

Since 1940

WISCONSIN ENERGY Cooperative NEWS

March 2024



CVEC's 87th Annual Meeting
Tuesday evening, March 26
CVEC Headquarters

7 STRONG



THIS IS YOUR PRIZE STUB!

Please detach this mailing label along the dotted line and bring it with you to the annual meeting. This is your ticket to receive a FREE cutting board and for registration and door prize drawings!

**One cutting board per member household*

Please remember: You MUST bring this prize stub to receive your free gift!

Please bring this magazine with you to the Annual Meeting.



2024 ANNUAL MEETING NOTICE AND AGENDA

Celebrating 87 years!

CVEC ANNUAL MEETING Tuesday evening, March 26, 2024

5:30 – Doors will open for registration and dinner prior to the 87th Annual Meeting of members of the Chippewa Valley Electric Cooperative.

6:00 – Business meeting begins

Action will be taken on the following matters:

1. Cooperative reports
2. Election of two directors: One from District 1 and 6
3. Unfinished business
4. New business and other business to come before this meeting

In accordance with the bylaws, any member unable to attend the meeting may vote by mail. Only members who reside in a voting district will receive a director candidate ballot included with their bill. A return envelope will also be provided for your convenience. When mailing your ballot, please allow sufficient time to ensure your ballot reaches the CVEC office before the date of the annual meeting for your ballot to be counted.

**Early Bird Prize:
HD LED Smart TV**



**End of Meeting Prize:
Apple iPad**

Must be present to win.

ANNUAL MEETING PROGRAM

Tuesday evening, March 26, 2024

| | | |
|------|---|--|
| 5:30 | Doors Open for Registration | |
| | Dinner will be served prior to the meeting. | |
| 6:00 | Meeting Called to Order | John Petska, Chairman |
| | National Anthem | Janet Brandli, Operations Coordinator |
| | Invocation | Rev. Dr. James J. Brandli |
| | Early Bird Prize Drawing | John Petska, Chairman |
| | Notice of Meeting | Steve Johnson, Secretary-Treasurer |
| | Approval of 2023 Minutes | Steve Johnson, Secretary-Treasurer |
| | Chairman's Report | John Petska, Chairman |
| | Ballot Box Closed | John Petska, Chairman |
| | Cooperative Updates | Russ Falkenberg, President/CEO |
| | Financial Report | Joe Harrison, Principal CPA - Bauman Associates, Ltd. |
| | Open Forum | John Behling, Attorney & President - Weld Riley, S.C. |
| | Report of Tellers Committee | |
| | Drawing for Apple iPad | John Petska, Chairman |
| | Adjournment | John Petska, Chairman |

**Prizes will be drawn throughout the meeting.
Dinner will be served.**

VOTING INSTRUCTIONS

Only members who reside in a district whose director is up for election at this annual meeting will receive a ballot in the same envelope as the electric bill mailed to them in March. They will receive one Director Voting Ballot and one Ballot Reply envelope for return of the ballot. Please vote and return the completed ballot to CVEC to be received prior to March 26 or you may bring it to the annual meeting. Ballots received after March 26 will not be counted.

IMPORTANT

Only the members in
Districts 1 and 6 will receive
a ballot to vote for a
director within
those districts.

Bring this registration stub with you to the annual meeting on Tuesday, March 26, 2024. You must bring this stub to receive a FREE cutting board and to enter the prize drawings.

**One cutting board per member household.*

We look forward to seeing you at CVEC's 87th Annual Meeting on March 26, 2024 at the cooperative headquarters located at 317 South 8th Street, Cornell, WI.

Please look inside this magazine for additional annual meeting information.





CHALLENGES, OPPORTUNITIES, ACCOMPLISHMENTS, AND BLESSINGS



Chairman John Petska

As we prepare for our 87th Annual Meeting and I review my notes from last year’s annual meeting, I am once again incredibly proud of the team effort that went into building on our accomplishments of the previous year. We pride ourselves on quality workmanship and continuous improvement, coupled with a culture where safety is paramount. We exist

to serve our members in the most efficient and economical ways possible.

While it has been a long and challenging struggle, our right-of-way program is now where we have been targeting for many years. The rewards are clear, demonstrated by the lowest outage statistics in our 87-year history. The direct result is more reliable power distribution and lower overtime costs to the co-op.

We also continue to face financial challenges in the form of increased costs in nearly every aspect of the business, from materials and labor to our (wholesale) cost of energy. These increased costs, coupled with burdensome government regulations, have resulted in us taking some exceptional steps to maintain the level of quality you have come to expect from CVEC, while not having a significant effect on rates. While we have seen wholesale rate increases in excess of 6% since we last met and some material costs nearly double, we are only increasing our retail rate by 3%. I’m sure many of you don’t realize an average power pole costs us about \$800, and a standard transformer used in a residential setting can easily exceed \$1,800, which is a 46% increase from 2021.

Another challenge we see on the horizon is that of capacity shortfalls resulting from premature closure of coal plants, coupled with insufficient transmission infrastructure. Green energy is great when it is available. When the wind isn’t blowing or the sun isn’t shining, we must rely on baseload power generation, such as coal. Without sufficient baseload power plants, rolling blackouts are nearly a certainty. This is not fear mongering; it is fact.

We continue to support the local municipalities of Cadott and Cornell, providing for all their maintenance and new service requirements, and increasing the reliability of their energy infrastructure. In addition to system maintenance, we are seeing load growth with several large loads with great load profiles—Derks Meats and Crescent Meats are examples

of increased load. We are proud to supply electricity to local, rural businesses.

Last year this article updated you on measures we took to increase the reliability of our distribution system. This year I am pleased to announce that we have taken these measures to the next level. We have successfully implemented and are using a Supervisory Control and Data Acquisition (SCADA) system to manage our network. We have visibility to every circuit at every substation, along with the ability to monitor and switch circuits. This provides early warning of potential failures and saves a truck roll to perform routing testing at substations. Going forward we will continue to expand our SCADA capabilities by installing devices on the distribution lines, giving us even greater visibility to overall system operations.

Other significant accomplishments this past year include replacing old overhead lines along Highway 27 in the Town of Arthur with underground, and embedding conduit in the new Cobban bridge to allow us a cost-effective alternative to cross the Chippewa River.

We also have great news to report on broadband expansion. Ntera, our joint venture with Citizens Connected, installed the 2,000th customer in January. Ntera delivers reliable highspeed broadband using fiber optic cable, with speeds up to 1 Gb/s! Our service territory started in Holcombe and has expanded from there, serving an area which extends from south of Cadott to north of Sheldon. We are working as quickly as we can to serve rural areas between these two locations.

We abide by the Seven Cooperative Principles and that makes us Seven Strong. This year Co-op Principle #7, Concern for Community, was on full display as we, together with Dairyland Power Cooperative, provided financial support for a new helicopter landing pad in northern Chippewa County and assisted the Cornell Area Fire Department with a low-interest loan for a new fire truck.

Chippewa Valley Electric Cooperative is truly blessed to have an amazing team of dedicated employees who all work together to deliver power to our 8,000 members in a safe and cost-effective manner. This could not have been accomplished without the support of you, our members, who have a vested interest in the cooperative. We continue to prove that people working together will achieve more. This is our culture.

This year our Annual Meeting will be held Tuesday evening, March 26. We look forward to seeing you there!

Respectfully,

John L. Petska
John Petska, Board Chairman

Chippewa Valley Electric Cooperative is truly blessed to have an amazing team of dedicated employees who all work together to deliver power to our 8,000 members in a safe and cost-effective manner.

STATEMENT OF REVENUE AND EXPENSES

For Year Ending December 31, 2023 (Unaudited)

WHAT WE TOOK IN

| | | <u>2022</u> | <u>2023</u> |
|---|-------------------|--------------|--------------|
| 1 | OPERATING REVENUE | \$15,629,798 | \$15,962,362 |

WHAT WE PAID OUT

| | | | |
|----|--|----------------------------|----------------------------|
| 2 | COST OF PURCHASED POWER | \$8,622,198 | \$8,882,959 |
| 3 | OPERATIONS EXPENSE | \$955,450 | \$980,831 |
| 4 | MAINTENANCE EXPENSE | \$886,804 | \$785,450 |
| 5 | CUSTOMER ACCOUNTS EXPENSE | \$448,006 | \$464,353 |
| 6 | CUSTOMER SERVICE & INFORMATION EXPENSE | \$322,193 | \$355,583 |
| 7 | ADMINISTRATIVE & GENERAL EXPENSE | \$997,612 | \$1,136,139 |
| 8 | DEPRECIATION EXPENSE | \$1,705,593 | \$1,769,288 |
| 9 | TAXES | \$226,542 | \$225,251 |
| 10 | INTEREST ON LONG-TERM DEBT | \$686,052 | \$718,556 |
| 11 | OTHER DEDUCTIONS | \$7,266 | \$7,764 |
| 12 | TOTAL OPERATING EXPENSES | <u>\$14,857,716</u> | <u>\$15,326,174</u> |

WHAT WE HAVE LEFT

| | | | |
|----|--|-------------------------|---------------------------|
| 13 | NET OPERATING MARGINS | <u>\$772,082</u> | <u>\$636,188</u> |
| 14 | NON-OPERATING MARGINS-INTEREST/DIVIDENDS | \$176,254 | \$183,217 |
| 15 | INCOME (LOSS) FROM EQUITY INVESTMENTS | -\$979,431 | \$580,144 |
| 16 | NON-OPERATING MARGINS-OTHER | -\$62,768 | \$22,524 |
| 17 | DAIRYLAND POWER CO-OP (G&T): CAPITAL CREDITS | \$332,547 | \$424,290 |
| 18 | ASSOCIATED CAPITAL CREDITS & DIVIDENDS EXTRAORDINARY INCOME | <u>\$195,590</u> | <u>\$111,450</u> |
| 19 | TOTAL NON-OPERATING MARGINS | <u>-\$337,808</u> | <u>\$1,321,625</u> |
| 20 | TOTAL MARGINS | <u>\$434,274</u> | <u>\$1,957,813</u> |

PRINCIPAL PAYMENTS MADE DURING THE YEAR

| | | | |
|----|--|-----------|-----------|
| 21 | NATIONAL RURAL UTILITIES CO-OP FINANCE CORP. (CFC) | \$185,809 | \$114,049 |
| 22 | R.U.S. | \$368,056 | \$470,654 |
| 23 | CO-BANK | \$486,948 | \$502,621 |

Notes:

- A) The Subsidiary's (CVS) margins/loss and investment gain/loss are now displayed on the "Income (loss) from Equity Investments" line above. Allocations are generally based on Chippewa Valley Electric's Operating Margins, G&T Capital Credits, and Associated Capital Credits from the previous year.

COOPERATIVE BALANCE SHEET

December 31, 2023 (Unaudited)

| ASSETS | | 2022 | 2023 |
|-------------------------|---|---------------------|---------------------|
| 1 | TOTAL UTILITY PLANT | \$50,803,374 | \$52,792,670 |
| 2 | LESS: RESERVE FOR DEPRECIATION & AMORTIZATION | \$16,994,251 | \$18,474,810 |
| 3 | NET UTILITY PLANT | \$33,809,123 | \$34,317,860 |
| 4 | NONUTILITY PROPERTY NET | \$0 | \$0 |
| 5 | INVESTMENTS SUBSIDIARY COMPANIES | \$4,428,947 | \$5,009,091 |
| 6 | INVESTMENT & PATRONAGE – ASSOCIATED ORG. | \$7,054,231 | \$7,393,775 |
| 7 | OTHER INVESTMENTS | \$7,009 | \$8,139 |
| 8 | TOTAL OTHER PROPERTY & INVESTMENTS | \$11,490,187 | \$12,411,005 |
| 9 | CASH – REA LOAN FUNDS | \$760 | \$1,570 |
| 10 | CASH – GENERAL | \$299,854 | \$991,133 |
| 11 | TEMPORARY INVESTMENTS | \$1,433 | \$75,521 |
| 12 | NOTES RECEIVABLE – NET | \$4,500,000 | \$4,500,000 |
| 13 | ACCOUNTS RECEIVABLE – NET | \$1,597,236 | \$1,412,664 |
| 14 | MATERIAL & SUPPLIES | \$491,996 | \$552,320 |
| 15 | PREPAYMENTS | \$91,162 | \$93,018 |
| 16 | OTHER CURRENT AND ACCRUED ASSETS | \$3,845 | \$4,255 |
| 17 | TOTAL CURRENT & ACCRUED ASSETS | \$6,986,286 | \$7,630,481 |
| 18 | DEFERRED DEBITS | \$63,164 | \$54,039 |
| 19 | TOTAL ASSETS AND OTHER DEBITS | \$52,348,760 | \$54,413,385 |
| LIABILITIES | | | |
| 20 | LONG-TERM DEBT R.U.S. | \$13,741,659 | \$16,243,989 |
| 21 | LONG-TERM DEBT OTHER | \$6,771,417 | \$6,184,940 |
| 22 | TOTAL LONG-TERM DEBT | \$20,513,076 | \$22,428,929 |
| 23 | NOTES PAYABLE | \$800,000 | \$0 |
| 24 | ACCOUNTS PAYABLE | \$966,775 | \$909,153 |
| 25 | CONSUMER DEPOSITS | \$91,075 | \$89,235 |
| 26 | CURRENT MATURITIES – LONG-TERM DEBT | \$1,040,813 | \$1,036,345 |
| 27 | OTHER CURRENT & ACCRUED LIABILITIES | \$803,704 | \$678,535 |
| 28 | TOTAL CURRENT & ACCRUED LIABILITES | \$3,702,367 | \$2,713,268 |
| DEFERRED CREDITS | | \$437,400 | \$275,517 |
| 29 | MEMBERSHIP FEES | \$0 | \$0 |
| 30 | PATRONAGE CAPITAL | \$14,520,574 | \$15,132,626 |
| 31 | OPERATING MARGINS – CURRENT YEAR | \$772,082 | \$636,188 |
| 32 | OTHER MARGINS & EQUITIES | \$12,403,261 | \$13,226,857 |
| 33 | TOTAL MARGINS & OTHER EQUITIES | \$27,695,917 | \$28,995,671 |
| 34 | TOTAL LIABILITIES & OTHER CREDITS | \$52,348,760 | \$54,413,385 |

ANNUAL MEETING MINUTES 2023

The 86th annual meeting of the members of Chippewa Valley Electric Cooperative was called to order by Board Chairman, John Petska, at 10:01 a.m. in the Cooperative headquarters in the City of Cornell, Wisconsin, on Saturday, March 25, 2023.

Recognition All military veterans were asked to stand and were thanked for their service. A moment of silence was observed for all casualties, both foreign and domestic.

Invocation Reverend Dr. James Brandli prayed for the country, state, membership, and employees of CVEC.

Early Bird Prize The Early Bird prize of a 58" Samsung UHD LED Smart TV was won by Cliff Cote.

Introduction John Petska introduced the board. Deone Goettl was recognized for his 27 years of service, commitment, and dedication. Deone served District #5 well. Vern Weeks, Sue Hartzell, and Mary Colbenson were introduced as the tellers counting the ballots. Attorney John Robert Behling from Weld Riley was introduced as well as Mary Erickson from WECA. Also present were Jen Diederich and Jill Petska representing Ntera. John introduced the director candidates: Dan Peterlik and Glen Sikorski were present, Joe Melville was in Germany.

Quorum The Board Chairman declared a quorum was present and opened the meeting for business.

Notice and Affidavit of Mailing

The Secretary-Treasurer, Steven L. Johnson, read the Notice of Meeting and Affidavit of Mailing.

Minutes The minutes of the 2022 meeting were mailed to the members prior to the meeting. The motion was made and seconded to approve the minutes as written. The motion carried.

Chairman's Report John said the theme of this year's meeting is Gratitude. Hopefully we are back to normal after the last couple of years. He talked about rate increases due to the rising cost of everything, short term interest rates, and workforce shortages. Dairyland Power Cooperative is purchasing power from the market. There are coal and railroad contracts in place.

Members of the board and management attended the NRECA Convention in Nashville. Graphs were displayed showing the energy mix and carbon reduction goals. Operating material & supplies such as transformers are taking 52 to 200 weeks to receive. We need enough capacity to produce enough electricity demanded. Our cooperative is financially strong.

Round Table

President's Report: President and CEO, Dean Ortmann, was very grateful for his co-workers, the board and management. This is Dean's last annual meeting after 32 years with the cooperative. His last seven years were as President/CEO. He enjoyed working at CVEC and jokingly stated that he took credit for everyone else's hard work. There were a lot of changes over the years; most of the linemen have retired and there are a lot of young new faces in the shop.

Financial Report: June Bach, Office Manager, discussed the financials of the co-op. She talked about the operating expenses and margins and also discussed the assets and liabilities. Members could follow the spreadsheet in the *Wisconsin Energy Cooperative News* magazine.

Member Services Report: Russ Falkenberg, Director of IT & Member Services, compared electric heat vs. LP. Electric heat would be controlled about 30 hours throughout the heat season. Russ talked about boilers, ground source heat pumps, Steffes electric thermal storage heaters, DG, solar, rebates, etc. Russ mentioned the high voltage safety demo available to schedule for safety training.

Russ discussed Ntera and said in six short years, they have over 1,600 customers and \$3 million in assets. Because of access to dependable internet, seasonal customers stay longer throughout the year and in turn purchase more electricity.

Operations Department Report: Nic Alberson, Operations Manager, recognized Keith Zimmerman's retirement after 34 years of service. Eric Zurakowski was introduced as the Master Electrician. Nic talked about new services, outages, and the solar field in Stanley. He said right-of-way clearing is essential even if it's hard to see your trees cut.

Prize Drawings Prizes were given to many members throughout the meeting.

Questions Dean Ortmann, President and CEO, along with John Behling, legal counsel, addressed questions from the member audience. Two or three questions were answered.

Director Election Results

District #3: Frank Draxler – 56

District #5: Joe Melville – 142

Dan Peterlik – 79

Glen Sikorski – 50

Adjournment Chairman John Petska asked for any other business. There was no other business, and the meeting was adjourned by John Petska at 12:15 p.m.



Chippewa Valley Electric Cooperative

317 S. 8th St., P.O. Box 575

Cornell, WI 54732

715.239.6800 • 1.800.300.6800

www.cvecoop.com • email: cvec@cve.coop

This institution is an equal opportunity provider.

Board of Directors

District 1 – Dan Liske

District 2 – Steve Johnson

District 3 – Frank Draxler

District 4 – Kevin Meistad

District 5 – Joe Melville

District 6 – Steve Wall

District 7 – John Petska

Russ Falkenberg, President/CEO



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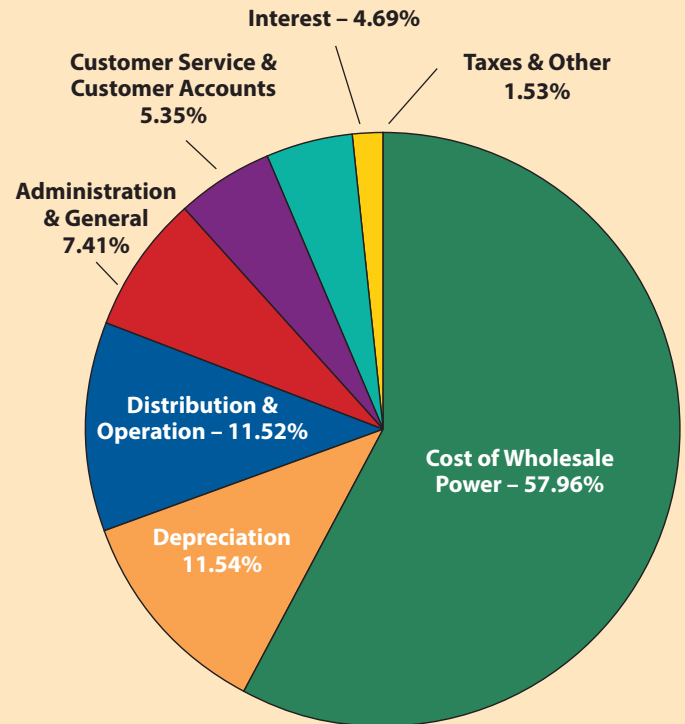
Office Hours: Monday–Friday, 7:30–4 p.m.

Nicole Whipp Sime, Editor

2023 OUTAGE INFORMATION

| 2023 Outage Info | Number of Outages | Avg./Consumer | Consumer Hours |
|----------------------------------|-------------------|---------------|----------------|
| Power supplier | 0 | 0.000 | 0.00 |
| Trees | 76 | 0.161 | 1224.40 |
| Animals | 12 | 0.020 | 150.06 |
| Broken poles | 1 | 0.008 | 60.52 |
| Insulator | 6 | 0.156 | 1182.00 |
| Overhead wire break | 0 | 0.000 | 0.00 |
| Underground fault | 21 | 0.014 | 107.02 |
| Lightning | 5 | 0.137 | 1043.76 |
| OCR/fuse | 0 | 0.000 | 0.00 |
| Vehicles | 5 | 0.002 | 13.27 |
| Transformers | 23 | 0.003 | 31.04 |
| Fires | 1 | 0.000 | 0.65 |
| Other/Unkown | 89 | 0.123 | 933.54 |
| Subtotal | 239 | | 4,746 |
| planned outage | 211 | 0.096 | 729.36 |
| extreme storms | 0 | 0.000 | 0.00 |
| Totals & Avg/Consumer | 450 | | 5,476 |

DOLLARS SPENT – 2023



COMPARATIVE STATISTIC REPORT

| | 2021 | 2022 | 2023 |
|--------------------------------------|-------------|-------------|-------------|
| Total miles of line in operation | 1262.22 | 1265.47 | 1294.93 |
| Total miles of overhead line | 722.00 | 719.55 | 746.15 |
| Total miles of underground line | 540.22 | 545.92 | 548.78 |
| Consumers connected during year | 102 | 80 | 70 |
| Consumers connected – year end | 7747 | 7805 | 7863 |
| Avg. consumers per mile – year end | 6.14 | 6.17 | 6.07 |
| Total water heaters controlled | 3179 | 3156 | 3141 |
| Total dual fuel accounts | 1,464 | 1,456 | 1,447 |
| Total kwh purchased | 108,953,585 | 113,745,309 | 111,973,989 |
| Total kwh sold | 103,730,766 | 108,344,655 | 106,653,944 |
| Total kwh used | 292,800 | 305,100 | 268,800 |
| Total Cost of Electricity | 8,013,151 | 8,918,295 | 8,878,755 |
| Total Revenue from Electricity sales | 14,742,900 | 15,594,897 | 15,745,116 |
| Avg. cost per kwh purchased | 0.0735 | 0.0784 | 0.0793 |
| Avg. revenue per mile/month | 970.84 | 1,026.95 | 1,013.25 |
| Avg. revenue per member/month | 157.41 | 166.51 | 166.87 |
| Avg. kwh sold per member/month | 1108 | 1157 | 1130 |
| Avg. revenue per kwh sold | 0.1421 | 0.1439 | 0.1476 |
| Avg. outage time per member (hours) | 0.889 | 2.347 | 0.696 |
| Total number of employees | 21 | 20 | 20 |

7 Strong

We were built by
and belong to the
communities we serve.



7 Cooperative Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community