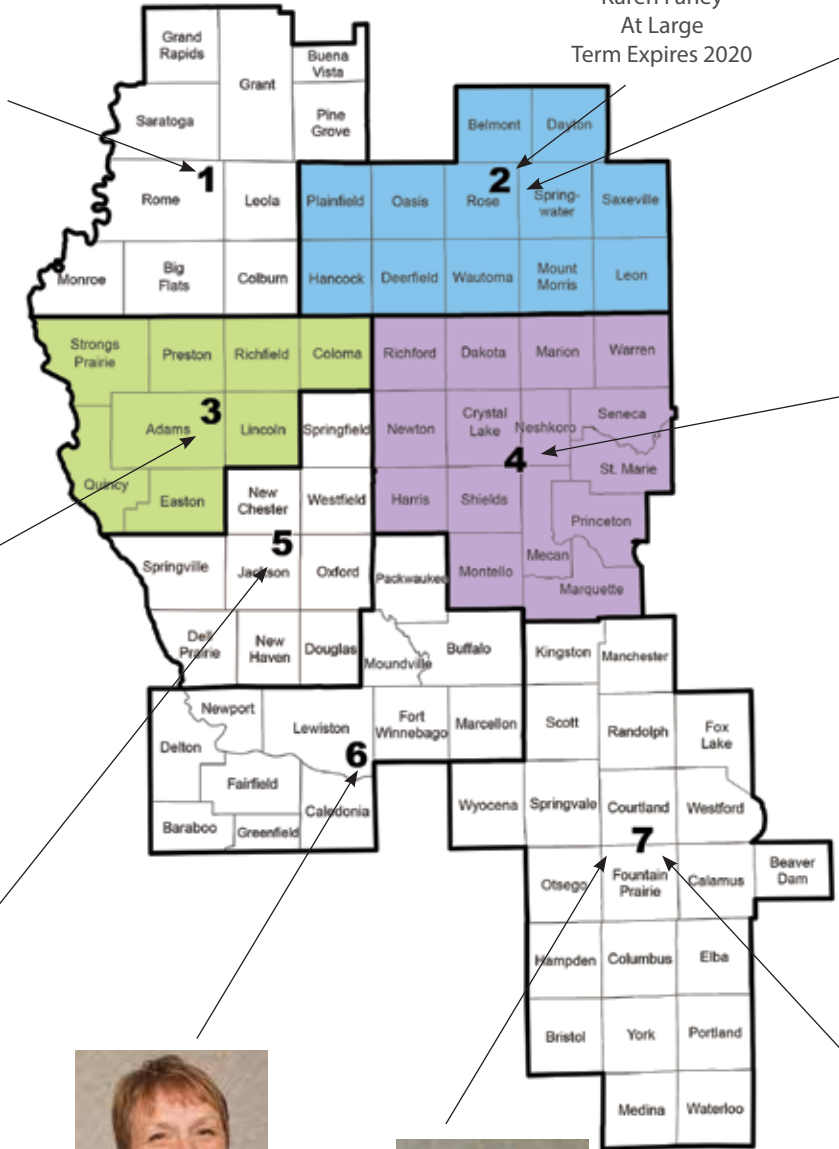
District 2
Karen Fahey
At Large
Term Expires 2020



District 2
Patrick Connolly
Term Expires 2019



District 1
Gene Alexander
Term Expires 2021



District 3
Marj Colby
Term Expires 2019



District 4
Lawrence Becker
Term Expires 2019



District 5
Kendal Nichols
Term Expires 2020



District 6
Cheri Gibeaut
Term Expires 2021



District 7
Dietrich Vedder
At Large
Term Expires 2021



District 7
Scott Link
Term Expires 2020

VOTING OPTIONS ↑

VOTE IN PERSON AT THE ANNUAL MEETING

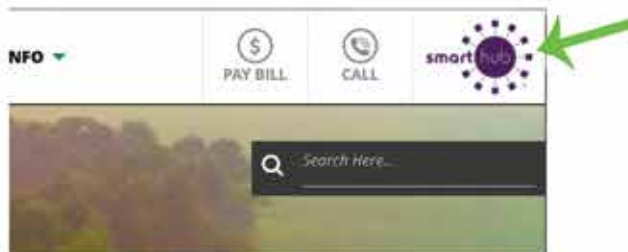
Attend the annual meeting and cast your vote.

OR

VOTE ONLINE WITH eVote

Log in to your SmartHub account and click Vote Now. Follow the directions below.

- 1 SMARTHUB** Visit acecwi.com and click SmartHub in the upper right corner.



- 2 LOG IN** OR create an account. One of our CSR's can help. (800) 831-8629.



- 3 POP UP** Allow pop-ups. If you have a pop-up blocker turned on it will not allow you to vote. *This step may not apply to you.*



- 4 VOTE NOW** Click 'Vote Now' in the upper right corner.



- 5 SELECTIONS** Click a box to vote. A selection can be made in each district, but is not required.



ABOUT THE CANDIDATES

Districts 2, 3, and 4 have director seats up for election at this year's annual meeting. Candidates running for these director seats have each been asked to submit a short, 350 word or less, biography answering the questions listed below. Candidates have provided their contact information if you would like to reach out with additional questions.

*Note that no edits have been made to the candidate's submissions.

Each candidate was asked the following questions:

Please share information about yourself including what experience or abilities you would bring to the ACEC board.

What interests you most about serving on the board?

What are some of the important issues you believe the board needs to focus on in the next few years?

Meet the Candidates

District 2

DISTRICT 2

Candidate



Adam Jones

Hello ACEC members, I'm Adam Jones and I would appreciate your vote for the ACEC Board of Directors.

I have been a lifelong resident of Waushara County. Since an early age, I was involved in 4-H and learned the importance of community service and being an advocate for your local area. As an adult I have always strived to keep the best interests of the community in the forefront.

I grew up in Wild Rose on my family's vegetable and beef farm. After attending college, I started my own construction company and built custom homes and light commercial projects for 14 years. This gave me the opportunity to work well with many different types of people while solving problems efficiently and keeping my job tasks organized and profitable. It also gave me the skills to know how to effectively invest money to better my small business.

I had the opportunity to go back into farming four years ago. With a struggling agriculture economy, I needed to make very important decisions about the future of the farm and determine the best ways to keep the farm profitable. I'm Vice President of Waushara County Farm Bureau and have completed a year-long leadership institute training. My

attention to detail, education and determination will make me a great director for members in District 2.

I am interested in serving on the ACEC board to learn more about current operations and how to make improvements to best serve the community. I would like to fully explore all of the facets of how ACEC currently provides service within our local areas. I would like to use this information and focus on having more input from members to best meet their needs.

An important issue that I would like to see addressed is the growing need for power and what can be done to provide cost effective solutions. Everyone wants to keep rates low. As a board member I would like to help shape how can we continue to maintain this electrical resource, which is vital to our rural communities, while continue to grow and be profitable.

Contact information: Cell phone: 920-295-9323 Home phone: 920-787-2208

Email: adamjonesconstruction@gmail.com

DISTRICT 2

Candidate



Ethan Olson

My name is Ethan Olson and I would like to represent you on the Adams-Columbia Electric Cooperative Board. I grew up in Arkdale Wisconsin, and agriculture has always been a large part of my life being involved in my grandfather's cash crop farm. I had the opportunity to attend UW-Platteville where I graduated with a Bachelor's Degree in Agriculture Business and a Minor in Soil and Crop Science. My fiancé and I recently purchased a home in Plainfield which is where I enjoy working as a Sales Agronomist for TH Agrichemicals. I have seen firsthand how farmers are impacted by rising costs and control issues. I would like to relay the message of why and where the costs of our power are incurred. Agriculture needs a strong voice on the Board, and I would like to be that voice for agriculture for District 2. I thank you, in advance, for considering me as your representative.

Contact information: Cell phone: 715-935-0923 Email: olson4010@gmail.com

DISTRICT 2
Incumbent



Patrick Connolly

Educational & Military Background:
Wautoma High School (1958)
USMC (1958-62) Aviation Radio Technician
Indiana Institute of Technology (1962-65) Electrical Engineering studies

Employment:
General Telephone Co. of Indiana (1964-65)
Louis Allis Co., Milwaukee WI (1966-75)
Wauhara Electric Cooperative/Adams-Columbia Electric Cooperative (1975-2001)
Engineering Assistant responsible for power line design & staking
Self Employed Consultant (2001-2006) Power line design & staking

Experience and Abilities:
I have long held a commitment to active engagement in my community through both leadership and participatory roles. This service has enriched my life and, I hope, contributed to the quality of life for my neighbors. It has been my pleasure to have served in these organizations: Mt Morris Pioneers 4-H Club (Leader), Blackhawk Folk Society (Co-founder & Board Member), Wautoma Area School District Board of Directors, Mt Morris

Town Board (Supervisor & Town Chair), ACEC Board of Directors (2007-2019).

I would like to continue my service to my ACEC neighbors through membership on the Board of Directors. Cooperatives were originally formed and still exist today to improve the lives of their members. ACEC provides essential services to our member-owners by bringing safe, reliable, and affordable electric service to their homes, farms, businesses, factories, schools, places of worship, and community gathering places. I believe I can make a worthwhile contribution to continuing and improving those services.

The near and long-term future of ACEC holds many challenges, but also many opportunities. I believe emphasis on and improvement in the continuity of high quality, cost-effective service should continue to be our primary concern. In addition, we need to stay abreast of developments in potential areas of growth, such as distributed renewable generation, battery storage, and plug-in electric vehicle charging. All technological, regulatory, and political issues affecting the electric power industry will demand the close attention of the ACEC board in order to continue providing the level of service our members deserve. It would be my honor to contribute to these efforts as a member of the Adams-Columbia Electric Cooperative Board of Directors.

Contact information: Email: pconnolly@acecwi.com

District 3

DISTRICT 3
Incumbent



Marj Colby

I am a retired technical college and college educator who brings problem-solving experiences and electric coop director education courses along with 11 years of board experience to the table. I have a strong background in cooperative governance as well as experience serving on other boards. My husband and I own and operate a cow-calf and cash crop farm with shared decision-making in breeding, marketing and cropping. I have been actively involved in local and state organizations including hospital foundation, sports boosters, extension homemakers, 4-H, FFA, state and national cattlemen and master gardeners.

Serving on the board has enabled me to talk coops to people all across the state, sharing concerns, ideas and solutions. It gives me the opportunity to meet, and talk coops and other rural issues, with state and national legislators. It has been exciting to work toward partnerships with other coops and to commence the part ownership agreement and the building of the Alliant Riverside generation project.

One of the issues the coop will face is maintaining our reliable, affordable service while continuing to experience member efficiency which results in flat or declining energy sales. We need to keep our infrastructure strong and up to date to meet the needs of our members. We need to keep abreast of environmentally friendly and member friendly innovations in alternative energy solutions as well as energy storage. A third issue would be developing and enhancing partnerships with other coops (Marquette-Adams for fiber communications) and

energy providers (Alliant Riverside generation project).

Contact information: Cell phone: 608-547-1722 Home phone: 608-584-5396 Email: oakwood1@maqs.net

Meet the Candidates

District 3

DISTRICT 3 Candidate



Aaron Hoernke

My name is Aaron Hoernke, and I have been a Financial Advisor with Ameriprise for the last 15 years. I am originally from Adams-Friendship, but currently reside in Arkdale with my wife and children. I have received my undergraduate degree in Finance with a minor in Economics from UW Green Bay and my MBA from UW Oshkosh. I am currently involved with the Arkdale Lutheran Church Endowment Committee, The Adams-Friendship Education Foundation, and assisting with my children's extracurricular activities.

I would like to apply for the position of Board Member here at ACEC. My goal is to serve on the board to help our community by bringing my experience and perspective. The future of ACEC is very important to our community. I would like the opportunity to help make policies and decisions that will not only impact us currently, but also focus on future ramifications of those decisions.

I believe some issues that we are currently facing include providing low cost energy to rural areas, incorporating renewables and developing low emission energy.

Contact information: Cell phone: 920-379-9553 Email: aaron.j.hoernke@ampf.com

District 4

DISTRICT 4 Incumbent



Lawrence Becker

Kathy and I have been residents of Marquette County since 1977 raising our family here. A UW graduate and a Vo-Ag teacher that farmed with family with dairy, sheep and crop enterprises. We are still raising sheep and hops. Involved with many different coops over the years, farm service, credit, processing, marketing, insurance and electric. Have served on 9 different coop and producer boards. Currently serving as Chairman of the ACEC board and representing Wisconsin on the NRECA board. In the past I have served as Chairman of the American Lamb and Wool Councils promoting those products for US producers.

I want to make sure the members interests and concerns are heard in the discussions and decisions that occur in the boardroom and I like to ask what if? In the time I have served the membership many things have changed, it has become more technical and complex but the need to listen to the members and provide reliable service at a fair price has not. I enjoy working with others to guide and govern. The way the coop operates is affected by rules and regulations that are determined by agencies and laws. I am comfortable in presenting the coops' views to the people who determine these rules/ laws and advocating for the membership.

ACEC must continue to form strategic partnerships to gain lower costs and reduce risks. We must continue to look for partners as we delve into broadband, more renewables, demand pricing and other changes in electric service. The balancing of charging fair rates, maintaining financial stability and returning patronage/margins to the members will be a priority. ACEC is dependent on strong communities so providing opportunities for economic development to keep and develop new jobs is an important issue. Helping our youth with educational opportunities will continue to be a focus. Our members deserve openness and accountability in the management of their coop. Finally the board needs to be strong advocates of our members in the regulatory and political discussions today.

Contact information: Cell phone: 608-547-5831 Home phone: 608-297-2640 Email: clfbecker@frontier.com

DISTRICT 4

Candidate



John Church

I have been a member of ACEC since 1983. I have 40 years of global sales and sales management experience. For 32 years I was directly involved in the in the electrical power generation industry for both standby and prime power applications. The prime movers for generator sets were diesel and gas engines and steam and gas turbines. These generator applications ranged in size from 5 kilowatts to 120 megawatts. My primary roles in the last 25 years were both from an engineering and sales management perspective. I was responsible for over \$70 million in annual sales, managing a staff of 25 people. For the last 7 years I was involved in the wind turbine power generation applications for GE.

I was on the Board of Directors of the Electrical Generating System Association (EGSA) a global organization for the power generation industry for three years.

Having just retired I now want to volunteer, giving back to my community. With my background in power generation and managerial experience I saw a good fit with the ACEC Board of Director's position.

My only experience with the ACEC has been electrical power for our home, and the installation of our geothermal system. As I prepared to seek a position on the board, I reviewed the various programs from ACEC. I was very impressed with all the various programs, especially programs

grants, business loans for economic retainment and development and support to our local agricultural farms.

I would be proud to be involved in supporting these programs, educating Coop members and maintaining a strong fiscal position for ACEC. ACEC needs to continue take the lead in helping members to look at ways to become more efficient and effective in the use of electricity, consider alternative energy sources and how best to apply alternative energy to their daily lives.

It would be an honor to be elected to the ACEC board of directors.

Respectfully submitted:

John A. Church

Contact information: Home phone: 920-787-2844 Email: jchurch000@outlook.com

DISTRICT 4

Candidate



Jon Ebert

I grew up on a dairy farm in Marquette Co. My career at Adams-Columbia Electric Cooperative (ACEC) began in 1974.

My wife, Jan and I have been married 45 years and have three grown children and four awesome grandsons.

I began my career as an apprentice lineman working in the Briggsville area. After becoming a journeyman lineman and working for ACEC for eight years, I became Area Supervisor for the Montello Area for ten years. Following that position I became Area Manager for the Pardeeville Office. My next position led me to become Manager of Operations, and eventually became V.P. of Operations and Engineering, working in the Friendship Office. My management years provided opportunities to serve on many committees. The committees included the WI Job Training and Safety Committee, Chippewa Valley Technical College Apprentice Committee, Park Technical Electrical Power Distribution Board and President of the WI Line Superintendent Association. I also completed the Manager Internship Program.

One of my favorite volunteer experiences with ACEC was the training of Co-Op employees in Bolivia, Belize and Guatemala in electrical distribution and safety. This program was with the National Rural Electric Cooperative Association.

In 2005, Hurricane Katrina devastated a large portion of Louisiana. I had the opportunity to lead a crew of linemen from Wisconsin to assist in rebuilding power lines and restore power to Co-Op members.

I am interested in the opportunity to serve our members, and feel that my experience and insight would be a benefit to ACEC. Any decision as a board director would be made in the best interest of our members with honesty and integrity.

An important issue for the board to focus on is safety for our employees, members and associated organizations. Keeping our costs within the organization to be fair & competitive is another issue.

Electric Vehicle Supply Equipment (EVSE) along with battery storage for renewable energy is important.

Term limits for board directors should be discussed during Strategic Planning.

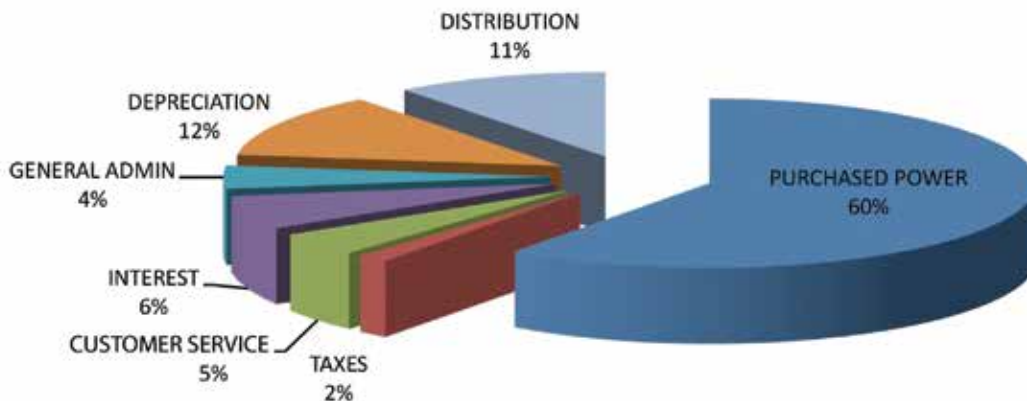
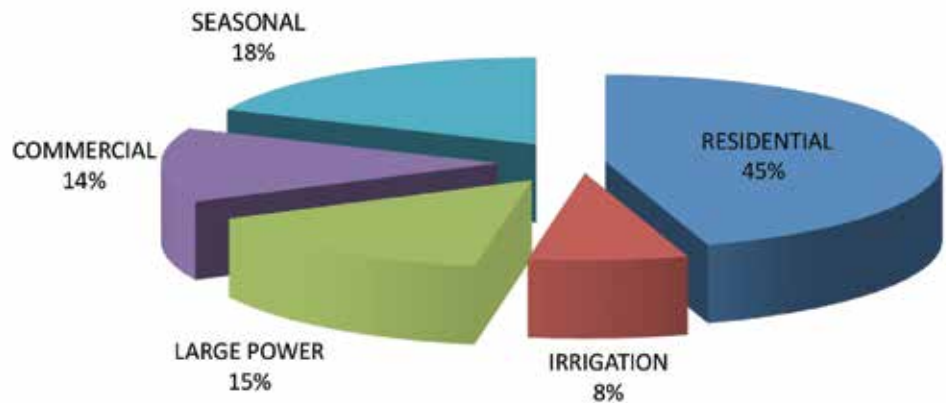
Contact information: Cell phone: 920-295-2766 Home phone: 920-295-8949 Email: Jjebert54@centurylink.net



2018 Statement of Operations

	2018	2017
WHAT WE TOOK IN		
Operating Revenue	70,442,900	68,313,604
WHAT WE PAID OUT		
Cost of Purchased Power	38,680,109	37,721,156
Distribution Expense	6,789,258	7,719,548
Customer Service & Sales Expense	2,890,047	2,930,469
Administrative & General Expense	2,876,659	3,027,918
Depreciation Expense	7,915,321	7,409,051
Taxes	1,015,130	983,813
Interest on Long-Term Debt	4,155,489	4,069,922
Total Operating Expenses	64,322,013	63,861,877
WHAT WE HAVE LEFT		
Net Operating Margins	6,120,887	4,451,727
Interest Income	339,810	335,310
Non-Operating Income	1,519,547	917,380
Patronage Capital	567,985	522,655
Net Margins	8,548,229	6,227,072

2018 Revenue by Category



2018 Expense by Category

2018 Balance Sheet

ASSETS

	2018	2017
Total Utility Plant	226,892,014	218,143,866
Less Accumulated Depreciation	73,264,573	67,724,348
NET UTILITY PLANT	<u>153,627,441</u>	<u>150,419,518</u>
Investments in Associated Organizations	24,099,836	22,229,148
Investments in Economic Development Projects	1,558,296	921,924
Other Investments	13,172,601	4,953,829
TOTAL OTHER PROPERTY & INVESTMENTS	<u>38,830,733</u>	<u>28,104,901</u>
Cash & Short-Term Investments	1,343,254	1,145,834
Accounts Receivable – Net	6,957,943	7,535,854
Materials & Supplies	756,078	827,224
Interest Receivable	215,437	67,201
Other Current and Accrued Assets	8,445,275	13,616,464
TOTAL CURRENT & ACCRUED ASSETS	<u>17,717,987</u>	<u>23,192,577</u>
DEFERRED DEBITS	24,921,652	2,978,742
TOTAL ASSETS & OTHER DEBITS	<u>235,097,813</u>	<u>204,695,738</u>
LIABILITIES		
Long-Term Debt Economic Development	974,817	754,777
Series 2010A Bond	12,736,400	12,979,739
Long-Term Debt	122,030,705	98,641,131
TOTAL LONG-TERM DEBT	<u>135,741,922</u>	<u>112,375,647</u>
Accounts Payable	3,220,144	2,493,563
Consumer Deposits	1,455,481	1,522,476
Other Current & Accrued Liability	3,699,682	3,562,263
TOTAL CURRENT & ACCRUED LIABILITIES	<u>8,375,307</u>	<u>7,578,302</u>
DEFERRED CREDITS	1,855,138	1,896,830
Membership Fees	158,145	157,940
Patronage Capital	65,698,197	61,869,770
Other Equities	23,269,104	20,817,249
TOTAL MARGINS & OTHER EQUITIES	<u>89,125,446</u>	<u>82,844,959</u>
TOTAL LIABILITIES & OTHER CREDITS	<u>235,097,813</u>	<u>204,695,738</u>

2018 in Review

KILOWATT HOURS SOLD TO MEMBERS.....	530,526,655
AVERAGE RESIDENTIAL USE PER MONTH.....	963
OVERALL CONSUMER USE PER MONTH.....	1,184
NUMBER OF MEMBERS.....	31,629
NUMBER OF SERVICES.....	37,351
NUMBER OF EMPLOYEES.....	88
MILES OF LINE	
OVERHEAD.....	1,863
UNDERGROUND.....	3,448
PATRONAGE CAPITAL RETIREMENTS TO DATE.....	\$48,010,659

2017 in Review

KILOWATT HOURS SOLD TO MEMBERS.....	493,275,685
AVERAGE RESIDENTIAL USE PER MONTH.....	909
OVERALL CONSUMER USE PER MONTH.....	1,107
NUMBER OF MEMBERS.....	31,588
NUMBER OF SERVICES.....	37,139
NUMBER OF EMPLOYEES.....	91
MILES OF LINE	
OVERHEAD.....	1,892
UNDERGROUND.....	3,415
PATRONAGE CAPITAL RETIREMENTS TO DATE.....	\$45,605,610



We're searching for beautiful photography to be featured in our next calendar.




We need your help for our 2020 member calendar. We are looking for photos and ideas from our members for our theme — Destinations to Visit. Only ACEC members are eligible to submit photos for this contest.

The deadline to submit photos is Wednesday, July 31, 2019. Visit www.acecwi.com for more details.



Adams-Columbia Electric Cooperative

Your Touchstone Energy® Partner 

Customer Service & Billing	800-831-8629
Power Outage Reporting	888-928-2232
Diggers Hotline	800-242-8511

**To make a payment anytime 24/7,
please call 1-844-219-1223.**

Jay A. Porter, PE—CEO
Ashley Miller—Editor

Friendship Service Center

401 East Lake Street • P.O. Box 70
Friendship, WI 53934-0070
Office Hours: Monday – Friday, 7:30 – 4:00
www.acecwi.com

The Friendship Service Center is located in the Village of Friendship, in Adams County. From Highway 13, travel east three blocks on East Lake Street. Lake Street is also marked as County Highway J.

Adams-Columbia Electric Cooperative maintains operations facilities in Pardeeville and Wautoma. These facilities are not open for general business; however, drive-up payment stations are available at both locations. ACEC employees will meet with cooperative members in Pardeeville and Wautoma by prearranged appointment only.

PROPOSED BYLAW CHANGES

Adams-Columbia Electric Cooperative's Annual Meeting will be held at 9:30 a.m. on Saturday, May 11, 2019, at the Adams-Friendship High School Fine Arts Center. At the meeting, members will be asked to approve several proposed changes to the Cooperative's Bylaws. These proposed changes are the result of your Board of Directors' review of the Cooperative's Bylaws, in order to keep current with best practices identified in our ever-changing Cooperative industry.

Both this summary of changes and the complete Bylaws are available on our website at www.acecwi.com.

RESTATED BYLAWS OF ADAMS-COLUMBIA ELECTRIC COOPERATIVE AS LAST AMENDED MAY 1116, 201917

Updating References to Electric Service

Changes are proposed to the Termination of Membership provision and several other sections, to recognize that there may be periods when a member does not have any net consumption of energy from the Cooperative. The change clarifies that membership would not be terminated if the member continues to pay the bills for having service in place. Similar replacements of "electric energy" with "electric service" are also made to Article IV, Section 8, Article VIII, Sections 2 and 5, and Article XI, Section 4, so that uniform terminology is used throughout the Bylaws.

Amend Article I, Section 7(a)(2) ("Termination of Membership"), Article IV, Section 8 ("Change in Rates"), Article VIII, Sections 2 ("Patronage Capital in Connection with Furnishing Electric Energy") and 5 ("Classification of Business"), and Article XI, Section 4 ("Dispute Resolution") by substituting "electric service" for "electric energy" wherever that term appears.

ARTICLE I MEMBERSHIP

Section 7. Termination of Membership.

- (a) This subsection governs termination of membership, whether by voluntary action of the member or by the Cooperative.
- (1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.
 - (2) The membership of a member who for a period of six (6) months after service is available has not purchased electric ~~service energy~~ from the Cooperative, or of a member who has ceased to purchase ~~electric service energy~~ from the Cooperative, may be canceled by resolution of the Board of Directors or action of the Board's designee.
 - (3) The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of all members of the Board of Directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or reasonable policies, rules or regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failure shall

have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Directors or by vote of the members at any annual or special meeting.

- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate, if any, of such member shall be cancelled forthwith. Termination of membership in any manner shall not release a member or his or her estate from any debts due the Cooperative.
- (c) Absent any other arrangement agreed to in writing by the Cooperative, upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint, provided that this provision shall not affect the ownership of funds held by the Cooperative in the name of the joint owners, and further provided, that neither joint owner shall be released from debts due the Cooperative arising from the joint ownership.
- (d) In case of withdrawal or termination of membership in any manner, the Cooperative may repay to the member the amount of the membership fee, if any, paid by the member, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

Withdrawal of Mail Ballot at Annual Meeting

The current Bylaws allow for the possibility of a member casting an absentee mail ballot and then withdrawing the ballot at the annual meeting and asking to cast a meeting day ballot in its place. The amendment to Article III, Section 6 would eliminate that option—which has not been utilized, but which delays the counting of ballots at the meeting. The text of the proposed amendment follows.

Amend Article III, Section 6 of the Bylaws by deleting sub. (e) and re-lettering subs. (f), (g) and (h) as (e), (f) and (g), as follows:

ARTICLE III MEETINGS OF MEMBERS

Section 6. Voting by Absentee Signed or Electronic Ballot.

- Any member who is unable to attend a meeting of the members may vote on any motion to be considered at the meeting only as follows:
- (a) If the Cooperative provides ballots for the vote on the motion to the members together with the notice of the meeting at which the vote will be taken and exact copies of the motion and any resolution to which it pertains, an absent member may vote on the motion by submitting a signed ballot. If a signed ballot has been submitted on a motion under this paragraph, neither the motion nor any resolution to which it pertains may be amended.
 - (b) If the Cooperative does not provide ballots and an exact copy of the motion or resolution to which it pertains to the members along with the notice of meeting, but makes available ballots for the vote along with exact copies of the motion or resolution to which it pertains, then a member may request a ballot and exact copy of the motion and may vote by submitting a signed ballot. However, the motion and any resolution to which it pertains may be amended at the meeting and, if the motion or resolution is amended, the ballot is void. The ballot may not be counted on any

- motion to amend or adopt as amended the motion or resolution.
- (c) A sealed envelope bearing the signature of the member and enclosing a marked but unsigned ballot shall constitute a signed absentee ballot for purpose of this section.
 - (d) Absentee ballots shall be mailed or delivered to the Cooperative's principal office so as to be received at the principal office no later than noon on the last business day before the membership meeting.
 - ~~(e) In the event a member voting by absentee ballot attends such meeting in person, the absentee ballot shall be discarded in favor of the member's vote cast in person at the meeting.~~
 - ~~(e) If ballots for use in voting for a director are not provided members along with the notice of the meeting, a member may request a ballot from the Cooperative in such manner as the Board of Directors may specify, and use the same for voting for director in accordance with the provisions of this section.~~
 - ~~(g)(f)~~ Where absentee signed ballots are permitted, the Board of Directors may similarly permit electronic voting, provided it has first adopted authentication procedures to govern such voting that in the Board's judgment will reasonably ensure that it is the member who is casting the vote and provided the vote is received by the Cooperative by noon on the last business day before the membership meeting.
 - ~~(h)(g)~~ The failure of any member to receive a copy of any such motion or ballot shall not invalidate any action which may be taken by the members at any such meeting.

ARTICLE IV DIRECTORS

Section 8. Change in Rates.

Written notice of any proposed change in the rates charged by the Cooperative for electric **energy service** shall be as required by applicable law, regulation or contract. This requirement shall not be construed to require any prior notification for changes resulting from any automatic fuel clause or purchased power cost adjustment. Notice may be given by electronic mail or other electronic means to a member who has elected electronic billing or otherwise consented to electronic notifications.

Patronage Capital

Two changes are proposed to Article VIII of the Bylaws ("Non-Profit Operation"). The changes do not affect the Cooperative's non-profit operation or allocation of margins to the members. The changes are in current Section 10 and a new Section 9. They would update the wording in the provision on the Cooperative's security interest in capital credits and confirm when the Cooperative may retire capital credits early, at net present value.

Created new Article VIII, Section 9. Amend Section 10, and renumbered Sections 9 through 13 as Sections 10 through 14.

ARTICLE VIII NON-PROFIT OPERATION

Section 2. Patronage Capital in Connection with Furnishing Electric **ServiceEnergy**.

In the furnishing of electric **service energy**, the Cooperative's operations shall be so conducted that all members and patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members and patrons for all amounts received and receivable from the furnishing of electric **service energy** in excess of

operating costs and expenses properly chargeable against the furnishing of electric **service energy**. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members and patrons as capital. The Cooperative is obligated to allocate to a capital account for each member and patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that, at the end of each fiscal year, the amount of capital, if any, so furnished by each member and patron is clearly reflected and allocated in an appropriate record to the capital account of each member and patron, and the Cooperative shall within a reasonable time after the close of fiscal year notify each member and patron of the amount of capital so allocated to the member or patron's account. All such amounts allocated to the capital account of any member and patron shall have the same status as though they had been paid to the member and patron in cash in pursuance of a legal obligation to do so, and the member and patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of cost and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated to its members and patrons.

Section 5. Classification of Business

To the full extent allowed by law, in connection with the determination and allocation of patronage capital arising from the furnishing of electric **service energy**, the Cooperative may classify the business done with its patrons into classes of business and patronage. Those classifications shall be based on factors relating to the cost of rendering service and the rates charged for service, however, the classifications of business for determination and allocation of patronage capital will not necessarily coincide with the rate classifications in the Cooperative's rate schedules. The Cooperative shall give due regard to the level of capital contributed by each such class of business during the current or any prior fiscal year so that the aggregate capital accounts are equitably adjusted among the classes of business. No patronage capital shall be allocated to any patron within a class of business if the receipts from all patrons within that class do not exceed the costs and expenses chargeable to that class.

Section 9. Early Retirement for Former Members.

Notwithstanding any other provisions of these bylaws, the Board of Directors is authorized but not required, under rules of general application and at its discretion, to retire patronage capital credited to former patrons and pay the net present value thereof prior to the time such capital would otherwise be retired under the provisions of these bylaws, upon such terms and conditions as the Board shall determine, provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Section ~~10~~11. Security Interest in Patronage Capital.

The Cooperative shall have a continuing security interest in the patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to the Cooperative. The patron shall execute such documents as the Cooperative may request to create and perfect this security interest. The rights of the Cooperative under the security interest hereby granted may be exercised in the event of the default in payment by the patron of the patron's obligations, or in the event of the bankruptcy of the patron, and such indebtedness of the patron, shall be **subtracted from offset against** the capital allocated and credited to the patron in any retirement thereof made hereunder to said patron or to his or her estate, heirs, or surviving joint member. Upon the termination of a patron's membership in the Cooperative as provided in these bylaws, the Board of Directors, at its discretion, may immediately retire some or all patronage capital allocated to

such former patron, up to the amount for which the former patron is indebted to the Cooperative, with the net present value of such retired amounts to be applied in full or partial satisfaction of the patron's outstanding indebtedness to the Cooperative; provided however, that such retirements shall only be permitted if the financial condition of the Cooperative will not be impaired thereby. The Board of Directors shall be authorized, but not required, to provide for such special retirements, and this provision shall not impair any other rights or remedies that the Cooperative may have to obtain payment for the patron's indebtedness to the Cooperative.

Section 4213. Forfeiture of Unclaimed Funds.

- (a) The Cooperative shall effect the forfeiture of all unclaimed funds, including all forms of distributions or patronage capital, membership fees, deposits, and dividends, and shall do the following in connection therewith:
 - (1) No earlier than three years and no later than five years after the funds are first made available to the owners, the Board of Directors shall declare the funds forfeited to the Cooperative unless claimed by a specific date.
 - (2) After the declaration of forfeiture, the Cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which date shall be a business day at least 60 days after the mailing of the notice.
 - (3) The notice under paragraph (2) shall be mailed to the last known address of each owner and shall be published on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.
 - (4) The Cooperative shall dedicate any funds remaining unclaimed after the date specified in paragraph (2) to educational purposes, limited to providing scholarships or loans to students, or to charitable purposes, as the Board of Directors determines, within one year after the date the funds are declared forfeited under paragraph (1). Educational purposes shall not include political purposes as defined in applicable law.
- (b) At any time subsequent to a forfeiture under this bylaw, the owner of forfeited funds may submit a claim to the Board of Directors and if the Board determines that the person owned the funds at the time of the forfeiture, it shall refund the funds to the person.
- (c) The Board of Directors may establish a reasonable reserve for payment of claims, which reserve shall be credited to patrons in accordance with the ratio which their patronage bears to total patronage. This reserve shall be reimbursed for claims charged thereto, out of funds subsequently declared forfeited.

**ARTICLE XI
MISCELLANEOUS**

Section 4. Dispute Resolution.

Any and all disputes, claims or controversies arising from or related in any way to the Cooperative's provision of electric service-energy or other services, or its furnishing of any goods or its conduct of its operations, that are not resolved by agreement of the parties, shall, at the request of any party, be resolved by binding arbitration by an impartial arbitrator or panel of arbitrators, pursuant to written procedures to be established from time to time by the Board of Directors; provided, however, that matters within the jurisdictional limits of the small claims courts may be pursued in such courts. As with the other terms of the contract between the patrons and the Cooperative, each patron, member or non-member alike, and the Cooperative agree to arbitrate all such claims or controversies according to this bylaw and the policies and procedures prescribed by the Board of Directors pursuant to this bylaw, and further agree to abide by and perform any resulting arbitration awards.

**YOUTH
LEADERSHIP
CONGRESS**



**JULY
24-26**

Youth Leadership Congress, YLC, is a by-teens,

for-teens cooperative leadership conference that is planned and developed by a youth board elected at the previous year's event. Attending YLC will give you real-world skills that you can use in everyday life. You will learn about co-ops, leadership, careers and interviewing skills, listen to great motivational speakers, and meet new people. And don't forget, it's a great resume builder and looks fantastic on your college application.

SIGN UP

Just visit our website, www.acecwi.com and fill out the application.

To be eligible to attend you must be a:

- 1. Sophomore or Junior in high school this current school year (2018-19).
- 2. Child of an Adams-Columbia Electric Cooperative member family.
- 3. First-time YLC attendee.

**THE DEADLINE
TO APPLY IS
FRIDAY,
JUNE 14,
2019.**



ADAMS-COLUMBIA ELECTRIC CO-OP INVITES YOU TO

FUN! FOOD! GAMES!

Member

APPRECIATION PICNIC

FRIDAY, JUNE 14
11AM- 2PM

- June is Dairy Month - The FFA students will be serving up some yummy ice cream for us!
- Focus on Energy will be joining us with great money-saving programs!
- Purchase discounted LED light bulbs with an exclusive member-only sale!
- Join friends and neighbors in a fun game of corn hole or yard jenga!
- Kids will have a blast playing on the bouncy house activity center!
- Enjoy a tasty brat or hotdog and some chips!

Win Prizes!

JOIN US AT THE CO-OP IN FRIENDSHIP AT 401 E LAKE ST