

**2016
ANNUAL
REPORT**



Living the cooperative advantage



**Oakdale Electric
Cooperative**

Your Touchstone Energy® Cooperative 

ANNUAL MEETING
Saturday, April 1, 2017

2017 NOTICE OF ANNUAL MEETING

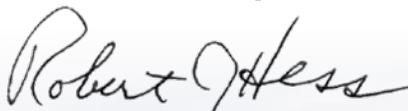
The Annual Meeting of Members of Oakdale Electric Cooperative will be held at 10:00 a.m., Saturday, April 1, 2017 at the Tomah High School Auditorium in Tomah, Wisconsin, with registration beginning at 9:00 a.m.

Action will be taken on the following:

ANNUAL MEETING OF MEMBERS SATURDAY, APRIL 1, 2017 ♦ 10:00 A.M. CALL TO ORDER

1. Reading of the notice of the Meeting and proof of the due publication of mailing thereof.
2. Reading of the unapproved minutes of last years meeting of the members and taking of necessary action thereon.
3. Presentation and consideration of, acting upon reports of officers, directors and committees.
4. Election of a Director from District #1, (Comprised of the Townships of City Point, Hiles, Dexter, Cranmoor, Remington, Port Edwards, Finley, and Armenia) for a three-year term to fill the vacancy caused by the expiration of the term of Robert Hess, 9748 Hoffman Road, Pittsville, WI 54466.
5. Election of a Director from District #7, (Comprised of the Townships of Lyndon, Dellona, LaValle, Winfield, and Reedsburg) for a three-year term to fill the vacancy caused by the expiration of the term of Ronald Churchill, E6089 County Road F, Reedsburg, WI 53959.
6. Such other business, regular or special, which may come before said meeting.
7. Adjournment.

Dated this 17th day of March, 2017
Oakdale Electric Cooperative



Signed: Robert Hess, Board President

COPIES OF THE MINUTES
OF OUR 2016 ANNUAL
MEETING ARE AVAILABLE
AT THE OAKDALE
ELECTRIC HEADQUARTERS
BUILDING.



ANNUAL MEETING PROGRAM

Saturday, April 1, 2017
Tomah High School, Tomah, WI

- 9:00 a.m. Registration of Members
10:00 a.m. Business Session
Meeting Called to Order - Robert Hess, Board President
Invocation
Certification of Quorum Present
Approval of Program Agenda
Notice of Meeting and Proof of Mailing - Jonathan Williams, Secretary
Approval of Minutes of Prior Meeting - Jonathan Williams, Secretary
Treasurer's Report - Richard Barrett, Treasurer
President's Report - Robert Hess
General Manager's Report - Bruce Ardel
Director Election Process - Attorney Thomas Zaremba
District #1
District #7
Guest Speaker - Brian Rude, Vice President, External & Member Relations at Dairyland Power Cooperative
Any Other Business
Prize Drawings - \$100.00 credit applied to electric bill - 5 drawn
(Must be present to win)
Adjournment

Lunch immediately following the meeting.



MESSAGE FROM YOUR GENERAL MANAGER & BOARD PRESIDENT

Living the Cooperative Advantage

Oakdale Electric Cooperative is committed to helping members live the cooperative advantage day in and day out. Our mission is to not only to deliver reliable electric service at an affordable price, but to go beyond the lines providing additional opportunities that fulfill the cooperative principles. We are committed to democratic control, environmental stewardship, and community goodwill. But the backbone of our organization is providing the same honest, trustworthy, and personalized service members have known since 1935.

The SunnyOak Community Solar Garden project south of Necedah is finally underway. Oakdale Electric partnered with Dairyland Power Cooperative and SoCore Energy to develop local solar energy. SoCore Energy, a solar developer from Chicago, will build, own and operate the array. The solar installation will consist of a 1.7 MW utility-scale facility. Oakdale Electric will purchase the energy output from 200 kW of the array and Dairyland Power Cooperative will purchase the output of 1.5 MW of the array. This renewable energy project will provide clean, solar energy to meet the energy demands of the local population. The project will be completed and generating power this summer.

Oakdale Electric is installing a new AMI metering system. This new system combines two-way communication with smart meters allowing for real-time electrical usage tracking. With a better understanding of how habits affect usage, members can use this information to make lifestyle changes that could help lower their energy consumption. Deployment of the new smart meters began in December with the goal of completion in 2018.

We are in the process of implementing new software for operations, accounting and billing. Exciting new features members will eventually be able to make use of include outage reporting, real-time energy usage information, and easy account management. Members will see the changes firsthand when a new type of bill statement arrives in June.

The Cooperative Advantage at Work—Operation Round Up! Our members continue to give back to their local communities. Lives are being changed through the small change donated each month by members who elect to “round up” their electric bill. This year alone, Operation Round Up provided almost \$6,000 in community assistance to individuals and organizations in our service area.

Oakdale Electric employees take an active role in our communities through their volunteerism efforts. Linemen present the hotline demonstrations to local elementary schools and organizations, attend community safety nights, and discuss proper electric safety protocols with local contractors. You’ll find co-op employees donating their time serving meals to individuals in need, assisting local non-profits raise funds, and even stringing holiday lights.

Oakdale Electric Cooperative continues to work with our local legislators and Wisconsin’s Congressional members on policy and regulatory issues impacting electric cooperatives and the electric utility industry.



Bruce Ardelt



Robert Hess

Through the years, we have built good working relationships and maintained contact with politicians on both sides of the aisle. The new administration recognizes the adverse economic impacts of the Clean Power Plan. We look forward to working with them on proposals that protect our environment and promote a healthy economy, bringing a consumer-focused approach to this and other issues.

On the financial front, the cooperative remains strong. Oakdale Electric distributed over \$1.1 million in capital credits last October. Last year we implemented a small retail rate increase and will continue to work hard to keep our rates stable. Good news was received from DPC that the cooperative is scheduled to receive its proportionate share of the NWPAs Lawsuit proceeds from DPC as a settlement was reached with the federal government. Oakdale Electric will receive \$2.9 million, which represents 6 percent of the total proceeds received by DPC. The NWPAs proceeds will be used to stabilize Oakdale Electric’s rates in future years.

We believe that cooperatives make a better future for all of us. The fundamental principles upon which co-ops are built have served us well and will continue to offer guidance and strength. We share a close relationship with our communities that are unmatched in the energy industry. Here’s to Oakdale Electric Cooperative, and to the cooperative business model – a 19th century idea that is leading the electric industry into the 21st century. 82 years is just the beginning!

On behalf of our employees and directors, we thank you for the privilege of serving you – our members.

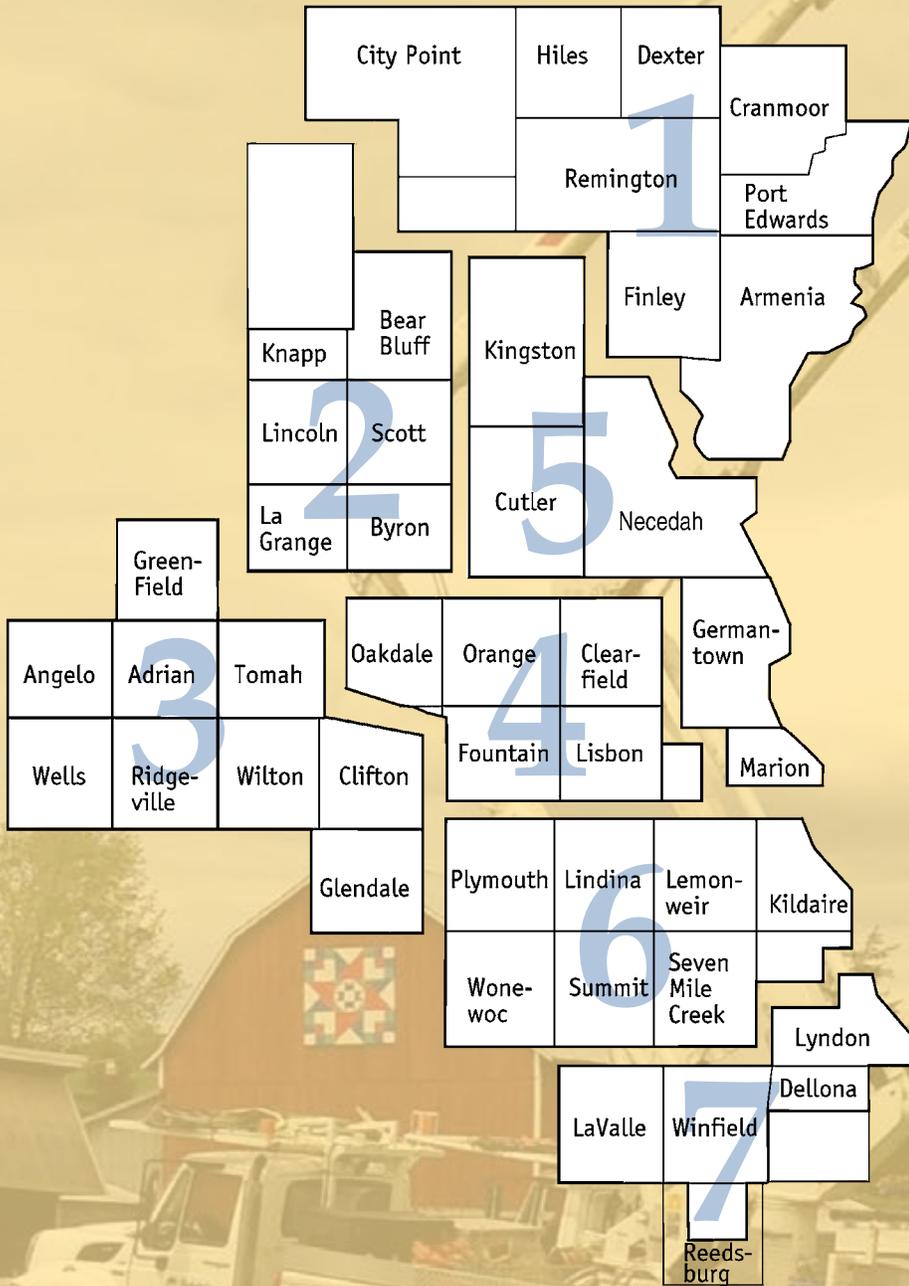
A handwritten signature in black ink that reads "Bruce Ardelt".

Bruce Ardelt
General Manager

A handwritten signature in black ink that reads "Robert Hess".

Robert Hess
Board President

BOARD OF DIRECTORS



Robert Hess (1)



James Van Wychen (2)



Greg Eirschele (3)



Rick Barrett (4)



Martin Potter (5)



Jonathan Williams (6)



Ronald Churchill (7)

2016 FINANCIAL REPORT

STATEMENT OF OPERATIONS

	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
OPERATING REVENUE		
ELECTRIC SALES REVENUE	\$35,478,399	\$34,213,038
OTHER ELECTRIC REVENUE	113,907	126,220
TOTAL OPERATING REVENUE	<u>35,592,306</u>	<u>34,339,258</u>
OPERATING EXPENSES		
COST OF POWER	23,680,199	22,771,331
DISTRIBUTION EXP-OPERATIONS	1,409,276	1,521,830
DISTRIBUTION EXP-MAINTENANCE	1,962,867	1,945,200
ADMINISTRATIVE & GENERAL EXPENSE	2,349,804	2,330,672
DEPRECIATION EXP	2,991,708	2,688,273
TAX EXPENSE	379,994	385,035
INTEREST ON LONG TERM DEBT (CFC)	1,543,458	1,487,473
OTHER	71,715	62,005
TOTAL COST OF ELECTRIC SERVICE	<u>34,389,020</u>	<u>33,191,818</u>
OPERATING MARGINS	1,203,286	1,147,439
NON-OPERATING MARGINS	271,445	308,993
DPC CAPITAL CREDITS	937,841	1,087,860
NET MARGINS	<u>\$ 2,412,572</u>	<u>\$ 2,544,292</u>

BALANCE SHEET

	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
ASSETS		
NET UTILITY PLANT	\$62,446,043	\$59,776,578
LONG-TERM INVESTMENT	15,081,381	14,262,900
CASH & TEMPORARY INVESTMENTS	595,616	188,945
ACCTS RECEIVABLE	2,653,820	2,636,407
MATERIALS & PREPAYMENTS	656,929	705,268
OTHER ASSETS & DEFERRED DEBITS	1,919,741	2,130,611
TOTAL ASSETS	<u>83,353,531</u>	<u>79,700,709</u>
LIABILITIES & EQUITY		
PATRONAGE CAPITAL	37,520,158	36,185,231
CONSUMER DEPOSITS	233,224	220,724
LONG TERM DEBT	36,946,140	35,129,446
ACCOUNTS PAYABLE	2,489,995	2,262,716
OTHER CURRENT LIABILITIES	6,164,013	5,902,591
TOTAL LIABILITIES & EQUITY	<u>\$83,353,531</u>	<u>\$79,700,709</u>

MISSION

Oakdale Electric Cooperative is dedicated to providing our members with safe, reliable electric service, superior customer service, and innovative energy solutions at competitive prices.

VISION

Oakdale Electric Cooperative strives to enhance the quality of life for our members, while providing the highest level of quality service.

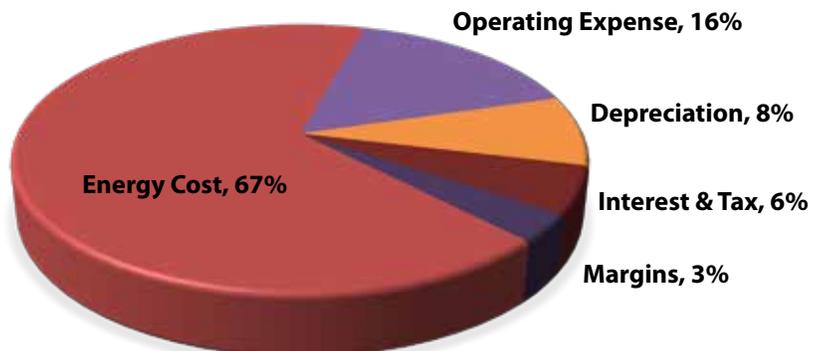
VALUES

- ◆ Safety
- ◆ Integrity
- ◆ Innovation
- ◆ Environmental stewardship
- ◆ Accountability
- ◆ Open, honest communication
- ◆ Commitment to members, community, and employees

Our 2016 financial records and the reports contained herein have been audited by Bauman Associates, Ltd., Eau Claire, WI.

2016 EXPENSES

where your \$\$ went...



YOUTH LEADERSHIP CONGRESS

Oakdale Electric Cooperative's Federated Youth Foundation Scholarship program was started in 1988. Since then, over \$359,000 has been awarded to deserving students throughout the cooperative service area. Awards are funded from the unclaimed capital credits of former cooperative members.

OEC's 2016 Youth Leadership Congress Participants



Congratulations! Oakdale Electric Cooperative (OEC) sponsors high school students to attend the annual Youth Leadership Congress at the University of Wisconsin – River Falls (UW-RF). For three days, over 150 students from Wisconsin learn their leadership potential through interactive seminars, team building exercises, and presentations from nationally known speakers. The 2017 Youth Leadership Congress will be held July 26-28 at UW-RF. In order to qualify to attend, youth must be the dependent of an OEC member and completing their junior year at one of our 12 area high schools. Oakdale Electric Cooperative covers all of the expenses, and best of all, youth have the opportunity to earn either a \$1,500, \$1,250 or \$1,000 scholarship for post-secondary education.

Interested? A fantastic opportunity for high school students!

Informational packets containing application information and forms are available from your school's guidance counselor in March, or contact Deana Protz at dprotz@oakdalerec.com.

The three day on-campus conference is created by and for teenagers, while intended to:

- Introduce students to the business of cooperatives.
- Encourage the examination of today's issues.
- Help students learn about and practice leadership skills.
- Offer an opportunity for high school students to experience life on a college campus.



2016-2017 Youth Board

Oakdale Electric Cooperative delegates, (left to right) Naly Vang, Jenna Jereb, and Emma Herek, were three of six YLC participants elected to the statewide Youth Board. Congratulations, Naly, Jenna and Emma!

2016 Scholarship Recipients

Mauston High School

Dayonna Bolton
Carson Laridaen
Jessica Patton

Necedah High School

Hunter Crispell
Dalton Staller

Nekoosa High School

Jorge Ontiveros
Samantha Gellerup
Kade Lancour

New Lisbon Area High School

Brittany Steele

Pittsville High School

Elijah Harris

Reedsburg Area High School

Marissa Miller

Royall High School

Emma Herek

Tomah High School

Jenna Jereb
Erica Stott
Jarrett Parr



MANAGEMENT



Bruce Ardelt



Rose Bartholomew



Cherlyn Moseley



Todd O'Neil



Glenn Pampuch



Shane Rowan

ENGINEERING DEPARTMENT



Cheri Ness



Roy Boyles



Travis Champlin



Todd Duncan

EMPLOYEES

MEMBER SERVICES



Sherry Anderson



Heather Linenberg



Dale Ludeking

ENERGY SERVICES



Jim Suzda



Al Taylor



Maribeth O'Dell



Linda Pierce



Deana Protz



Chad Schauf



Kurt Spolum



Tina Von Haden

**OPERATIONS
DEPARTMENT**



Lori Larsen



Ethan Benson



Brock Brown



Pat Eirschele



Joe Engel



Eric Flock



Kelly Ingenthron



Cory Johnson



Dan Kallies



Tommy Liddane



Dalton Linzmeier



Dan McGarry



Travis Moser



John Ollendick



Dane Pasch



Quinten Reuterskiold



Matt Riggs



Mike Rosier



Kurt Starkey



Andy Steele



Dave Stelter



Bob Thompson



Stew Walters



Josh Von Haden

Snapshots



Operation Round Up representative Pat Christensen (left) presented a monetary donation to Mr. Ed's Thanksgiving Dinner.



Board members visited Bill Arendt's Hops Haven farm as part of their annual board tour.



Chad Schauf, IT Director, was selected to present at the National Tech Conference this past February. His topic was titled, "IT Shared Resources – Making the Most of the 6th Cooperative Principle."



Employees raised \$250 in their first Holiday Co-op Cook-off to benefit the Blue Jean Fund.



Line crews constructed new lines on county Hwy WD near Reedsburg.



The management team and board of directors hard at work during their strategic planning session.



Kids and adults enjoyed the creative balloon art provided by Funny Faces Family Entertainment at Member Appreciation Day in October.



SunnyOak Community Solar Garden broke ground on October 26. Cooperative employees and directors, along with representatives from SoCore Energy were present for the event.



Local high schools students toured the cooperative, and were given an inside look at a transformer by Scott Brookman.

of 2016



A mile of overhead three-phase was rebuilt in Oakdale, along Highway 12 & 16.



Employees showed their support for local law enforcement by helping "paint the town blue" in November.



Employees volunteered their time to string holiday lights in Winnebago Park, Tomah.



Employee's children watched a special presentation of the Hotline Safety Demonstration while spending their afternoon at the co-op, as part of "Bring Your Kids to Work Day."



Member Photo Contest cover winning photo taken by Debra Schotten, Mauston.



Cindy Engstrom was one of the five winners in November's Turkey Giveaway drawing. A record 1,100 entries were received.



Ben Bella, Safety and Compliance, instructed an electrical safety meeting for Babcock volunteer firemen.



Linemen are required to practice their safety skills annually, including pole top rescues.



**Oakdale Electric
Cooperative**

Your Touchstone Energy® Cooperative 

P.O. Box 128 • Oakdale, WI 54649-0128

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IMPORTANT REGISTRATION CARD 

Tear off here and bring this card to register at the annual meeting.

Oakdale Electric Cooperative
ANNUAL MEETING

Saturday, April 1, 2017

Tomah High School, Tomah, WI

9:00 a.m. – Registration begins

10:00 a.m. – Business Meeting

**Drawing for
Five FREE \$100 Electric Bill Credits**

Attending members will receive a gift

*Must be a registered voting member
in attendance at the annual meeting.*

Lunch served following the meeting.

**Living the cooperative
advantage**