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One year after the Wisconsin Electric Cooperative Association's first annual meeting as an independent organization in two decades, the WECA is as strong as ever, providing the services its members expect, and striving for continued improvement of its work products.







## President & CEO Message

As we complete our 81st year serving you, the members of Wisconsin's electric cooperatives, I'm pleased to note that this year has been both significant and historic. We were able to provide top-notch education programs, training, and professional development for our member co-ops and staff. And we were successful in the legislative arena as well.

To be this successful we needed your help and you stepped up in significant ways. In the grassroots arena we saw near-record attendance at Education and Lobby Days and the NRECA Legislative Conference. Your involvement in these two events helped us win legislative victories both here in Wisconsin and in Washington, D.C. Throughout this report you'll see details that reinforce these perspectives.

History was made when Tessa Otto, sponsored at co-op events by Price Electric Cooperative, won the 2017 National Rural Electric Cooperative Association (NRECA) Glenn English Scholarship.

We finished the 2016–17 fiscal year with a solid performance thanks to your help, and as a result, your association is on solid financial standing as we complete our first full year as a stand-alone statewide organization.

Your association's staff took on more responsibility and filled in everywhere they were needed, so we can be incredibly proud of the efforts they made on behalf of our members. As we look to our 82nd year of serving you I can safely say we have re-established our footing and are prepared to continue providing quality service to Wisconsin's electric cooperatives. Thank you for your tremendous support and participation throughout our first year as an independent statewide.

Sincerely,

Stephen J. Freese  
President & CEO

Cover photo by Jolene Neisius, Marketing & Member Services Representative,  
Dunn Energy Cooperative



## Government representation efforts successful in legislative arena

As always, a key focus in the past 12 months has been legislative and regulatory representation on issues with a direct impact on the ability of electric cooperatives to conduct their business.

WECA succeeded in preventing the Wisconsin Department of Transportation (DOT) from extending the Wisconsin utility accommodation policy to apply tree mitigation costs to electric distribution projects. The move would have broadened fees to compensate for tree removal, which have been applied only to transmission projects.

WECA's efforts also prevented the DOT from imposing new underground

data quality requirements that could have cost each member co-op tens of thousands of dollars annually.

Electric co-op lobbying secured a unanimous vote of the Legislature's 16-member Joint Finance Committee rejecting Governor Walker's budget proposal to eliminate stray voltage positions at the Public Service Commission and agriculture department. The result will not only maintain the program at both agencies, but also right-size funding mechanisms based on actual demand. This effort also ensures preservation of legal precedents by—for example—preventing loss of definitions of level of concern and mitigation measures based on state policy.



## STATE & FEDERAL GOVERNMENT RELATIONS



We successfully modified state legislation superseding Federal Communications Commission regulation of 5G wireless networks and pole attachment fees charged by municipalities. WECA lobbying obtained a complete exemption removing electric cooperatives from the legislation, which would otherwise have restricted co-op pole attachment fees and made cooperatives subject to federal make-ready provisions for attachments.

WECA continues working in concert with co-op partners to revise statutory provisions related to co-op records access, forfeiture provisions, and simplifying existing electric co-op lending authority to facilitate loans to members for energy efficiency, conservation, wiring, and emergency back-up generation.

Also in progress is legislation proposed by WECA to cut costs of mutual aid in natural disasters by exempting responder co-ops from state sales tax on labor, equipment, and materials. (An existing exemption applies only to an affected co-op acting on its own.)

Plans are underway to further reduce regulatory barriers to mutual aid requests through WECA working with its state and national partners and the Federal Highway Administration Emergency Route Working Group, with the objectives of waiving various transportation requirements normally triggered when moving through multiple jurisdictions.

### Action Committee for Rural Electrification (ACRE)

The 2017 ACRE auction shattered all previous records, raising \$15,020 to assist the political campaigns of friends of electric cooperatives. The prior record, set just a year earlier, was \$9,922.

With the ACRE membership year newly shifted in August to match the calendar year, there will be changes in tallying ACRE participation; for instance, this year's ACRE Honor Roll won't be announced until the NRECA annual meeting in February. However, Wisconsin ACRE memberships for the past year increased by 30, to a total of 542 compared with 512 for the 2015 membership year. Wisconsin ACRE membership revenues increased by more than \$6,000 for the past year, to a total of just over \$48,600.





## WECA member co-ops answer the call for help

We can all be grateful that 12 years elapsed between Wisconsin electric cooperative workers applying their skills to help restore power in Louisiana after Hurricane Katrina and their being called upon again to rebuild infrastructure ruined by Hurricane Irma this fall. No remotely comparable period of time without a major hurricane striking the United States exists in records dating back to 1851, and it would probably be wishful thinking to expect we will ever experience a similar period of relative calm.

But when the call came from Florida's statewide electric co-op association two days before Irma made landfall in the Keys, Wisconsin's cooperatives stepped up once again.

Eighteen WECA member co-ops dispatched 52 of their employees and more than 40 vehicles to Clay Electric Cooperative in north-central Florida. Four long





## HURRICANE RELIEF EFFORTS



working days after they arrived, their assigned tasks were completed. Nearly all of Clay Electric's member-owners had power restored sooner than most had dared hope to expect. And the Wisconsin crews returned home without a single reported injury.

Our people were by no means alone. An estimated 5,000 line workers from 23 states hurried to assist co-op members in Florida, Georgia, and South Carolina after Irma passed through.

That is a special point of pride, because it shows electric co-op members nationwide can be confident that when things get really serious, they can count on the cooperative way of doing business and the Sixth Cooperative Principle: Cooperation among Cooperatives.

Thank you to all cooperative employees who supplied photos.





## WECA expands director and employee education

WECA strengthened its educational programming during the past year. Overall, 27 Skill Builder programs were offered with 846 attending.

Nearly 250 co-op employees attended the Electric Industry Updates during January. Participants received information on political and regulatory issues facing their industry and engaged in discussions about working together to serve members.

A strong turnout was recorded for the Legal Seminar for Directors and Employees, with 52 attendees at Eau Claire in February.

The 2017 Education and Lobby Days brought 168 participants to Madison in

March. Attendees heard reflections on electric restructuring from panelists who witnessed the ill-fated experiment 20 years ago, and learned how doing more with electricity could ease concerns over carbon dioxide emissions.

A new program for WECA was the Employment Law Update. This program was held in conjunction with the Human Resources Professionals Workshop in May. Both programs were well-received and will be held again in 2018.

The 49 attendees at the Energy Issues Summit in August learned about the increasingly convoluted politics of federal energy issues, the rapid rise of community solar, and the status of challenges involving stray voltage.



## EDUCATION & YOUTH PROGRAMMING



An October New Employee Orientation Workshop introduced 20 new workers to the statewide organization, the history and role of electric co-ops, responsibilities and expectations of co-op employees, how electricity works, and the culture of safety in daily operations.

Of Wisconsin's 195 electric co-op directors, 131 are Credentialed Cooperative Directors, 79 hold the Board Leadership Certificate, and 42 have earned Director Gold certification.

This year WECA and Dairyland Power plan to team up to offer a training program focusing on governance practices, to help directors strengthen their analysis of several areas of governance that are crucial to the mission of electric cooperatives as member-owned, locally-controlled businesses.

### Youth programs offer unique experiences

WECA staff coordinated travel arrangements and served as chaperones for 16 students—a record number—sponsored by 10 Wisconsin electric cooperatives on the National Rural Electric Cooperative Association's 2017 Youth Tour in Washington, D.C. They joined more than 1,800 from across the country, as Wisconsin partnered for the June 9–15 event with Alaska, Colorado, Idaho, Nevada, Oregon, Utah, Washington, and Wyoming. The students participated in a week-long schedule of cooperative workshops and Capitol Hill meetings, along with tours of national memorials and historic sites. Makayla Wollin, sponsored by Jackson Electric, will be the Wisconsin delegate attending the 2018 NRECA annual meeting at Nashville in February.

The 2017 WECA Youth Leadership Congress at UW-River Falls July 26–28 once again attracted strong participation: 120 students attended the 54th annual event, where they took part in team-building exercises, heard from motivational speakers, and participated in district meetings where they took up realistic co-op issues. Elected to the 2017–18 WECA Youth Board and tasked with planning next year's Congress were Conor O'Donnell and Sam Peterson, sponsored by Oakdale Electric; Brady Coullthard, sponsored by Clark Electric; William Tuchtenhagen, sponsored by Pierce Pepin Cooperative Services; Darien Traczyk, sponsored by Barron Electric; and Gracelyn Footit, sponsored by Adams-Columbia Electric.





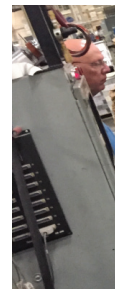
## WECA publications provide strong, unified voice

WECA's statewide magazine, the *Wisconsin Energy Cooperative News (WECN)*, continued to fulfill its core mission of keeping electric co-op member-owners up to speed on issues of vital concern, like carbon capture and storage, Clean Water Act enforcement, and grid reliability, and general interest, such as Wisconsin's history of leadership in the national rural electrification movement and the emerging use of drones to improve safety and efficiency in utility operations.

In December, the magazine launched a new mobile-friendly website boosting reader engagement with pages for recipe submissions, photo uploads, themed contests, and local event listings. Virtually all photos for the popular Kids & Critters page are now received digitally. Also in December, a corresponding *WECN* Facebook page was launched. Between them, the website and Facebook page have helped attract new advertisers.

In January, the magazine boosted its monthly circulation to more than 171,000 households—and well over twice that many potential readers—after the Pierce Pepin Cooperative Services board and management approved participation following a year-long evaluation.

This spring, the magazine backstopped WECA lobbying efforts that succeeded in turning back legislation to revisit electric utility restructuring and to enact intrusive pole-attachment mandates, with articles informing the *WECN* readership—and alerting lawmakers to the large, grassroots audience being aware that the proposals were ill-advised.





## COMMUNICATIONS

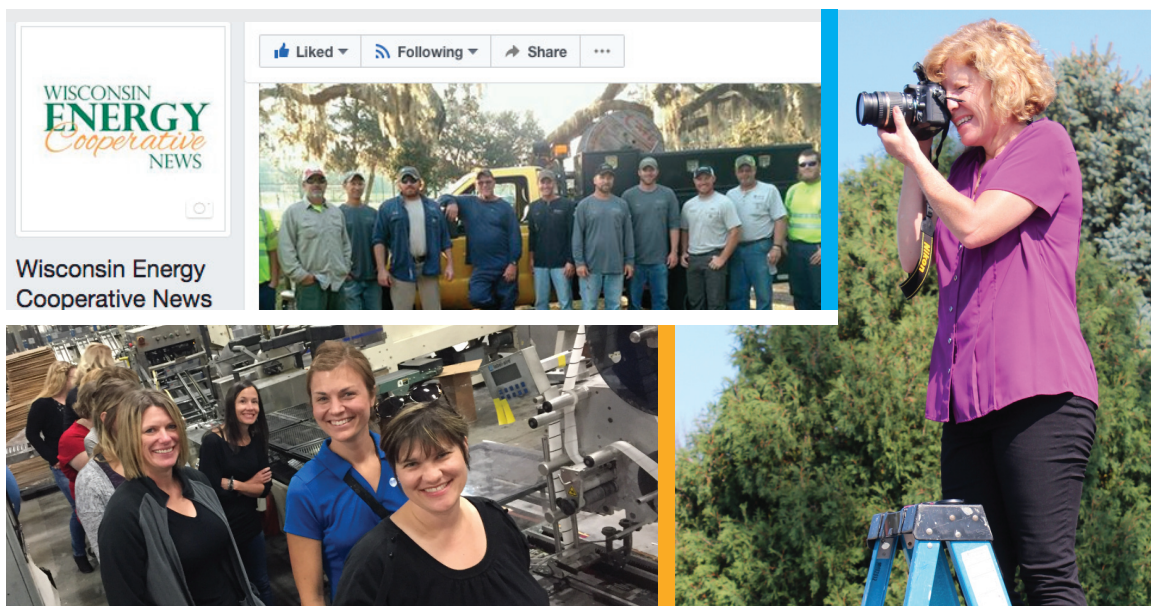
In August, communications personnel from 17 electric co-ops toured the LSC Communications plant in Baraboo, where the *WECN* is printed. The event was part of the two-day Electric Communicators Workshop where editors of the magazine's local co-op pages also heard from prominent Wisconsin author Jerry Apps and participated in a Crisis Communications exercise led by Anne Prince of the National Rural Electric Cooperative Association.

Earlier this year, *Wisconsin Energy Cooperative News* missed—by the narrowest of margins—capturing its fifth Haggard Award for the nation's best electric cooperative publication. Judges evaluating the magazine's performance for 2016 wrote that it was “chock full of original, Wisconsin-centered content,” that “even the feature stories incorporate a co-op connection,” that “There's never any doubt who this magazine speaks for... This is the electric co-op voice, and it

speaks very well,” and that it contained a “really good mix of issues, and good job of explaining issues that matter to Wisconsin REC members.”

With options like added pages and false cover wraps, the magazine continues to provide co-ops with a cost-effective means of fulfilling various communications needs beyond a typical month's local news load. In 2017, 11 co-ops chose to publish their official annual reports within the magazine. Still others used special sections to publish their capital credit list, or to launch comprehensive marketing campaigns.

WECA's other primary communications vehicle, the *Condenser*, is in its 61st year providing weekly reporting, analysis, and commentary on legislative and regulatory issues and general energy information for co-op directors, management, and employees.



## 2016–2017 Board of Directors



David Paudler  
Chairman  
Riverland Energy Cooperative



Larry Dokkestul  
Vice Chairman  
Pierce Pepin Cooperative Services



Elaine Eckendorf  
Secretary-Treasurer  
Central Wisconsin  
Electric Cooperative



William Fischer  
Executive Committee  
Rock Energy Cooperative



Diane Zimmerman  
Executive Committee  
East Central Energy



Judith Anibas  
Director  
Eau Claire Energy Cooperative



Jerry Huber  
Director  
Dairyland Power Cooperative



Steve Lucas  
Director  
Scenic Rivers Energy Cooperative



Derrick Oberle  
Director  
St. Croix Electric Cooperative



Dallas Sloan  
Director  
Barron Electric Cooperative



Lawrence Becker  
Ex-officio | NRECA Director  
Adams-Columbia  
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