



Annual Meeting Issue

Adams-Columbia Electric Cooperative • April 2023

This issue of *The Wire* contains the general manager and board chair report, cooperative financials, director candidates, and voting information. Scan the QR code for more annual meeting details.



When

Saturday, May 6, 2023



Where

McComb/Bruchs
Performing Arts Center
514 S Cambridge St,
Wautoma, WI



Time

Member Event:
10:00 a.m. - 1:30 p.m.
Annual Meeting:
1:30 p.m. - 2:00 p.m.



Agenda for Meeting

- Call Meeting to Order
- National Anthem
- Pledge of Allegiance
- Invocation
- Safety Message
- Report of Registration
- Notice of Meeting
& Proof of Mailing
- Year in Review
- Election Results
- Adjournment

Join us!

Saturday, May 6

10:00 a.m. to 1:30 p.m.

**McComb/Bruchs Performing Arts Center
514 S Cambridge St, Wautoma, WI**



**Bounce
house**



**Lunch while
supplies last**



**Caricature
drawings**



**Voting
booth**



**Yard
games**



**Hotline
demo**

Calendar of Events

April 13 & May 10

Stop by our Wautoma office from 8 - 11 a.m., or our Pardeeville office from 1 - 4 p.m. to chat with our general manager, John.

May 1

Deadline to submit STEM Grant applications. Encourage teachers to apply!

May 1

The On-Peak period for our Time-of-Day rate changes from 7-11 a.m. to 12-6 p.m.

May 6

Join us for our Annual Meeting & Member Event. Event details are listed above.

GENERAL MANAGER & BOARD CHAIR

2022 Year in Review Report

John West, General Manager • Aaron Hoernke, Board Chair

We had a strong financial year in 2022, with over \$12 million in margins. We sold over 600 million kilowatt hours, added 460 new services, gave back \$9.3 million to the membership, and had a reliability rating of 99.997%.

Patronage Capital Refunds

Being a part of a cooperative is special; margins are not paid to investors, they are allocated to you, the member-owners, and refunded on a board-approved schedule. Last June, \$5.5 million was returned to members who had service in 2021 through a special patronage retirement (refund). Then, in November, \$3.8 million was returned to members who had service in 2004 - 2006 in the general retirement (refund). In total, \$9.3 million was returned to current and former members last year.



Cost of Service Study & Rates

Late in 2022, we completed a cost of service study. The study takes a deep dive into our costs, separating them into categories, and allocates them to rate classes (residential, commercial, etc.) By looking at our current rate structure and projections of wholesale power costs, we evaluate our rates to ensure they are set fairly and we can cover our expenses at the cooperative.

We experienced a 23% increase in our wholesale power bill from Alliant Energy last year. Rapid and unpredictable changes in the energy market and additional infrastructure, primarily solar, drove the increased costs. The financial benefits we receive from our investment in the West Riverside Energy Center have helped offset some of the increases we're experiencing. Based on the cost of service study, the board of directors approved rate adjustments for the commercial and irrigation rate classes that will take effect in early 2023. Any other rate changes are being delayed with hopes the energy and material markets stabilize.

Supply Chain & Material Cost Challenges

The cost of equipment and materials we use to build and maintain electric facilities has increased drastically over the past few years. In addition, some equipment and materials have been delayed up to 24 months. Costs and delays are an industry-wide challenge and have been impacted by severe weather increasing the demand for materials. We've worked very hard to get the materials needed quickly and at the lowest cost possible, to minimize the impact on our membership. We ask that if you're planning to relocate or install a new electric service, please contact us well in advance to ensure sufficient materials are in stock.

Utility Grade Solar

We continue to explore utility grade solar and community solar opportunities. It's important that we make sure any option the board of directors would decide to pursue is economically sound for our membership. Alliant Energy, our wholesale power provider, has actively been installing solar throughout the state. By the end of 2023, they will be adding 1,100 megawatts of solar in Wisconsin. This means that because we purchase our power from Alliant, a large portion of the energy we serve to our members will be from solar.

VOTING OPTIONS



Our second cooperative principle is Democratic Member Control, which means that each membership is allowed to vote for director candidates who are running for your board of directors. This is a great way to get involved with your cooperative and to make your voice heard.

Below are the three different voting options we offer. Once you cast a ballot, you cannot discard your vote to vote through a different voting option. If you have any questions, give us a call at (800) 831-8629.

eVote

Opens: April 3

Closes: May 5 @ noon

If you don't already have a SmartHub account, now is the time! Create an account on our website at www.acecwi.com.

STEP 1

Log in to your SmartHub account and click the "Vote Now" button.

STEP 2

Follow the prompts to cast your vote. The voting site will walk you through the process.

STEP 3

Confirm your choices and click "Cast Vote." A confirmation page will show that your vote has been submitted.

Absentee

Opens: April 3

Closes: May 5 @ noon

Absentee voting is a great option if you aren't able to attend our member event on May 6, or if you don't have the opportunity to vote online.

How to request an absentee ballot:

1. Give us a call at (800) 831-8629.
2. Email Stacey McManus at smcmanus@acecwi.com.
3. Fill out the online request form on our website at www.acecwi.com/absentee-ballot-request-form.

In Person

Saturday, May 6

10:00 a.m. to 1:30 p.m.

Visit our check-in booth to receive your ballot and cast your vote at our voting station. Cast your ballot between 10:00 a.m. and 1:30 p.m.

Note:

All voting ballots must be turned in before the annual meeting begins at 1:30 p.m. No voting will take place during the annual meeting.

eVote through the SmartHub App!

The "Vote Now" button is also available in the SmartHub mobile app! Once you click "Vote Now," the voting site will walk you through the voting process as it would if you were logged into SmartHub on a desktop.



DIRECTOR CANDIDATES



DISTRICT 4

Aaron Bonnett | abonnett@acecwi.com | (715) 347-1415

I currently work for Gundersen Moundview Hospital and Clinics as the Executive Director of Moundview Memorial Healthcare Foundation. I have a bachelor's degree in business management from Ripon College and a master's degree in education from the University of Wisconsin-Stevens Point. I am also proud to be a sixth generation of a family farm located in Adams County.

I have really enjoyed being an ACEC board member for the past 3 years. We have implemented many changes which I truly believe have benefited ACEC and the members. I have enjoyed learning about ACEC and having the opportunity to represent the member-owners of ACEC. I continue to believe that we are very fortunate to be part of a cooperative and strive to maximize its potential.

I continue to believe it is important to be fiscally responsible and represent the best interests of our member-owners. We must focus on the balance to continue to provide high quality service while maintaining affordable pricing. I also think that it is important to do strategic planning to ensure that ACEC continues to grow and develop to maintain its status as a very viable service for our communities. The delivery of electricity is a constantly changing and evolving environment. As a cooperative we must continue to make sure we are positioning ourselves to best meet these challenges.



DISTRICT 6

Gary Skolarz | skolarz@maqs.net | (608) 586-6588

My wife Kristen and I currently live in Jackson Township in Adams County. I retired from the Marquette County Sheriff's Office after 32 years as a Deputy Sheriff. During that time, I worked with people in our rural areas, and have established many connections with our rural communities.

I led the Marquette County Youth Organization Association (Fair Board) for 8 years serving as both President and Vice President during my tenure. The biggest thing I learned was that every part of the fair is important to someone. This taught me the importance of every facet of a community being represented.

I'm very proud and honored to have been elected to the board of directors this last term. I have learned many things, and look forward to learning even more as I progress as a board member. I've had the privilege of learning from and working with some very awesome people while on the board.

The obvious issues looming in the future are Electric Vehicle (E.V.) mandates, and renewable energy sources. There will be other issues of charging stations, and state charging corridors along major highways. These are just a few of the issues that I can see coming up in the next few years.



DISTRICT 7

Renee Wendt | rawendt@rossroad.us | (262) 573-7305

I am a stay at home mother with four children. I have been the clerk for Town of Scott, Columbia County for the past 8 years. As a member of Grace Presbyterian Church, Pardeeville, I have served as a Sunday School teacher and director of the Vacation Bible School program for several years.

Prior to children, I was a manufacturing systems engineer for a company in GE Water Systems in Glendale WI and project engineer in Germantown WI. I am interested in serving on the board because of its impact on my rural community.

Due to my engineering background, the technical and business nature of the electrical co-op is very interesting to me. I know that I will learn a lot as a board member and provide a unique perspective with my past life experience. One of the most important issues our nation is facing is the balance between electrical generation using fossil fuels and renewal sources. The impact on generation sources, land use, environmental impact, and generation costs will have an impact on each of us in the next several years.

MEETING RULES

1. Except as specifically modified below the meeting will be conducted in accordance with ACEC Bylaws, Board Policies #2-18 and #2-27, and the current edition of Roberts Rules of Order, Newly 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 3rd, 2023, 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 demonstrations shall be held within the building of the place of the meeting.

VOTING PROCEDURES

1. Each member present and qualified to vote at the meeting shall be entitled to vote for one candidate for each of the director positions for which a director is to be elected, provided that member has not timely voted electronically or by absentee ballot prior to the meeting.
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 or absentee vote will not be discarded in favor of another voting method.
4. In the event there is only one nominee who is qualified and willing to run for election for any position, election for that position may be by unanimous consent, by voice vote, or by show of hands or voting card at the meeting.
5. Only the Chairperson is authorized to vote electronically for a business entity.
6. With the consent of the Chair, balloting may be closed at the time the meeting is called to order. Counting of absentee ballots may begin prior to the time the meeting is called to order.

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Per cooperative bylaws, these meeting rules and voting procedures are approved by the Rules Committee each year and are our reference for conducting the annual meeting and election.

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STATEMENT OF OPERATIONS

WHAT WE TOOK IN 2022 2021

Operating Revenue	85,549,569	73,322,588
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WHAT WE PAID OUT 2022 2021

Power Production Expense (Riverside)	(6,241,273)	(6,159,534)
Cost of Purchased Power	57,581,751	42,525,033
Distribution Expense	7,441,046	6,165,902
Customer Service & Sales Expense	1,998,292	1,844,894
Administrative & General Expense	3,232,856	2,967,672
Depreciation Expense	9,440,616	9,284,337
Taxes	1,262,533	1,262,043
Interest on Long-Term Debt	<u>5,049,366</u>	<u>5,148,149</u>

Total Operating Expenses	79,765,187	63,038,496
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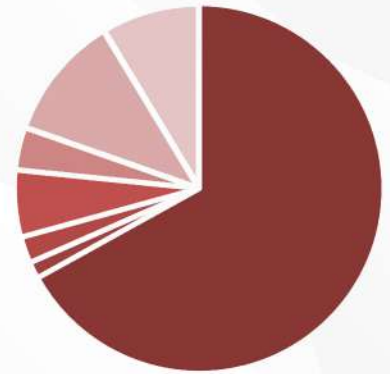
WHAT WE HAVE LEFT 2022 2021

Net Operating Margins	5,784,383	10,284,092
Interest Income	460,608	327,112
Non-Operating Income	5,037,227	3,000,931
Patronage Capital	732,896	761,490

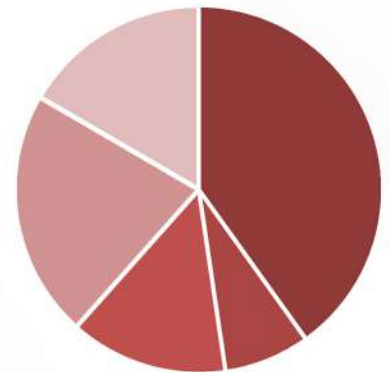
Net Margins	12,015,114	14,373,625
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YEARLY COMPARISON 2022 2021

Kilowatt Hours Sold to Members	619,220,356	556,612,107
Average Residential Use Per Month	928	925
Overall Consumer Use Per Month	1,329	1,208
Number of Members	32,654	32,420
Number of Services	38,813	38,385
Number of Employees	78	72
Miles of Overhead Line	1,741	1,783
Miles of Underground Line	3,668	3,596
Patronage Capital Retirements to Date	\$71,679,929	\$60,231,221



EXPENSE DOLLAR 2022



REVENUE DOLLAR 2022



BALANCE SHEET

ASSETS	2022	2021
Total Utility Plant	289,786,631	280,236,758
Less Accumulated Depreciation	<u>87,069,430</u>	<u>80,145,724</u>
Net Utility Plant	202,717,200	200,091,034
Investments in Associated Organizations	26,493,478	26,198,013
Investments in Economic Development Projects	1,048,630	1,411,113
Other Investments	<u>417,498</u>	<u>561,800</u>
Total Other Property & Investments	27,959,606	28,170,926
Cash & Short-Term Investments	712,702	2,774,757
Accounts Receivable-Net	8,830,419	7,651,995
Materials & Supplies	3,025,847	1,978,847
Interest Receivable	58,802	118,993
Other Current & Accrued Assets	<u>4,112,333</u>	<u>5,766,345</u>
Total Current & Accrued Assets	16,740,103	18,290,937
Deferred Debits	293,676	693,894
Total Assets & Other Debits	247,710,585	247,246,791
LIABILITIES	2022	2021
Long-Term Debt Economic Development	897,181	954,762
Long-Term Debt	<u>123,957,100</u>	<u>124,548,851</u>
Total Long-Term Debt	124,854,281	125,503,613
Accounts Payable	4,811,656	4,661,675
Consumer Deposits	1,518,517	1,524,714
Other Current & Accrued Liability	<u>2,603,683</u>	<u>3,251,610</u>
Total Current & Accrued Liabilities	8,933,856	9,437,999
Deferred Credits	2,315,538	1,795,004
Patronage Capital	76,279,743	76,351,514
Other Equities	<u>35,327,167</u>	<u>34,158,661</u>
Total Margins & Other Equities	111,606,910	110,510,175
Total Liabilities & Other Credits	247,710,585	247,246,791

LINEMAN APPRECIATION DAY | APRIL 18, 2023

Join us in thanking our linemen for their dedication to keeping the lights on, sacrificing their nights, weekends, and holidays to restore power in times of need, supporting our communities, and above all, staying safe. We wouldn't be able to deliver reliable electricity without you!



"I work safe for my co-workers and the co-op, but mainly for my health and wellbeing,"

Brian Babcock, linemen at our Friendship office for 32 years.



FRIENDSHIP

Jesse
Garrett
Brian B
Eric K
Tim
Garin
Bryce

PARDEEVILLE

Chris C
Bill K
Adam
Brett
Jason H
Don
Kurt

WAUTOMA

Brian S
Steve L
Jason K
Ryan
Brian M
Tom
Lucas

YOUTH LEADERSHIP CONFERENCE | JULY 11-13, 2023

Youth Leadership Conference (YLC) is a teen leadership camp at UW-Stout centered around electric cooperatives. The conference is planned and developed by the youth board elected at the previous year's event, and we're proud to sponsor students to attend for free! Attending YLC will give students real-world skills, is an unforgettable experience, and a great resume builder.

Students that attend YLC have the opportunity to run for the youth board at the event, and if elected, plan the following year's event. If elected to the youth board, students get a **free trip to attend Youth Tour in Washington D.C.** to learn more about electric cooperatives, and to meet students from all over the country. Students that attend YLC but are not elected to the youth board still have the opportunity to attend Youth Tour through an essay contest.

REASONS TO ATTEND YLC

- Participate in fun and challenging activities
- Unleash your leadership potential
- Meet students from other co-ops
- Learn about the cooperative business model
- Experience what life is like on a college campus
- Explore co-op careers with industry professionals
- Practice your interviewing skills
- Listen to relatable motivational speakers
- And most of all, have fun!

WHAT'S THE COST

ACEC sponsors students to attend this event for **FREE!** Transportation and meals are included.

WHO SHOULD APPLY

Students currently in their sophomore or junior year of high school for the 2022/2023 school year.

HOW TO APPLY

Fill out the registration form on our website at www.acecwi.com/ylc.

Apply by Friday, June 9.



For more information about YLC and to watch a video showing what YLC is all about, visit www.acecwi.com/ylc or scan the QR code. If you have questions, contact Haley Melby at (800) 831-8629, or email hmelby@acecwi.com.

SAFETY POSTER CONTEST

May is Electrical Safety Month and we're asking third graders in our service area to submit posters of what electrical safety means to them. Students who submit posters have the chance to win a prize basket from the co-op. The top three posters will be submitted to our statewide association, WECA, for judging as well. The top three posters at the state level will also receive a prize.

The poster must be themed around electrical safety. No computer generated images will be accepted. The poster should be at least 8.5" x 11", but not larger than 11" x 14". The student's name must be written on the back of the poster if mailed in. A completed registration form must be included with poster submission, and can be found on our website at www.acecwi.com/safety-poster-contest.

Posters and registration forms may be mailed to **ACEC, Attn: Marketing, P.O. Box 70, Friendship, WI 53934**, or uploaded on the webpage listed above. The deadline to submit posters is May 31.

Safety Message

Millions of utility lines are buried underground across the country. While most are buried well beneath the surface, over time, erosion can shorten the lines' distance from the surface. Play it safe and always call 811 before you dig. Scan the QR code to watch the What Lies Beneath video to learn more about staying safe when digging.



Briefing of the Board Meeting

January 24, 2023

Board Action Items:

- Approved December's meeting minutes
- Approved balance sheets
- Approved statement of operations
- Approved sales report
- Approved December general manager expense
- Approved 2022 board expense vouchers

View the full meeting summary on our website: www.acecwi.com/news-information/meeting-mins



Employee Spotlight

Tyler Radl
Distribution Design Technician

Tyler is a member of our staking team based out of our Wautoma office. He plans out jobs and where equipment will be placed.

"The most enjoyable part of my job is being able to visit all of the unique, off-the-beaten path, places that central Wisconsin has to offer in the seven counties served out of the Wautoma office."

Keep up the great work for our members, Tyler!

Eggplant Lasagna

PREP TIME - 30 MINS | COOK TIME - 1 HOUR 35 MINS

Ingredients

- 2 Tbsp olive oil
- 2 large onions, chopped
- 2 medium-sized eggplants, peeled and cut into 1/2" cubes
- 1/3 c of water
- 1 lb of ground beef
- 2 1/2 tsp salt, divided
- 3/4 tsp black pepper, divided
- 1 15 oz container of ricotta cheese
- 1/2 c grated parmesan cheese
- 2 eggs
- 1 tsp dried basil
- 1 26 oz jar spaghetti sauce
- 2 c shredded mozzarella cheese

Instructions

1. Preheat oven to 350 degrees. Coat a 9" X 13" baking dish with cooking spray.
2. In a large soup pot over medium heat, heat oil, and sautee onions for 4 minutes. Add eggplant and water. Cover and cook for 10 to 12 minutes, or until tender, stirring frequently. Stir in ground beef, 1 1/2 tsp salt, and 1/4 tsp black pepper. Cook uncovered for 6 to 8 minutes, until no pink remains, crumbling the meat as it cooks.
3. In a large bowl, combine ricotta and parmesan cheese, eggs, basil, and the remaining 1 tsp salt and 1/2 tsp black pepper; mix well.
4. Spread one-half of the spaghetti sauce evenly over the bottom of the dish. Spread half of the eggplant mixture over the sauce then top with half of the cheese mixture and sprinkle top with half the mozzarella cheese. Repeat layers one more time, ending with mozzarella cheese.
5. Cover with aluminum foil and bake for 50 minutes. Remove foil and bake 10 to 15 more minutes, or until heated through and golden. Let sit 10 minutes before serving.

Recipe from Geraldine Jacobsen of Wisconsin Dells, WI