

# Riverland Energy Cooperative

# 2010 Annual Report

## — PROGRAM —

**Saturday, April 2, 2011**

**Arcadia High School • Arcadia, Wisconsin**

### **8:00 a.m.**

Breakfast

### **10:15 a.m.**

Call to Order.....	Mark Vinz, President
Invocation.....	Pastor Tim Duesenberg
Notice of Meeting.....	David L. Anderson Secretary/Treasurer
Due Proof of Mailing.....	David L. Anderson
Announcement of Quorum.....	David L. Anderson
2010 Annual Meeting Minutes.....	David L. Anderson
Introduction of Guests.....	Mark Vinz
Election of Directors.....	Niles Berman, Attorney
Manager's Report.....	Dave Oelkers, General Manager
Financial Report.....	Jerry Sorenson, Assistant Manager
Election Results.....	Niles Berman, Attorney
Drawing for Scholarships.....	Jerry Sorenson
Drawing for Door Prizes.....	Jerry Sorenson
Adjourn	



## **Electricity. Energy. Economy.**

- The year 2010 will go down as the year that **electric** vehicles finally hit dealer showrooms, and are now being produced and sold in real numbers. As our country tries to reduce our reliability on fossil fuels, electricity has become an affordable alternative for power. Our cooperative works hard to have electricity available to you when you need it – from turning on your light in your house to possibly providing the energy for your car.
- For more than a century, the United States has been the world's top consumer of **energy**. In 2010, China surpassed the U.S. in total energy consumption. Energy consumption in the U.S. was double that of China's just a decade ago. Riverland Energy Cooperative has done its share in teaching the public to reduce consumption through education on how to conserve energy. We also have implemented programs such as incentives to use fluorescent light bulbs, encouraging the purchase of Energy Star appliances or using LED lighting.
- The **economy** still struggles to recover. We, as a board, sympathize especially with those families whose members have lost their jobs and struggle to make ends meet. Finding another job in this economy is not an easy task. This makes bills difficult to pay. Our board is aware of this and struggles to keep the cost of electricity low. This continues to be one of our greatest tasks as your board. As we purchase the electricity from Dairyland Power Cooperative, and their cost con-

## President's Message

MARK VINZ

tinues to rise, we must become strategic in our planning in order to keep your electricity affordable.

All three of these words affect our greatest asset, our members. Our board does not take lightly the task for which we were elected for. Our monthly board meetings are lengthy in topic and discussion, with the members in mind.

This year has been my first year acting as president of the board. Working closely with Dave Oelkers, the general manager, has proven to be educational and enjoyable. I would like to thank the board members for their continued dedication to making the cooperative a successful entity. Our board would not have a job to do if it were not for its members. I have enjoyed meeting and speaking with you at various community events such as the Home Show at the Onalaska Omni Center and Member Appreciation Days in Alma this year. I look forward to speaking with you at the Annual Meeting. Thank you to the staff of Riverland Energy Cooperative – from the office staff who work hard to keep the business organized and in order, to the dedicated linemen who risk their lives to provide the electricity to all of us, as well as their families. All of us are part of the cooperative family.

**Electricity. Energy. Economy.** All of these words are significant in our daily lives as a cooperative. We look forward to 2011 and what changes and challenges the year will present us with, keeping our cooperative family in mind.

*Mark Vinz, President*



## Manager's Report

DAVID R. OELKERS

I invite all of our members to Riverland Energy Cooperative's 12th annual meeting at the Arcadia High School. Breakfast will be served from 8 a.m. to 9:50, and the annual meeting itself will begin at 10:15 a.m. I expect that

the meeting should be finished by noon.

I look forward to seeing you at our annual meeting of members of Riverland Energy Cooperative, where we're *Looking Out for You*.

Electric Cooperatives are different from other businesses you deal with. To tell you the truth, I like being different. And I think the fact that you're reading this, and considering attendance at the annual meeting, shows you like that difference, too.

We're different because we're *Looking Out for You*.

And now, more than ever, that's important because we need to work together to keep your electric bills **AFFORDABLE**.

As you've probably heard, Congress did not pass a comprehensive climate bill last year. This January the U.S. Environmental Protection Agency began regulating greenhouse gasses—an action made possible by a 2007 Supreme Court decision, followed by rulings allowing the EPA to use the Clean Air Act to curb carbon emissions.

Policies dealing with coal ash, even more stringent controls on other power plant emissions, and state renewable energy requirements could also lead to higher costs.

It's hard to predict the future, but one thing seems certain: government regulations are going to increase the cost of doing business. And new regulations won't be the only culprit. Prices for fuel, materials, and equipment will continue to rise. And although the recent economic slump and corresponding drop in electricity use has provided some much-needed breathing room, soon we will need to build new power plants, which requires a long-term and significant investment of time and money.

Your board of directors are committed to keeping you informed about policy changes that will impact your electric bill. Make sure you know the latest by reading our newsletter, the **OUTLET**, that you receive with your monthly power bill and the **WEC NEWS** our statewide publication.

**Remember, we're Looking Out for You.**

Some things are out of our hands, but we have a few tricks up our sleeves as we look for ways to control costs through **INNOVATION**.

Our energy efficiency programs help you manage your

energy use. Riverland Energy Cooperative provides rebates on high efficiency appliances, lighting, and heating and air conditioning. Additionally, we share in the cost of your home energy audit, which also provides additional rebates if you implement the proposed energy saving options. We are one of the Touchstone Energy Cooperatives across the nation to debut a new website, [TogetherWeSave.com](http://TogetherWeSave.com). Whether you're sealing your air ducts, replacing old appliances, or improving your home's insulation, it's amazing to watch how the little changes can add up to big savings on your electric bill. Electric cooperative members nationwide have found ways to save more than \$21 million dollars using this valuable tool.

Deploying state-of-the-art solutions like our automatic metering reading system, which allows us to pinpoint outages and reroute power when needed, helps us control operating costs and improve service reliability. More than 17,000 smart meters have been installed across our system. This investment, along with our automatic vehicle locating system will cut our operational costs not only during outages but throughout our day-to-day operations. New technology helps us keep your electric bills affordable and reduces our environmental impact.

But we're not only using new technology for distributing power—we're using it to help us harness new methods of power generation. Nationally electric cooperatives are meeting members' power needs with a diverse fuel mix, including renewable energy. Dairyland Power Cooperative has a number of renewable generation projects in place and is part of the National Renewable Cooperative Association (NRCA) a cooperative organization dedicated to providing renewable options for members nationwide. In fact, because of the hard work of DPC and its member systems, Dairyland Power has already reached the state requirement of 10% of our sales coming from renewable resources by 2015.

Whether it's energy efficiency programs, a smarter grid, or renewable energy investments, we're controlling costs through innovation because we want to be good stewards of the resources you've placed with us. We're *Looking Out for You*.

We're **AFFORDABLE**, **INNOVATIVE**, and above all else, we're **MEMBER FOCUSED**.

No matter what the future brings, one thing is certain. We're Looking Out for You, because that is what cooperatives do, we look out for our organization and take actions in the best interest of all the members.

See you at the annual meeting on Saturday, April 2, 2011.



## Riverland Communications, Inc. Report

JERRY SORENSON, INTERIM PRESIDENT/CEO

Riverland Communications Inc (RCI) had a challenging year in 2010. We

had a good financial year, but the operations of the business will change. We are updating and expanding the broadband system while our connection with DIRECTV will change.

Our revenues decreased from the previous year as we completed the single-dish solution in 2009. We did have a corresponding decrease in expenses, which were mostly due to labor and transportation. Our net income for the year ended at \$204,249. We continue to show a profit which is recognized as another income source for Riverland Energy.

Our relationship with DIRECTV will change in 2011. Since 1994, we have provided new DIRECTV installations and service/repair work. The agreement for the service/repair work will end in August 2011. We will still be able to continue to sell and install new dishes, just like we always have, but the servicing model will change. We will be working with DIRECTV and our current 2,700 subscribers for a smooth transition as we reach the date.

It will be a sad day for the employees as we have developed a close personal relationship with our subscribers and to see that change is extremely unfortunate. DIRECTV was not interested in continuing this relationship with all the electric cooperative organizations in the United States.

While the DIRECTV relation-

ship is going away, Riverland Communications is moving forward with an expansion of its current broadband Internet system. There is an exciting new wave in technology and speed within the industry, and we are going to be part of it.

Riverland Communications will be moving forward with 4G speeds and we will be adding towers to expand the coverage. Our three new packages will start at 1.5MB and increase up to 5MB. This will multiply our current speed from 3 to 10 times. In today's computer, movie, and gaming world, these speeds are

some of the fastest in the industry.

These are truly exciting times here at Riverland Communications as we continue to be your technological leader and much credit goes to the board of directors and employees who continue to move this organization forward.

If you have any questions regarding the operations of Riverland Communications, please contact me.

Jerry Sorenson  
President/CEO

### Riverland Communications, Inc.

#### STATEMENT OF INCOME

	2009	2010
REVENUES:		
Satellite Service	\$1,007,133	\$793,441
Broadband Services	121,146	109,634
	<u>\$1,128,279</u>	<u>\$903,075</u>
EXPENSES:		
Satellite Services	\$528,181	\$359,291
Broadband Services	72,472	80,535
Depreciation	87,275	59,324
Administrative & General	410,245	388,491
Outside Services & TelServe	28,153	31,339
Directors Fees & Mileage	3,822	3,903
Advertising Expense	5,556	7,703
	<u>\$1,135,704</u>	<u>\$930,586</u>
PROFIT / (LOSS)	(\$7,425)	(\$27,511)
OTHER INCOME:		
Interest Income	\$28,572	\$19,883
Patronage Capital – NRTC	252,790	339,891
	<u>\$281,362</u>	<u>\$359,774</u>
TOTAL OTHER INCOME	\$281,362	\$359,774
GROSS INCOME BEFORE INCOME TAX	\$273,937	\$332,263
PROVISION BEFORE INCOME TAXES	\$111,916	\$128,014
NET INCOME	<u>\$162,021</u>	<u>\$204,249</u>

## RCI EMPLOYEES

Jerry Sorenson, Interim President/CEO  
Wayne Dosier, Director of Operations  
Tina Anibas, Customer Service  
Sarah Nelson, Customer Service  
Tony Hanson, Technician  
Steve Krug, Technician  
Karl Drew, Technician

## BOARD OF DIRECTORS

David L. Anderson  
William Engel  
Tom La Fleur  
Bernard Pronschinske  
Greg Sacia  
Curt Skoyen

# WildBlue Satellite High Speed Internet from RCI

At RCI, we bring you a service you can rely on, with the same great quality service that people in our community have come to expect. If you're looking for an affordable way to surf the Internet at amazing speed, we have it here. Our friendly and helpful customer service representatives can help you with your home or business needs.

RIVERLAND COMMUNICATIONS, INC.

800-327-9144

ALMA, WI



## WILDBLUE REACHES YOU

### Available.

WildBlue reaches virtually everyone, everywhere.

### Fast.

Up to 30 times faster than dial-up. Always on, no dial-up delays.

### Affordable.

Monthly fee close to the cost of a second phone line plus a dial-up account, yet much faster.



## Dairyland Director Report

GREG SACIA

Providing value to Dairyland Power's member cooperatives is the focus of our wholesale power supplier. As outlined at Dairyland's last annual meeting, many steps have been taken, both big and small, to ensure Dairyland reliably meets the energy needs of its members and

enhances the value of its services.

A very significant step was joining the Midwest ISO (Independent System Operator) on June 1, 2010. At that time, Dairyland integrated its 3,144-mile transmission system into the Midwest ISO, gaining access to one of the largest markets in the world for buying and selling power.

Historically, Dairyland produced power from its own generating facilities, or purchased energy from a neighboring utility, to directly provide energy to Riverland Energy Cooperative and its other members. By joining the Midwest ISO, Dairyland's power plant operations are now impacted by the energy consumption and available supply in a much larger region. While owning generating capacity protects Dairyland's members from potentially volatile energy prices, day-to-day operations have been impacted since Dairyland facilities are now scheduled as part of the regional energy market.

During times of low energy demand, this new market may not require all generators to produce power if others in the "pool" can better meet the regional needs at that time. Therefore, Dairyland may not need to operate its facilities in the same ways as in the past.

Power suppliers like Dairyland are facing legislative uncertainty regarding climate change, growing renewable energy standards, tougher environmental regulations and challenging energy efficiency mandates. All of these put upward pressure on Dairyland's rates.

While renewable energy requirements vary in the states Dairyland serves, Dairyland is slightly ahead of current mandates and continues to expand its power supply with prudent investments in renewable energy resources. Dairyland's renewable resources include biomass, hydro, wind, landfill gas, manure digesters and solar.

In 2010, more than 7 percent of retail sales came from renewable energy resources. That number has been growing and it is expected to be about 12 percent in 2011. The largest new renewable resource is a 40 MW facility using biomass as its fuel, which came online in fall 2010. DTE Energy Services converted the E.J. Stoneman Station (Cassville, Wis.) from a coal-fired facility to a biomass facility that uses wood waste to create energy. Dairyland has a contract with DTE for the output of the facility for the next 10 years, with provisions for longer.

Dairyland continues to develop additional renewable energy projects, enhance landfill gas operations and work with farmers

to increase the number of manure digesters across the system. Dairyland's member cooperatives have experienced a considerable increase in consumer-owned distributed renewable generation installations in the past year, thanks to innovative rate tariffs for small renewable installations. Dairyland works with its member cooperatives on policies that help enable the development of renewable energy projects including small-scale wind turbines and photovoltaic systems (solar).

Dairyland is also a leader in the National Renewables Cooperative Organization, a cooperative to develop renewable resources for all electric cooperatives across the nation.

There is still a great deal of uncertainty as to how climate change or carbon legislation could impact the operation of power plants and the transmission system, and the potential costs for consumers. Dairyland is in the midst of a \$400 million plan to position itself to meet new state and federal environmental regulations.

Dairyland's year-end results were very good with margins that were enhanced by the hot summer and strong market sales. These positive results permitted a reduction of future costs by expensing \$7.4 million of additional costs for the LACBWR Dry Cask Storage Project in 2010. For 2010 margins ended up at \$13.2 million, as compared to \$12.2 million in 2009.

In addition, the Dairyland Board has taken a first step in a Strategic Financial Plan to enhance Dairyland's financial strength following the recent large investments made in environmental controls and Weston 4. Also to improve Dairyland's financial health, the Plan prepares Dairyland to access market-based financing through the adoption of a bond indenture by mid-2011 to provide funding flexibility and availability, when or if RUS (Rural Utilities Service) financing is not available.

The cost of fuel to operate Dairyland's power plants—mainly coal—and its transportation (rail and barge), accounts for Dairyland's largest annual expense.

Despite increasing costs in many areas of operations, it is essential that Dairyland plan for the future to ensure members have a long-term, reliable and affordable electricity supply. Dairyland's 30 percent ownership of the 531 MW Weston 4 power plant near Wausau, Wis., will help meet the long-term energy needs of Dairyland's members.

Dairyland continues to prioritize construction projects to balance progress with affordability, and has delayed some work to minimize the impact of rate increases during this period of economic challenge for many co-op members. To help deal with rising costs, new energy-efficiency programs are being created to encourage wise energy use and help reduce members' monthly bills.

Keeping in mind the goal to provide value to Dairyland's members and maintain strength and stability in their investment, Dairyland's Board of Directors approved a wholesale rate increase of 4.5 percent over the 2010 rate. The largest contribut-

*(Continued on page 16)*

## **Minutes of the Annual Meeting of Members**

**Saturday, April 10, 2010 - Arcadia High School**

The 2010 annual membership meeting of Riverland Energy Cooperative was held on Saturday, April 10, at the Arcadia High School in Arcadia, Wisconsin.

Prior to the meeting a pancake breakfast was served to approximately 800 members and their families.

President Bill Bruegger called the meeting to order at 10:15 a.m. and led the membership in the Pledge of Allegiance. Mr. Bruegger then proceeded to introduce the current directors, and then recognized past directors and guests. Guests included State Senator Kathleen Vinehout, Representative Chris Danou, Dave Hoopman from Cooperative Network, and a representative from Senator Kohl's and Feingold's offices.

Niles Berman, attorney for Riverland Energy Cooperative, was introduced to preside over the meeting as acting chairman. Mr. Berman proceeded to cover Robert's Rules of Order, and the use of the green member cards. He also encouraged members who had any questions they would like answered, to fill out the "Ask Willie" form handed to them with their registration materials. On a motion duly made, seconded and carried, the membership adopted the meeting rules and voting procedures as presented.

David Anderson, secretary, was introduced to read the Due Proof of Mailing. He then announced that a quorum was present with 395 registered members in attendance at the start of the meeting.

Mr. Berman asked for any corrections to the minutes of the 2009 annual meeting, which were printed in the annual report. There being none, a motion to dispense with the readings and to approve the minutes as published was made, seconded, and carried.

Mr. Berman announced that the director candidates up for election would be serving a four-year term. The candidates were asked to come forward and

be introduced, and each had the opportunity to briefly address the membership.

Mr. Berman read the names of seven tellers who were appointed to count the ballots today. The tellers were Marie Dummer, Claire Waters, Curtis Skoyen, David Antony, Ernest Vold, Barbara Traun, and Douglas Shefelbine. Those members who picked up a ballot today were asked to mark their ballots and the tellers were instructed to gather the voting ballots as well as any "Ask Willie" questions that the membership wanted addressed.

Manager Oelkers was then called on for his manager's report. Speaking on the proposed Clean Energy Jobs Act currently being analyzed by state lawmakers, Manager Oelkers talked about the concerns regarding the legislation and the impact it would have on our members. He also informed the membership that they will see an increase in their bill this year due to the wholesale rate increase from its power supplier, Dairyland Power Cooperative.

Assistant Manager Jerry Sorenson gave a report on the financials of the cooperative.

Following a short break, Manager Oelkers introduced David Hoopman, Director of Deregulation Issues for the Wisconsin Energy Cooperative News, representing Co-op Network. He presented Beth Alesch with an honorary award certificate for Excellence in Energy Information. He concluded by stating the Wisconsin Energy News is rated the best energy paper in the U.S.

Dave Woyicki was also recognized as being instrumental in helping the Cooperative achieve their safety accreditation for the next three years.

Election Committee Chairman Barbara Traun handed the election results to Attorney Berman who read them as follows:

District #2: Beth Ede – 197;  
William Engel – 57; Dr. Marvin Timm – 67; Dennis Youngbauer – 70

District #5 George Brandt – 112;  
Daniel Filla – 232; Randy Nilsestuen – 158

District #9: Mark Vinz – 198

Beth Ede, Daniel Filla, and Mark Vinz were declared elected directors in their respective districts. Mr. Berman stated that the ballots would be destroyed following the meeting. He then called for any unfinished business and for any new business. There being none, the meeting was turned back over to Dave Oelkers who recognized retiring directors Bill Bruegger and Gene Marsolek, each with 13 years of service to the cooperative.

Bill Bruegger then thanked everyone who participated in the meeting today. He then instructed the directors to meet following adjournment.

Manager Oelkers and Jerry Sorenson conducted the random drawings for the scholarships. The first student drawn would be called upon to draw out the next winner, and so on until all scholarships were awarded.

Last on the agenda was the drawing for door prizes. Kid's prizes were awarded as follows: Miranda Katula (MP3 player), and Taylor Schiertz (bicycle). Four names were drawn for the adult prizes, followed by thirty names drawn for the \$35 electric bill credits, with members indicating their presence in order to claim the credit.

The adult prize winners were then announced as follows: George & Lois Johnston won the full home energy audit; Joe & Pat Haines won the satellite dish with installation of a total choice package with local channels; home energy efficiency kits were won by Greg Halama and George Brandt; and the table top electric grill was won by Gary Trim.

Adjournment followed at 12:05 p.m.

Respectfully submitted,  
*David L. Anderson, Secretary*

# Consolidated Statements of Revenue and Patronage Capital

RIVERLAND ENERGY COOPERATIVE & RIVERLAND COMMUNICATIONS, INC.  
DECEMBER 31, 2009 AND 2010

	<u>2009</u>	<u>2010</u>
Operating Revenues:	\$31,757,343	\$33,236,348
Operating Expenses:		
Cost of Providing Service	\$19,867,742	\$20,535,872
Distribution Operation	1,318,879	1,498,952
Distribution Maintenance	2,289,206	2,247,541
Consumer Accounts	451,634	413,741
Customer Service and Informational	761,231	754,802
Administrative and General	1,654,190	1,580,599
Depreciation	2,374,845	2,370,498
Taxes	358,488	386,576
Other Deductions	34,255	19,295
Total Operating Expense	<u>\$29,083,470</u>	<u>\$29,807,876</u>
Operating Margins Before Fixed Charges:	\$2,673,873	\$3,428,472
Fixed Charges:		
Interest on Long-term Liabilities	<u>2,148,900</u>	<u>2,164,220</u>
Operating Margins After Fixed Charges:	\$524,973	\$1,264,252
G & T and Other Capital Credits:	<u>1,036,682</u>	<u>1,303,599</u>
Net Operating Margins:	<u>\$1,561,655</u>	<u>\$2,567,851</u>
Non-operating Margins		
Interest Income	\$176,103	\$266,507
Other Non-operating Margins	<u>194,494</u>	<u>116,304</u>
	\$370,597	\$382,811
Margins Before Income Taxes:	\$1,932,252	\$2,950,662
Income Taxes	<u>111,916</u>	<u>128,014</u>
Net Margins For Period	\$1,820,336	\$2,822,648
Patronage Capital Beginning of Period	<u>\$31,199,438</u>	<u>\$31,926,170</u>
	\$33,019,774	\$34,748,818
Retirement of Capital Credits:	<u>(\$1,093,604)</u>	<u>(\$985,207)</u>
Patronage Capital End of Period:	<u>\$31,926,170</u>	<u>\$33,763,611</u>

## Consolidated Balance Sheets

RIVERLAND ENERGY COOPERATIVE & RIVERLAND COMMUNICATIONS, INC.

DECEMBER 31, 2009 AND 2010

	<u>2009</u>	<u>2010</u>
ASSETS:		
PLANT:		
In Service	\$79,317,100	\$81,550,413
Construction Work in Progress	13,202	20,216
	<u>\$79,330,302</u>	<u>\$81,570,629</u>
Accumulated Provision for Depreciation and Amortization	(23,811,827)	(25,885,022)
Net Plant	<u>\$55,518,475</u>	<u>\$55,685,607</u>
Investments:		
Investments in Associated Organizations	\$14,232,208	\$14,451,630
Investments in Economic Development	371,189	579,110
Other Investments	14,343	12,182
Total Investments	<u>\$14,587,740</u>	<u>\$15,042,922</u>
Current Assets:		
Cash and Cash Equivalents	\$2,196,827	\$2,251,444
Accounts Receivable	4,009,287	4,110,471
Materials and Supplies	564,973	452,386
Other Current Assets	99,368	147,144
Total Current Assets	<u>\$6,870,455</u>	<u>\$6,961,445</u>
Deferred Charges:	<u>\$7,871</u>	<u>\$2,064</u>
<b>TOTAL ASSETS</b>	<u><u>\$76,984,541</u></u>	<u><u>\$77,692,038</u></u>
EQUITIES AND LIABILITIES EQUITIES:		
Patronage Capital	\$24,314,060	\$24,740,163
Other Equities	7,612,110	9,023,448
Total Equities	<u>\$31,926,170</u>	<u>\$33,763,611</u>
LONG-TERM DEBT	<u>\$40,738,858</u>	<u>\$39,401,988</u>
CURRENT LIABILITIES:		
Accounts Payable	\$2,463,145	\$2,692,157
Customer Deposits	170,548	177,580
Other Current Liabilities	1,056,284	1,102,121
Total Current Liabilities	<u>\$3,689,977</u>	<u>\$3,971,858</u>
DEFERRED CREDITS:	<u>\$629,536</u>	<u>\$554,581</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u><u>\$76,984,541</u></u>	<u><u>\$77,692,038</u></u>

## Key Operating Indicators

There are a number of basic operating indicators that provide an overview of the present status of REC. The following schedule provides these basic indicators of the year 2010 compared to prior years.

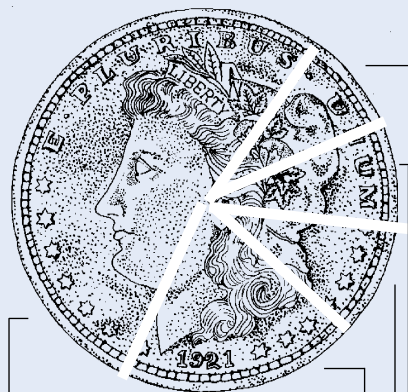
	<u>2000</u>	<u>2009</u>	<u>2010</u>
Total services in place	14,770	16,922	16,917
Miles of line - overhead	2,208	2,072	2,070
Miles of line - underground	885	1,152	1,168
Kilowatt-hours sold	221,828,807	262,351,365	269,158,253
Peak kilowatt demand	51,540	57,762	62,909
Average monthly kilowatt-hours used per consumer	1,119	1,135	1,152
Revenue per kilowatt-hours sold	7.6¢	11.7¢	12.8¢
Average monthly bill per consumer	\$90.73	\$140.81	\$148.21
Cost per kilowatt purchased	3.8¢	6.9¢	7.1¢
Full-time employees	47	43	43
Total utility plant	\$48,321,152	\$78,631,134	\$80,880,171
Plant investment per service	\$3,272	\$4,647	\$4,781
Total long-term debt	\$24,802,279	\$40,738,858	\$39,401,988
Debt per service	\$1,679	\$2,407	\$2,329
Services per line mile	5.0	5.2	5.2
Kilowatt-hour sales per line mile	74,614	81,374	83,125

### WHERE OUR DOLLAR CAME FROM



Residential	65.33%
Farm	20.62%
Small & Large Commercial	13.05%
Miscellaneous Energy	3.1%
Non-energy Revenue	6.1%

### WHERE OUR DOLLAR WENT



Purchased Power	62.15%
Other Expenses	18.76%
Interest	6.69%
Depreciation and Tax	8.40%
Margins	4.00%

# Minutes of the District Committee Conference

ARCADIA HIGH SCHOOL – ARCADIA, WI – SATURDAY, FEBRUARY 26, 2011

The District Committee Conference was held at the Arcadia High School in Arcadia, Wisconsin, on Saturday, February 27, 2010. The meeting was called to order at 10 a.m. by Board President Bill Bruegger.

President Bruegger introduced the Riverland Board members, and then appointed David Anderson as recording secretary of the conference. President Bruegger then introduced General Manager Dave Oelkers who introduced his staff, reviewed the agenda, and gave an explanation of the per diem and mileage reimbursement for today.

Manager Oelkers then began his manager's report on legislative issues happening on the national level that impacts the rural electric cooperatives, and those effects on residential and farm operations. State level legislative issues included an explanation of the Clean Energy Jobs Act SB450/AB649, and its impact on the electric industry. The manager reviewed concerns with the state's goals on this bill, informing the members that Riverland Energy cannot support this energy bill as presented.

The manager fielded several questions from the floor, including how Riverland's rebates compared to the Focus on Energy programs, and if there would be any expansion to Riverland's programs. He also discussed some future challenges for REC, including slow growth due to economic timing, flat sales, and a decrease in new services. A rate adjustment for 2010 will be in the range of a 7-9% increase.

Manager Oelkers provided a short overview of Creative Energy Solutions and Riverland Communications Inc.; he also informed the District Committee members of employees achieving supervisor certification, as well as Director David Anderson completing his certified director training. Questions from the floor included the cost of marketing, alternative sources of power and the effect on the system, and the grade of coal used at the Alma plant.

Assistant Manager Jerry Sorenson provided a report on financials and statistical review including cost of power, margins, utility plant, assets, long-term debt, and total equity.

Manager of Operations Dave Woyicki provided an update on operations, including right-of-way clearing, pole testing, projects for 2010, underground cabinet

repairs, and a GPS mapping update.

President Bruegger announced there were no proposed bylaw changes, and there were none from the floor. A motion was made and seconded to accept the Annual Meeting Rules and Voting Procedures as presented. Motion carried.

Following a short break, Manager Oelkers introduced Bill Berg, CEO of Dairyland Power Cooperative. Mr. Berg presented both past and future challenges that the generation and transmission cooperatives have faced, including a review of environmental projects, CapX2020, and an explanation of DPC joining MISO on June 1, 2010. Questions were asked about how the MISO connection would work with Cap & Trade; would MISO help with the railroad and coal supply; the cost involved; and IT fail safes built in to prevent the system from being hacked into.

Districts 2, 5, and 9 went into caucus sessions while the other districts adjourned for lunch. Following this break, all districts reconvened in the Commons area with President Bill Bruegger announcing the results of the nominations:

District #2 Dr. Marvin Timm, Dennis Youngbauer, Beth Ede, William Engel

District #5 Randy Nilsestuen, George Brandt, Dan Filla

District #9 Mark Vinz

Manager Oelkers extended a thank you to Karen Skroch and her staff for the lunch, and reminded all District meeting attendees of the per diem and mileage reports, and thanked them all for coming. The meeting adjourned at 1:00 p.m.

Respectfully submitted,

*David L. Anderson, Recording Secretary*

## Board of Directors



Mark Vinz,  
President  
District #9



Bernard Pronschinske,  
Vice President  
District #3



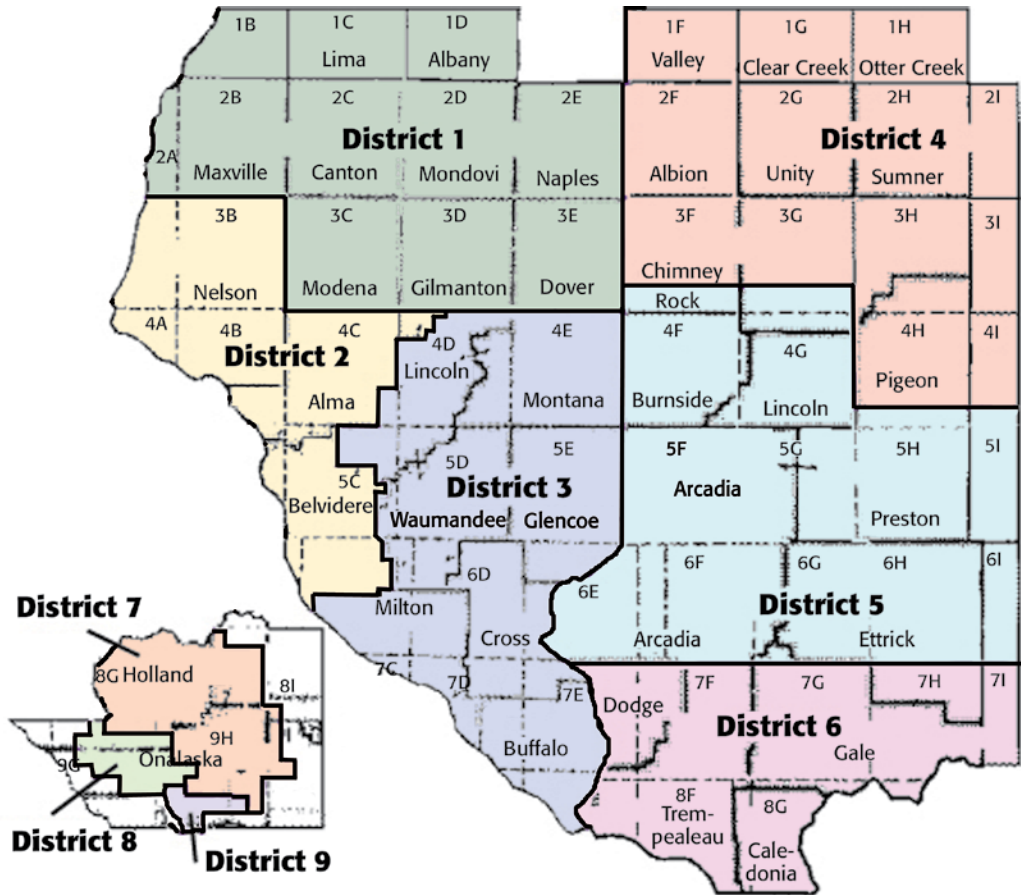
David L. Anderson,  
Secretary/Treasurer  
District #6



Clarence Castleberg, Jr.  
District #1



Beth Ede  
District #2



Robert Lunde  
District #4



Dan Filla  
District #5



Greg Sacia  
District #7



David Paudler  
District #8

## Director Candidates

### DISTRICT 1

#### Clarence Castleberg



**Residence:** Mondovi

**Occupation:** Dairy Farmer  
**Family:** Clarence's is married to Donna and have one son, Brian.

In addition to dairy farming, Clarence is a Vietnam Veteran and has served aboard the U.S. Ranger in the U.S. Navy from 1965-1972.

Clarence has been involved in many government and agricultural committees including a board member for the Town of Mondovi; chairman of the board for the Town of Maxwell; chairman for the Buffalo County FSA (Farm Service Agency); a member of the Wisconsin Milk Marketing Board from 1993-2001; and served on the National Dairy Management Board from 1996-2001. He currently serves on the Ellsworth Cooperative Creamery Board.

Clarence has served on Riverland Energy Cooperative's Board of Directors since 2001. He has earned Credentialed Cooperative Director status in the fall of 2004 and his Board Leadership Certificate in 2010.

#### John C. Bauer



**Residence:** Nelson

**Occupation:** Retired. Worked as a Quality Assurance Inspector and farming on the side.

**Family:** Married to Joyce with four children and four grandchildren.

**Community activities and leadership roles:** Presently Buffalo County Supervisor, Nelson VFW Commander, and reside on Lyster Lutheran Church council

**Special hobbies and interests:** John enjoys golfing, fishing and hunting.

**Comments:** "If elected to the board of directors, I feel I would bring new ideas for growth to the cooperative. I have a positive attitude, am open minded but am also conservative at times."

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#### Fran Fedie



**Residence:** Mondovi

**Occupation:** Loan Officer  
**Family:** Fran's wife, Donna, is a Licensed Practical Nurse and Elementary Aide. They have three children, John, Jennifer and Timothy and have four grandchildren, with one on the way.

**Church, community activities:** Sacred Heart Church in Mondovi – on the finance counsel, Knight of Columbus member.

**Special hobbies:** Fishing, Bowling and Softball

**Community activities and leadership roles:** Fran has been on the Countryside Coop Board for nine years, three years as President. Other activities include: Knights of Columbus Secretary/Treasurer, Mondovi Conservation Club Secretary/Treasurer. Graduated from U W Stout with a Bachelor of Science degree in Electricity/ Electronics and a minor in Math. Worked as a loan officer for 34 years. Currently I am responsible for Agricultural and Commercial lending at Alliance Bank in Mondovi.

**Comments:** "My goal as a Riverland Energy Board member would be to ensure continued financial viability, customer satisfaction, and excellent service at an affordable price for our tri-county area."

## Director Candidates

### DISTRICT 6

#### David L. Anderson



**Residence:** Township of Trempealeau

**Family:** Dave has been married to his wife, Lois, for thirty-five years and together they have three children, Bobbi jo, Kari, and Chad.

**Occupation:** David has been employed by the University of Wisconsin–La Crosse for twenty-seven years and currently is a supervisor in the Facilities Management Department. He has successfully completed several State of Wisconsin training programs provided by the Office of State Employment Relations and holds certifications in a variety of areas including: Advanced Labor Relations, Advanced Labor Management, Supervisor Development, Position Description Writing and Performance Evaluation, Environmental Services, and Hazardous Wastes/Materials Training. In addition, he has completed training as a meeting facilitator through ProTeam Management and Federal Mediation & Conciliation Service. In his current position at UW-La Crosse, David has served on various committees such as Occupational Health and Safety; Growth, Quality & Access Joint Planning & Budget; Labor/Management; and Design for Diversity.

**Special hobbies and interests:** David enjoys curling, hunting, the outdoors, and most of all spending time with his family.

**Community activities:** David has been a member of Riverland Energy Cooperative for twenty-eight years. He has served as a 4-H project leader, a volunteer for many community events, and is a member of the Centerville Curling Club.

David has served as a Riverland Energy Cooperative Director since 2008 and is currently serving as secretary/treasurer. He has earned the Credentialed Cooperative Director Certificate and is currently working on the Board Leadership Certificate. David has served on the Marketing Committee, the Budget & Audit Committee and the Executive Committee. He is an active member of Action Committee for Rural Electrification (ACRE).

**Comments:** “As a Riverland Energy Cooperative director, I would strive to become an asset for the Cooperative. When faced with making complex or general decisions I would keep the Cooperative’s principles in mind and would make decisions using a common sense approach to achieve Riverland Energy Cooperative’s vision: ‘To enhance the quality of life for our members through competitively priced quality products and services.’ I look forward to the opportunity to serve and represent Riverland Energy Cooperative members.”

## Director Candidates

### DISTRICT 7

#### Greg Sacia



Greg is the incumbent director candidate seeking re-election. He is a business owner, farmer and life-long cooperative member. Greg has operated Sacia Farms for over 30 years, raising crops, swine and beef. He also owns Council Bay Feed & Trailers in Holmen. Greg's wife, Mary, is employed by Gundersen Lutheran Health System. They have two grown daughters.

Greg is proud of his contributions to Riverland Energy Cooperative, having served as President and Vice President; as well as a member of the Executive, Legislative, Budget & Audit, Labor, Marketing and Power Quality Committees. He has represented Riverland as a legislative advocate at the national level in Washington DC and at the state level in Madison. He is an active member of the Action Committee for Rural Electrification (ACRE). Greg also represents Riverland Energy Cooperative, elected by the board, as director for Dairyland Power Cooperative.

In 2007 Greg earned his Board Leadership Certification from the National Rural Electric Cooperative Association and was the first Riverland Energy director to achieve National Credentialed Director status.

Greg also serves as a state director for Cooperative Network, representing the power generation and transmissions cooperatives of Wisconsin and Minnesota. In 2009 he was appointed to the Wisconsin Rural Energy Management Advisory Council by the late Rod Nilsestuen, former Secretary of Ag. Because of his demonstrated electric cooperative expertise and leadership, Greg was honored to serve two terms on the Board of Governors State Bar of Wisconsin at the request of Supreme Court Chief Justice Shirley Abrahamson.

Greg finds working with other board members and employees to develop and achieve the cooperative's strategic goals most rewarding. During his tenure, Riverland Energy Cooperative has experienced incredible growth and diversification. He enjoys representing the membership of his district—comprised of residential, rural, farm and commercial members. He will continue to work hard to strengthen the cooperative not only through delivery of reliable electrical power, but also through the power of economic development and community partnerships. Greg's values of integrity, accountability and service to community align with those of the board and Riverland Energy.

Greg's broad experience with cooperatives and commu-

nity organizations extends beyond the electric power industry. He is currently a director for the West Salem Farmer's Shipping & Supply Cooperative and LaCrosse County Agricultural Society. He is also a LaCrosse County 4H leader, past president of Western Wisconsin Beef Producers Cooperative, served on Lewis Valley Lutheran Church council, and is a member of Centerville Cooperative, Equity Livestock Association Cooperative and the Wisconsin Cattlemen's Association.

When time permits, Greg enjoys outdoor activities; hunting; horseback riding and pack trips; snowmobiling; and studying history of the "old west".

Greg knows the electric service industry. He knows the board will continue to face challenges and opportunities in the coming years such as creating more energy efficient programs, controlling rates, exploring renewable energy options and many, many more. He knows it takes a board of directors that is knowledgeable in the industry, experienced and dedicated to representing the entire membership, to remain competitive while delivering quality products and services to its members. A director with innovative ideas, knowledge, experience, with a vision for the future and the know-how to get there, Greg would like to thank the members for their continued support and confidence in this election.

#### David Harter



**Residence:** Onalaska

**Family:** David and his wife, Julie have six children and three grandchildren.

**Occupation:** Owner of Harter Trucking, Inc.

**Special hobbies and interests:** David enjoys traveling and playing tennis in his spare time.

**Community activities:** David has served on the La Crosse County Board and the Town of Onalaska Board. He was a member of the La Crosse City Council and was Town of Onalaska Commission Member.

**Comments:** "Because of the importance of the cooperative in our daily lives, I would like to contribute to its continued growth and its members' well-being."

## Voting Authorization Necessary for Organizations

Authorization must be given for voting at the Annual Meeting for non-individual members of the Cooperative such as a church, school, cooperative, government body and corporation. All of these members are entitled to representation and one vote, but the proper procedure must be followed to exercise this right. Each member should see that a representative is designated in writing.

An authorization form will be enclosed with the mail-in ballots. If your organization is to be represented at the Annual Meeting, the form must be completed and returned with your ballot or be brought by the representative to the Annual Meeting.

## Dairyland Director Report

*(Continued from page 6)*

ing factors are a full year of Midwest ISO operations and costs, increasing rail transportation rates at Weston 4, the increased cost of renewable energy from the Stoneman biomass plant and costs associated with recent environmental improvements at power plants. Expansions of Dairyland's renewable resources, the transmission to deliver the renewable energy, environmental upgrades at power plants, as well as investments in new energy efficiency and conservation programs, are all good for the environment and important components in helping Dairyland meet future regulatory requirements. However, each of these elements also increases Dairyland's overall cost to provide members with electricity.

The Board of Directors and Dairyland management recognize the financial challenges some cooperative members are facing, and take any rate increase very seriously. As your representative on the Dairyland Board, I assure you that Dairyland staff work hard to reduce costs where possible to provide all of us the best value possible for their services. Work will continue closely with Riverland Energy Cooperative and all the other member cooperatives in the Dairyland system to carefully evaluate options and provide value to each of us while meeting our future energy needs. Thank you.

## Employees

Josh Abramczak ..... Lineman  
 Beth Alesch ..... Marketing & Communications  
 Todd Anibas ..... Lineman  
 Zack Bell ..... Staking Engineer  
 Bryan Berklund ..... Meter Serviceman/Lineman  
 Pete Boos ..... Lineman  
 Mike Burkart ..... Load Management Technician  
 Amanda Fehr ..... Member Service Representative  
 Doug Gerrits ..... Staking Engineer  
 Scott Hayes ..... Load Management Technician  
 Kevin Helgeson ..... Lineman  
 Mike Hestekin ..... Line Foreman  
 Tammy Hilmanowski ..... Operations/Payroll  
 Tim Holtan ..... Line Superintendent  
 Todd Hong ..... Lineman  
 Dale Kennebeck ..... Operations/Mapping  
 Dale Kircher ..... Lineman  
 Royce Kosik ..... Apprentice Lineman  
 Kate Langreck ..... Consumer Accounts Representative  
 Mary Larson ..... Office Coordinator/Capital Credits  
 Kristina Marsolek ..... Accountant/Bookkeeper  
 Bill Mason ..... Lineman

Kurt Nelson ..... Lineman  
 Denise Noll ..... Member Service Representative  
 David Oelkers ..... General Manager  
 Jenny Pate ..... Load Management Technician  
 Steve Paulson ..... Lineman  
 Mike Polinske ..... Lineman  
 Adam Pronschinske ..... Lineman  
 Pete Reuter ..... Fleet & Facilities Supervisor  
 Lonnie Sass ..... Line Foreman  
 Mark Schamaun ..... Lineman  
 Cindy Scharr ..... Consumer Accounts Representative  
 Roger Schmidtke ..... Materials  
 Larry Skoug ..... Line Foreman  
 Linda Skroch ..... Member Services Representative  
 Sharon Sluga ..... Operations Coordinator  
 Jerald Sorenson ..... Assistant Manager  
 Rob Sosalla ..... Lineman  
 Tom Tidquist ..... Lineman  
 Aaron Torud ..... Manager of Member Services  
 Joyce Woychik ..... Consumer Accounts Representative  
 David Woyicki ..... Manager of System Operations  
 Eric Wright ..... IT Specialist