



2023 Annual Meeting is Tuesday, April 18th

We are looking forward to seeing our members at our 2023 Annual Meeting on Tuesday, April 18th! Make plans to join us and bring the entire family. There will be free swimming for children before and during the business meeting. Our guest speaker is **David Saggau**, President/CEO of Great River Energy (our wholesale power provider). A meal will follow the business meeting. See you there! *Your registration card for the Annual Meeting is located on the back of the newsletter.*

Schedule

- 3:30 p.m. Registration Opens
- 4:00 p.m. Deep Dive Session:
Vegetation Management
Free Swim
- 4:30 p.m. Bingo
- 5:30 p.m. Business Meeting with
guest speaker **David Saggau**, President/CEO
of Great River Energy
(with meal to follow)

Details

- Date:** Tuesday, April 18th, 2023
- Location:** Maslowski Wellness & Research Center in Wadena, MN
- Prizes:** All members attending the Annual Meeting will receive either a *sugar maple seedling* or *burr oak seedling*. There will also be door prizes in the form of bill credits and gift cards from local businesses.



Have a question you'd like to ask the Board of Directors or CEO at the Annual Meeting? Visit our website and submit your question prior to 9:00 a.m. on Tuesday, April 18th.

www.toddwadena.coop/askaquestion

2023 Voting Options

1 Vote by Mail or Drop Box

Return your ballot in the provided envelopes. Your ballot must be received by mail at Survey & Ballot Systems by (SBS) April 18th, 2023, or placed in the drop box located outside Todd-Wadena Electric Cooperative's office by 9 a.m. on April 13th.

2 Vote Online via DirectVote

There are instructions on the ballot you received in the mail on how to vote online using DirectVote. You don't need a SmartHub account in order to vote this way. Once you've authenticated with your *Member Number* and *Election Passcode* (found on the back of the return envelope) on the DirectVote page, simply follow the directions there to cast your vote. *Note: your ballot must be completed by 9 a.m. on Tuesday, April 18th.*

3 Vote Online via SmartHub

Log into your SmartHub account and look for the "Vote Now" button in the upper right corner. Follow the instructions to finish casting your vote. You can also vote from within the SmartHub mobile app (available on both iOS and Android platforms). When you open the app, you will see a button that says "Vote Now" – tap it to get started. *Your ballot must be completed by 9 a.m. on Tuesday, April 18th.*

4 Vote at the Annual Meeting

As always, there will be an opportunity to cast your vote at the Annual Meeting on April 18th. Votes cast at the Annual Meeting will be scanned and tallied on-site by SBS and added to the mailed and electronic ballot tally.

2023 Annual Meeting

With Todd-Wadena Electric Cooperative's 2023 Annual Meeting fast approaching, I wanted to take an opportunity to explain the benefits of our annual meeting and why it is so important.

When someone signs up for electric service at Todd-Wadena, they become a member-owner of the cooperative. This means they have a voice in how the cooperative is operated. That voice can be heard by serving on the board of directors, the nominating committee, or choosing to vote at each annual meeting to ensure the right people are leading the cooperative. Each member's voice is important.

Todd-Wadena has governing bylaws that require us to host an annual meeting once per year. This is also when the annual election of the board members takes place. Candidates are carefully chosen by a nominating committee that takes great pride in putting forth qualified candidates. Members can vote by mail-in ballot, in person at the annual meeting, or even electronically.

Annual meetings are a tradition that celebrates our unique business model. They bring members together to learn more about how the cooperative is working to serve current and future needs. The meeting provides an opportunity for members to celebrate recent accomplishments and receive a full annual report detailing the cooperative's business programs and plans for the future. It is also a time for members to meet the cooperative's board of directors and employees who work together to keep the lights on.

The financial condition of the cooperative is presented in detail at each annual meeting. Fiscal responsibility is an important part of any business, even more so with a cooperative comprised of member-owners. Financial transparency is a top priority at Todd-Wadena.

While there is a lot of business to take care of at the annual meeting, it is also a time to celebrate you, our members! There will be a delicious meal, free swimming, and some great prizes.

Now that you have heard all the wonderful things about our upcoming annual meeting, I hope you will plan to join us on Tuesday, April 18th at the Maslowski Wellness & Research Center in Wadena. I hope to see you there!

Daniel Carlisle
President/CEO & General Counsel



Board Minutes

Highlights from the February 24th, 2023, regular board meeting:

- CEO Dan Carlisle reviewed the annual STAR Energy contracts. Language was added to better identify the scope of work and tie the contract to other referenced documentation.
- Board Member Mike Thorson gave the Great River Energy (GRE) report. Demand and energy for the month of January were under budget. However, margins still ended up ahead of budget.
- Thorson was appointed as TWEC's GRE Board Representative for 2023.
- Lisa Graba-Meech, CFO, presented the January financials to the board. Monthly kWh sales were 5 percent under budget. Energy revenue was 6 percent under budget. January's purchased power expense was 7 percent under budget. Tier is 0.10 and Equity is 40.67.
- Member & Energy Services Manager Allison Frederickson went over the Annual Local Democracy Cogeneration Filings. There was much discussion on the grid access fee and how that affects calculation of the ARCEL rate. The board voted to accept the Local Democracy Cogeneration Report.
- Operations Manager Tyler Fisher gave an update on the status of the two FEMA projects and the GRIP applications. TWEC received a portion of the funds (\$135,000) for the May 12th storm.
- Board Chair Miles Kuschel highlighted a few of the major legislative bills in Minnesota that will affect electric cooperatives: defending property tax exemption for rural electrical infrastructure; affidavit exemption for the load control receiver replacement project; and to encourage state matching for federal funding



Vegetation Management

DEEP DIVE PREVIEW

The purpose of vegetation management can be summarized as follows: Being proactive before outages occur increases overall system reliability.

Vegetation management requires a variety of strategies to maintain the lines in our service territory. With 1,800 miles of overhead power lines that stretch through varying terrain, our goal is to maintain each section of power line at least once every 10 years

(spraying is on a 4-5 year rotation).

The primary methods Todd-Wadena Electric Cooperative uses are tree pruning, removal, mowing, and spraying.

Each of these methods are used to address different needs.

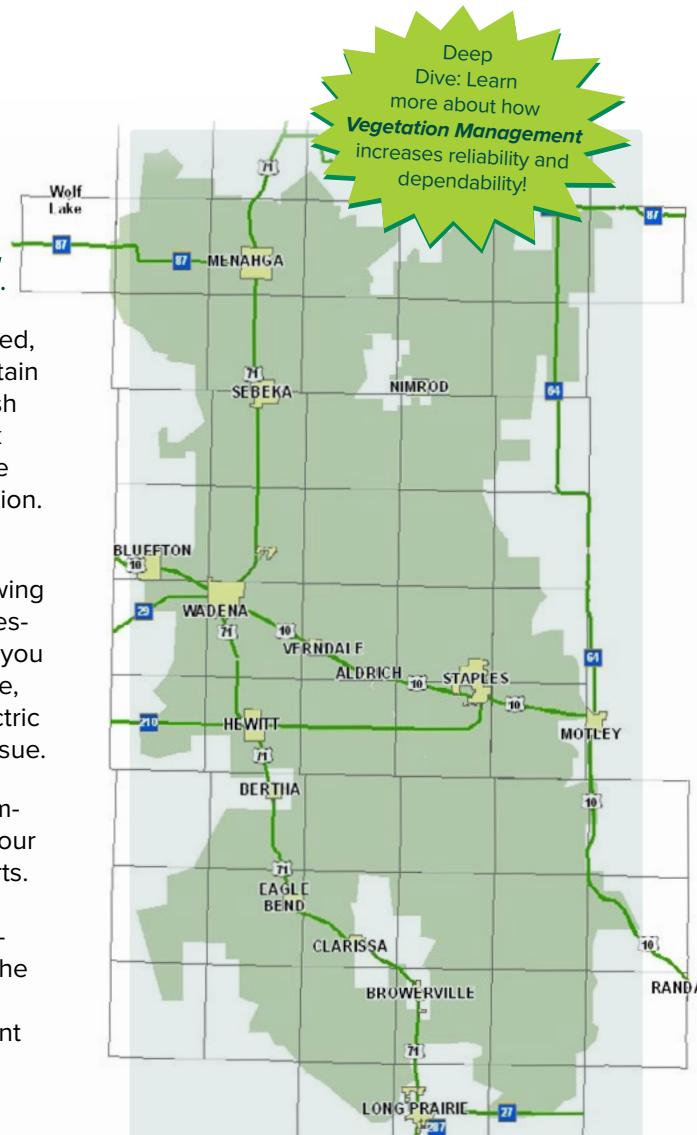
Trees near our lines are the number one cause of outages during storms, so maintaining a clear right-of-way on each side of the pole line will help prevent outages. Existing trees along the line will need to be pruned to ensure that branches can't fall into the lines during a storm. In certain cases, a tree may be too close to the line and will need to be removed entirely.

Once the right-of-way is cleared, it becomes important to maintain it. When TWEC trims and brush mows an area, we come back the following year to spray the stubble and sprouted vegetation.

Members can do their part to help prevent outages by allowing crews to trim trees when necessary to protect power lines. If you notice a tree threatening a line, please call Todd-Wadena Electric Cooperative and report the issue.

Todd-Wadena thanks our members for partnering with us in our vegetation management efforts. By keeping the cooperative's lines free of trees and vegetation, you are helping reduce the likelihood of outages and are supporting a safer environment for our lineworkers.

All of these methods of vegetation management help keep the cost of your electric service down and promote reliable electric service. Thank you for your assistance!



Todd-Wadena Electric Cooperative has 1,800 miles of overhead power lines in our service territory.

THE VEGETATION MANAGEMENT PROCESS ON A STRETCH OF LINE



Learn more at the Deep Dive at our Annual Meeting on April 18th

Tyler Fisher, Operations Manager at Todd-Wadena Electric Cooperative (TWEC), will be leading the **Deep Dive** at our Annual Meeting. Come early at 4 p.m. to learn more about how TWEC keeps our lines reliable by reducing the likelihood of outages and supporting a safer environment for our lineworkers.

2022 Financial Reports

BALANCE SHEETS

	2022	2021
Utility Plant		
1.Utility Plant in Service	\$66,486,854	\$64,111,669
2.Construction Work in Progress	2,337,104	1,299,942
3.Total Utility Plant	68,823,958	65,411,611
4.Less Acccumulated Depreciation	23,667,899	22,270,591
5.Net Utility Plant	45,156,059	43,141,020
Other Property and Investments		
6.Investments in Associate Orgs.	10,376,140	10,282,423
7.Other Investments	69,754	238,984
8.Total Other Property and Investments	10,445,894	10,521,407
Current Assets		
9.Cash	726,702	498,547
10.Short-Term Investments	2,147,790	2,039,620
11.Current Maturities of Notes Rec.	17,409	42,174
12.Accts. Receivable, less reserves	2,175,484	2,036,544
13.Materials & Supplies	1,187,474	806,617
14.Prepayments	26,679	28,021
15.Interest Receivable	6,163	5,463
16.Total Current Assets	6,287,701	5,456,986
Other Assets		
17.Defered Debits	153,765	253,699
Total Assets	\$62,043,419	\$59,373,112
Current Liabilities		
18.Notes Payable	-	-
19.Current Maturities: Long-Term Debt	1,302,484	1,108,777
20.Current Maturities: Post-retirement Benefits	43,000	11,800
21.Accounts Payable	2,958,800	2,785,355
22.Consumer Deposits	208,129	208,493
23.Accrued Taxes	305,284	290,837
24.Accrued Interest	215,488	184,247
25.Other Accrued Liabilities	185,757	192,416
26.Total Current Liabilities	5,218,942	4,781,925
Long-Term Debt		
27.Net Current Maturities	30,134,286	27,369,882
Other Liabilities		
28.Deferred Credits	990,847	1,525,885
29.Other Non-Current Liabilities	333,998	328,496
30.Total Other Liabilities	1,324,845	1,854,381
Total Liabilities	36,678,073	34,006,188
Equities		
31.Patronage Capital	23,329,648	23,471,186
32.Other Equities	2,035,698	1,895,738
33.Total Equities	25,365,346	25,366,924
Total Liabilities and Equities	\$62,043,419	\$59,373,112

PROFIT & LOSS STATEMENT

	2022	2021
Operating Revenue		
1.Electric Energy Revenue	\$21,969,566	\$20,919,257
2.Other Electric Revenue	58,604	40,043
3.Total Operating Revenue	22,028,170	20,959,300
Operating Expenses		
4.Purchased Power Cost	13,219,573	12,647,227
5.Operations Expense	1,193,357	1,031,765
6.Maintenance Expense	1,292,803	1,325,510
7.Consumer Accounts Expense	507,871	503,051
8.Customer Service & Information	681,767	612,890
9.Sales Expense	43,245	43,260
10.Administrative & General Expense	1,744,833	1,686,387
11.Depreciation	1,906,217	1,840,074
12.Interest on Long-Term Debt	964,836	906,864
13.Other Expenses	9,948	8,877
14.Total Cost of Electric Service	21,564,450	20,605,905
15.Operating Margin	463,720	353,395
Non-Operating Margins		
16.Interest Income	69,217	93,384
17.G & T Capital Credits	280,422	707,862
18.Other Capital Credits	108,974	105,002
19.Other Income Loss (-)	110,521	184,768
20.Total Non-Operating Margin	569,134	1,091,016
Total Net Margins	\$1,032,854	\$1,444,411

WHERE DOES YOUR DOLLAR GO?

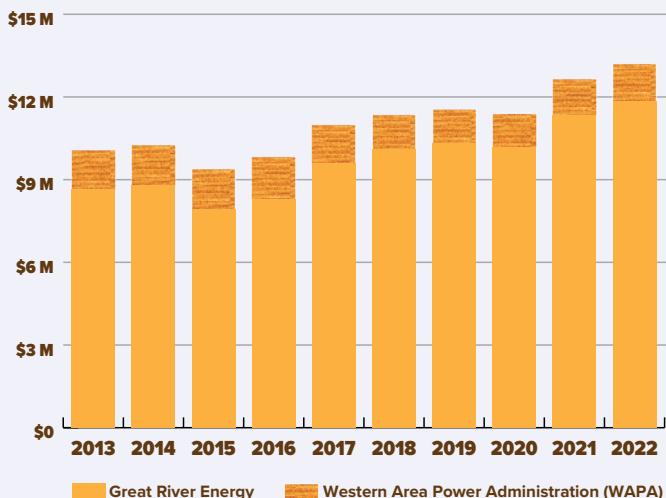


Power Cost	\$0 . 60
Operations & Maintenance	\$0 . 11
Depreciation	\$0 . 09
Admin & General	\$0 . 08
Interest on Long Term Debt	\$0 . 04
Customer Service & Information	\$0 . 03
Consumer Accounts	\$0 . 03
Operating Margins	\$0 . 02
	\$1 . 00

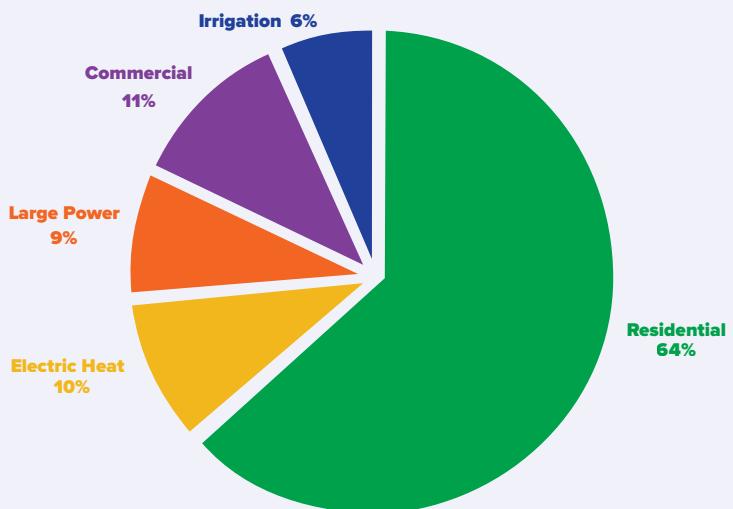
SCHEDULE OF CAPITAL CREDITS

Year	Todd-Wadena Capital Credits	G&T Capital Credits	Total
1985	\$-	\$32	\$32
1986	-	20	\$20
1987	-	43	\$43
1988	-	186	\$186
1989	-	329	\$329
1990	-	296	\$296
1991	-	765	\$765
1992	-	629	\$629
1993	-	53,953	\$53,953
1994	-	76,663	\$76,663
1995	-	62,530	\$62,530
1996	-	82,530	\$82,530
1997	-	64,477	\$64,477
1998	-	1,178	\$1,178
1999	-	-	\$-
2000	-	5,591	\$5,591
2001	-	75,296	\$75,296
2002	-	113,428	\$113,428
2003	27	101,080	\$101,107
2004	115	149,389	\$149,504
2005	156	319,448	\$319,604
2006	1,577	558,079	\$559,656
2007	53,057	355,040	\$408,097
2008	674,206	310,201	\$984,407
2009	994,105	307,435	\$1,301,540
2010	770,182	237,883	\$1,008,065
2011	847,461	304,657	\$1,152,118
2012	1,171,011	436,090	\$1,607,101
2013	1,434,825	464,677	\$1,899,502
2014	1,111,820	603,109	\$1,714,929
2015	1,012,420	93,584	\$1,106,004
2016	1,053,009	393,432	\$1,446,441
2017	1,404,430	425,911	\$1,830,341
2018	1,427,980	299,337	\$1,727,317
2019	1,086,875	321,613	\$1,408,488
2020	1,331,329	271,007	\$1,602,336
2021	730,083	702,208	\$1,432,291
2022	752,432	280,422	\$1,032,854
Total Patr. Capital	\$15,857,100	\$7,472,548	\$23,329,648
Other Equity			\$2,035,698
Total Equity			\$25,365,346

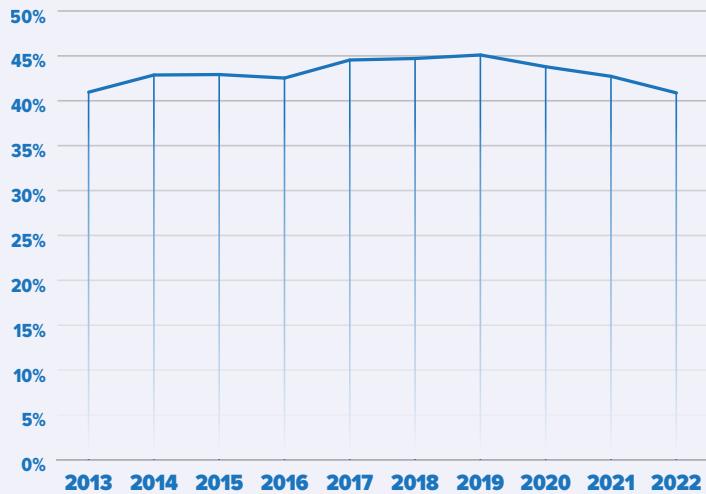
WHOLESALE POWER COSTS OVER TIME



REVENUE BY RATE CLASS



EQUITY OVER TIME



Todd-Wadena Electric Cooperative • 2022 Annual Meeting Minutes • April 19th, 2022

The 2022 Annual Meeting of the members of the Todd-Wadena Electric Cooperative was held at the Maslowski Research and Wellness Center, 17 5th Street SW, Wadena, MN 56482. The meeting was held in accordance with the Official Notice *Exhibit B* which was mailed to all members in the March edition of the *Pine to Prairie*, which follows the Cooperative's bylaws.

Board Chair, Miles Kuschel called the Annual Meeting to order at 5:34 p.m. He invited Pastor Jason Knoll, from the New Life Church of God in Bertha, MN for the invocation. Chair Kuschel asked for all veterans to stand to be recognized. Members were then asked to join him in standing and reciting the Pledge of Allegiance.

Chair Kuschel called upon the Board Secretary, Marie Katterhagen to establish quorum; she confirmed the Cooperative did indeed have a quorum per the bylaws with 1,437 members placing their vote in the election.

A motion was made and seconded to accept the meeting notice as printed in the March edition of the *Pine to Prairie* newsletter.

ACTION: The members voted to accept.

A copy of this notice is attached to these minutes as *Exhibit B* as well as the Certificate of Mailing, *Exhibit C*.

A motion was made and seconded to approve the 2021 Annual Meeting minutes as printed in the April edition of the *Pine to Prairie* newsletter.

ACTION: The members voted to approve.

Chair Kuschel then introduced the Board of Directors and the CEO, Dan Carlisle, and recognized the Cooperative employees. He identified and introduced the 2022 Nominating Committee members, before inviting Nominating Chair, Wally Wiese to the podium.

Wally Wiese read the Certificate of Minutes *Exhibit A* of the Nominating Committee meeting that was held January 20th, 2022. A copy of said certificate is attached with these minutes. The certificate set forth the nominees for the two director positions for a three-year term; the candidates selected were: *Marie Katterhagen (I), Mike Thorson (I), Judy Richer, Stacy Stoerzinger, and John Wolak*. Stacy Stoerzinger and John Wolak later withdrew their names from the election.

Dan Carlisle, acting as parliamentarian, called the voting period to a close and asked for any remaining ballots to be collected by the Nominating Committee members to be given to Survey and Ballot Systems to be included in the final calculation.

Chair Kuschel introduced Kallie Van De Venter, the Cooperative's Communication and Marketing Specialist and Allison Uselman, the Member and Energy Services Manager to give away door prizes.

Chair Kuschel introduced the special guests who were in attendance and recognized retired board members and employees. He also recognized those employees who reached a milestone award in 2021: *Brady Erickson (5), Lisa Reed Krump (5), Trent Walter (10), Lori Tumberg (15), and Kristen Paurus (15)*.

Chair Kuschel gave the Chairman's report. He spoke about the many challenges the electric industry has faced over the past couple years. Through these challenges, including COVID, the Cooperative has successfully completed multiple large projects. He emphasized that through this the Board of Directors continue to work diligently; monitoring, researching, and analyzing each decision to make the best possible decision on behalf of the membership. He also spoke about the future of electric vehicles, the growth of infrastructure, and the convenience of being able to charge vehicles in members' homes.

Chair Kuschel then opened the floor for any member questions:

- *If you lived in MN, a few miles or more from your medical provider, would you recommend an electric vehicle for your mode of dependable transportation, why or why not? Miles shared that the technology and infrastructure is slowly improving in the state of MN. Currently, electric vehicles are ideal for short commutes because of the availability to charge in the home; however, longer trips can be an inconvenience due to the lack of fast chargers along the MN corridors.*
- *If all Todd-Wadena members purchased an electric vehicle today, would the power grid in our territory be able to handle the increased electric load? Miles did tell the members that if all members were to charge on peak, then no, the system would not be able to handle the demand. However, if the charge time was off-peak, (spread out over time), the answer would be yes. Also, the transition for the adoption of electric vehicles will probably be spread out over the next ten years.*
- *Why were members not able to vote on the change that was made to apply capital credit retirements to active members' bills? Miles shared that the Board of Directors made the decision on behalf of all members after reviewing a number of items related to this issue. It was an economical business decision to save the Cooperative and its members money by applying capital credits directly to active members' accounts.*

• *A solar company has leased 800 acres of productive agricultural land in the Verndale area for the purpose of installing solar panels. How much energy will this system provide? Will it provide enough year-around power for the population and city operations of Verndale? Are we trading food production for electric industry? Dan joined Miles on stage to address this question. Dan was able to confirm that there is indeed a large solar production company that is interested in the area; however, before any project is interconnected, it must receive approval from MISO. At this time, there is no other information available regarding this solar project.*

Dan thanked the Bertha-Hewitt Nextgen Bears for creating this year's gift set of a keychain, leather coasters, and soap set. He also recognized the 2021 and 2022 Youth and Adult Scholarship winners.

Dan gave the CEO Report. He reported the 2021 net margins were \$1,444,411. Todd-Wadena paid out \$741,500 and Great River Energy paid \$262,500 for a total of \$1,004,000 in capital credit retirement. The operations department had a record year for installing 152 new services and rebuilt/replaced 13 miles of line. The member and energy services department was able to host multiple member events and continues to promote and support energy efficiency. In 2021, over \$80,000 was paid out in rebates to members. Dan then spoke about the challenges and changes that Great River Energy is facing, the sale of Coal Creek Station, and the change to the resource mix being the main focus. Ultimately, the decision to sell versus close Coal Creek Station was an economical one; there should be cost savings seen, an increase to renewables while holding its edge in capacity, avoiding congestion and any carbon tax, and the ability to save the many jobs in North Dakota.

Chair Kuschel invited Wally Wiese back to the podium to read the results of the election. The following were the results: Marie Katterhagen (1,094) and Mike Thorson (1,025) were re-elected. Judy Richer (492) was thanked for running for the board.

Kallie and Allison were asked back to the front to give away the remaining prizes.

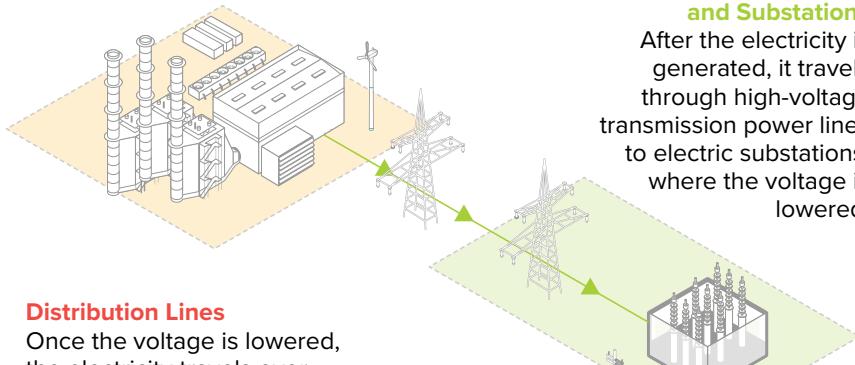
Chair Kuschel closed the meeting by inviting anyone interested to participate as part of the Nominating Committee to contact the Cooperative, thanked Clarissa Ballroom for providing the meal, and the members and guests for attending this year's Annual Meeting.

The meeting was adjourned at 6:36 p.m.

How Electricity Reaches You

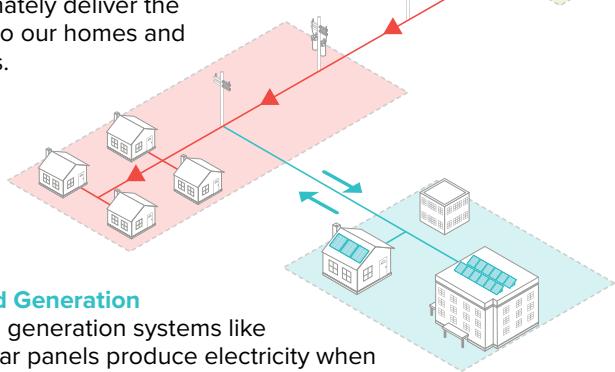
Generation

Electricity is produced at a generation facility either by renewable or non-renewable energy sources.



Distribution Lines

Once the voltage is lowered, the electricity travels over distribution power lines, which ultimately deliver the electricity to our homes and businesses.



Distributed Generation

Distributed generation systems like rooftop solar panels produce electricity when their energy source is available, such as when the sun shines. When the energy source is unavailable, the home or business receives electricity from the grid. If the system produces more electricity than needed, the excess power is sent back to the grid.

Transmission Lines and Substations

After the electricity is generated, it travels through high-voltage transmission power lines to electric substations, where the voltage is lowered.

MISSION

To be a trusted partner providing safe, reliable, and affordable energy options to our members.

VISION

To improve the quality of life for our members and embrace beneficial opportunities in a changing industry.

VALUES

Service • Safety • Fiscal Responsibility
Integrity • Communicate & Educate
Commitment to Community



Todd-Wadena Electric Cooperative is an equal opportunity provider and employer.



Your Board of Directors

Front Row Marie Katterhagen, *Secretary*
(left to right) Tom Brichacek, *Vice Chair*
Kristine Spadgenske, *Director*

Back Row Gene Kern, *Director*
(left to right) Dale Adams, *Treasurer*
Miles Kuschel, *Chair*
Michael Thorson, *Director*

Pine to Prairie News

A monthly publication for members & friends of



Todd-Wadena
ELECTRIC COOPERATIVE

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Monday - Friday

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(800) 321-8932

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Email: todd-wad@toddwadena.coop

Address: 550 Ash Avenue NE
PO. Box 431
Wadena, MN 56482

BOARD OF DIRECTORS

Miles Kuschel, Chair
Tom Brichacek, Vice Chair
Marie Katterhagen, Secretary
Dale Adams, Treasurer
Michael Thorson, Director
Gene Kern, Director
Kristine Spadgenske, Director

Daniel Carlisle, President/CEO &
General Counsel

LOCAL ELECTRICAL INSPECTORS

Todd County:
Troy Bak (320) 760-1017
Wadena County:
Adam Sorensen (320) 304-3927
District 5 (*Todd County*):
Mark Hunter (320) 616-5574
District 6 (*Wadena County*):
Sheldon Monson (218) 689-3260

If your electric power goes out:

First, make sure the problem is not on your side. (*Members may be billed for service calls if the problem is caused by their own equipment.*) Check fuses and circuit breakers in your home and by the meter pole. (*Call us for help, if necessary.*)

Second, check with your neighbors to see if they have power. Then call Todd-Wadena to report the problem. Give your name and account number. Then report any tree branches, twisted wires, broken poles, and whether or not your neighbors are also out of power.

Before digging call:

Gopher State One-Call
811 or (800) 252-1166

Find us on

www.facebook.com/toddwadenaelectriccooperative
www.instagram.com/twec.coop

Todd-Wadena Electric Cooperative

P.O. Box 431
Wadena, MN 56482
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Member Registration Card

Present this card at the *Member Registration* table to be eligible for door prizes and the membership dinner. If you did not vote online or by mail, you will also need this to receive an on-site election ballot.

April Reader's Contest

1. The 2023 Annual Meeting is on Tuesday, April _____. 
2. Todd-Wadena Electric Cooperative has _____ miles of overhead power lines in our service territory.
3. _____ Saggau, President/CEO of Great River Energy will be the guest speaker at the Annual Meeting.

Name:

Your TWEC Account Number:

For your chance to be entered in a drawing to **win a \$10 credit** on your bill, correctly answer the questions and include with your TWEC bill. Mail to *TWEC, P.O. Box 431, Wadena, MN 56482*. Or email the answers to mbrservices@toddwadena.coop with the subject line "Reader's Contest". Be sure to include your name and TWEC service address. Entries must be received by April 25th.

Susan Roggenkamp of Wadena was the winner of our March Reader's Contest.