Todd-Wadena ELECTRIC COOPERATIVE

Pine to Prairie April 2024

2024 Annual Meeting is Tuesday, April 16th

We are looking forward to seeing our members at our 2024 Annual Meeting on Tuesday, April 16th! Make plans to join us and bring the entire family. There will be free swimming for children before and during the business meeting. This year our meal will be <u>during</u> the business meeting — see you there!

Note: Your registration card for the Annual Meeting is located on the back of this newsletter. Please bring it with you to the meeting.

Schedule

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3:30 p.m. Registration Opens 4:00 p.m. Deep Dive Session: Rooted in Agriculture Free Swim

4:30 p.m. Bingo

5:30 p.m. Business meeting with meal (meal will be during meeting)

Details

Date: Tuesday, April 16th, 2024 Location: Maslowski Wellness & Research Center (17 5th St. SW, Wadena) Prizes: All members attending the Annual Meeting will receive a *utility* bucket*. Door prizes will be drawn during the meeting. *Limit of one attendance gift per membership.

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미뷰웨티 Have a question you'd like to ask the Board of Directors or CEO at the Annual Meeting? Submit your question prior to 9:00 a.m. on Tuesday, April 16th. www.toddwadena.coop/askaquestion

2024 Voting Options

VOTE BY MAIL OR DROP BOX

Complete your ballot, place ballot in secret envelope then seal, put in the YELLOW business reply envelope, and seal before mailing directly to OSG. It may also be placed in the drop box located outside TWEC's office on or before April 8th, 2024 by 9 a.m. All ballots must be received by OSG by April 16th, 2024.

VOTE ONLINE

Visit our Annual Meeting page at www.toddwadena.coop/annualmeeting and

click on the VOTE NOW button. Use vour member number and election password located on the top of the ballot mailed to you, then simply follow the directions there to cast your vote. If you're a registered user on SmartHub, access your online ballot by logging into SmartHub at toddwadena.smarthub.coop and click the VOTE NOW button, or open the SmartHub mobile app (available on both iOS and Android platforms) and vote there. Note: online voting must be completed by 8:00 a.m. on Tuesday, April 16th, 2024.



VOTE

VOTE AT THE ANNUAL MEETING

As always, there will be an opportunity to cast your vote in-person at the Annual Meeting on Tuesday, April 16th, 2024 at the Maslowski Wellness & Research Center. Registration opens at 3:30 p.m., with the business meeting called to order at 5:30 p.m.

CEO's Message Legislative Priorities

The energy industry is going through a period of transition where we are facing new challenges and opportunities each year. Recognizing this significant time in cooperative history, our statewide organization, Minnesota Rural Electric Association (MREA) selected *"Powering Tomorrow Together"* as the theme for this year's annual meeting.

Wes Waller, MREA District 2 Board Chair opened the business meeting, held in St. Paul on March 20th. After introducing the 2024 board of directors, attendees received updates from CoBank, MREA safety and communications leaders, and CFC and NCSC representatives.

Darrick Moe, MREA president and CEO, provided an update on MREA business and energy issues. NRECA Director Tim Velde shared some highlights of the national organization. Keynote speaker Tom Thibodeau, Viterbo University, then took the stage to discuss the positive power of servant leadership.

A highlight of the MREA Annual Meeting was the opportunity to meet with some of our local representatives and discuss issues directly impacting members in Todd-Wadena's service territory. This year, we met with Senator Jordan Rasmusson (District 9), Representative Mike Wiener (District 5B), Representative Tom Murphy (District 5B), Representative Krista Knudsen (District 5A), Senator Torrey Westrom (District 12), and Senator Paul Utke (District 5).

One of the main points of discussion continues to be the landmark 2040 carbon-free bill that set Minnesota on an aggressive path toward eliminating carbon emissions from its energy production. MREA believes it is imperative we allow cooperatives flexibility in achieving the energy transition and that we do not risk reliability and affordability



Daniel Carlisle President/CEO & General Counsel

for the 1.7 million member-owners in Minnesota. We believe locally elected cooperative board members know their neighbors and are in the best position to serve their needs. One-size-fits-all government mandates undermine cooperative governance and local control.

Another key legislative topic is permitting reform. The current process significantly impedes utilities' ability to deploy new renewable energy sources and needs improvement. The process can be streamlined without compromising public input, community involvement, and the Public Utility Commission's ability to make informed decisions.

MREA is also working collaboratively with the Department of Revenue (DOR) to clarify language on property taxes and has been told by the Department that street lights, meters, and load control receivers will be exempt from property taxes in the bill.

I am thankful for each of our local representatives who took the time to sit down with us and discuss these energy-related issues that impact TWEC members. As always, we are committed to keeping you informed about legislative happenings and working to secure reliable and affordable electricity now and into the future.

 Daniel Carlisle

 President/CEO & General Counsel

TWEC Board Minutes

Highlights from the February 27th, 2024, regular board meeting:

- CEO Dan Carlisle updated the board on the recent Member Managers Group meeting. Great River Energy (GRE) will be conducting a formal cost of service study in 2024.
- Directors will hold a strategic planning session on May 15th.
- Lisa Graba-Meech, CFO, presented the January financials to the board. Monthly kWh sales were 6 percent under budget. Energy revenue was 5 percent under budget. January's purchased power expense was 2 percent over budget. Tier is -0.11 and Equity is 39.60.
- Member & Energy Services Manager Allison Frederickson gave a recap on the youth engagement initiatives in place, including participating in career fairs, reading to elementary classes, and giving the State of Electricity presentation in area schools.
- The board accepted the Local Democracy Cogeneration Report.
- Board Chair Miles Kuschel provided a legislative update, highlighting a few of the 550 bills currently under review in this session. He spoke about the cut to community solar credits, funds going to a large geothermal heat pump in Minneapolis, and updates related to nuclear reactor projects. House Bill 3895, proposed to impose certain requirements for cooperative transparency, was discussed in detail.
- The Operation Round Up Board met in February and dispersed over \$12,000 to six area organizations.

Your Board of Directors

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

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



Rooted in Agriculture DEEP DIVE PREVIEW

Each year, prior to Todd-Wadena Electric Cooperative's Annual Meeting, we focus in on a specific topic for a deep dive session. This year's deep dive session is **Rooted in Agriculture**.

The reason we chose this topic is because TWEC and our communities are rooted in agriculture. We recognize that without agriculture our communities would not be what they are and we want to take time to appreciate that. As your local rural electric cooperative, we are also committed to providing value to our agriculture members. We hope these members benefit from the deep dive prior to this year's annual meeting.

Other topics we will cover include TWEC rebates and programs, agricultural energy audit resources, federal grant opportunities, and grant writing resources. We really hope to see you at our *Rooted in Agriculture* deep dive at 4:00 p.m. on April 16th at the Maslowski Wellness and Research Center in Wadena.



2023 Financial Reports

BALANCE SHEETS

	2023	2022
Utility Plant		
1.Utility Plant in Service	\$70,184,633	\$66,486,854
2.Construction Work in Progress	995,308	2,337,104
3.Total Utility Plant	71,179,941	68,823,958
4.Less Acccumulated Depreciation	25,228,688	23,667,899
5.Net Utility Plant	45,951,253	45,156,059
Other Property and Investments		
6.Investments in Associate Orgs.	10,901,920	10,376,140
7. Special Funds	42,504	-
8.Other Investments	105,078	69,754
9.Total Other Property and	11,049,502	10,445,894
Investments		
Current Assets		
10.Cash	90,866	726,702
11.Short-Term Investments	1,183,978	2,147,790
12.Current Maturities of Notes Rec.	20,193	17,409
13.Accts. Receivable, less reserves	2,115,783	2,175,484
14.Materials & Supplies	3,093,503	1,187,474
15.Prepayments	30,077	26,679
16.Interest Receivable	5,462	6,163
17.Total Current Assets	6,539,862	6,287,701
Other Assets		
18.Deferred Debits	96,876	153,765
19.Total Assets	\$63,637,493	\$62,043,419
Current Liabilities		
20.Notes Payable	\$175,000	\$-
21.Current Maturities: Long-Term Debt	1,352,391	1,302,484
22.Current Maturities: Post-retirement Benefits	38,726	43,000
23.Accounts Payable	2,727,160	2,958,800
24.Consumer Deposits	217,439	208,129
25.Accrued Taxes	307,292	305,284
26.Accrued Interest	221,366	215,488
27.Other Accrued Liabilities	200,110	185,757
28.Total Current Liabilities	5,239,484	5,218,942
Long-Term Debt		
29.Net Current Maturities	31,280,374	30,134,286
Other Liabilities		
30.Deferred Credits	1,024,166	990,847
31.Other Non-Current Liabilities	400,677	333,998
32.Total Other Liabilities	1,424,843	1,324,845
33.Total Liabilities	37,944,701	36,678,073
Equities		
34.Patronage Capital	23,525,026	23,329,648
•	23,323.020	
35.Other Equities	2,167,766	2,035,698
35.Other Equities 36.Total Equities		
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PROFIT & LOSS STATEMENT

	2023	2022
Operating Revenue		
1.Electric Energy Revenue	\$21,923,086	\$21,969,566
2.Other Electric Revenue	102,602	58,604
3.Total Operating Revenue	22,025,688	22,028,170
Operating Expenses		
4.Purchased Power Cost	12,915,840	13,219,573
5.Operations Expense	1,107,899	1,193,357
6.Maintenance Expense	1,306,893	1,292,803
7.Customer Accounts Expense	549,768	507,871
8.Customer Service & Information	688,046	681,767
9.Sales Expense	56,141	43,245
10.Administrative & General Expense	1,899,337	1,744,833
11.Depreciation	2,024,838	1,906,217
12.Interest on Long-Term Debt	1,037,194	964,836
13.Other Expenses	19,947	9,948
14.Total Cost of Electric Service	21,605,903	21,564,450
15.Operating Margin	419,785	463,720
Non-Operating Margins		
16.Interest Income	90,957	69,217
17.G & T Capital Credits	714,364	280,422
18.Other Capital Credits	174,692	108,974
19.Other Income Loss (-)	68,971	110,521
20.Total Non-Operating Margin	1,048,984	569,134
21.Total Net Margins	\$1,468,769	\$1,032,854

WHERE DOES YOUR DOLLAR GO?



Power Cost	\$0.59
Operations & Maintenance	\$0.11
Admin & General	\$0.09
Depreciation	\$0.09
Interest on Long Term Debt	\$0.05
Customer Service & Information	\$0.03
Customer Accounts	\$0.02
Operating Margins	\$0.02
	\$1.00

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SCHEDULE OF CAPITAL CREDITS

Year	Todd-Wadena Capital Credits	G&T Capital Credits	Total
1985	\$-	\$32	\$32
1986	-	20	\$20
1987	-	43	\$43
1988	-	93	\$93
1989	_	182	\$182
1990	-	152	\$152
1991	-	179	\$179
1992	_	144	\$144
1993	-	381	\$381
1994	-	535	\$535
1995	_	371	\$371
1996	-	534	\$534
1997	-	39,269	\$39,269
1998	_	1,161	\$1,161
1999	-	-	\$-
2000	-	5,518	\$5,518
2001	-	74,307	\$74,307
2002	-	112,009	\$112,009
2003	26	99,825	\$99,851
2004	51	147,551	\$147,602
2005	78	315,710	\$315,788
2006	1,110	551,820	\$552,930
2007	2,228	351,039	\$353,267
2008	3,467	306,715	\$310,182
2009	949,850	304,369	\$1,254,219
2010	761,359	235,157	\$996,516
2011	837,571	301,101	\$1,138,672
2012	1,157,322	430,992	\$1,588,314
2013	1,418,575	459,414	\$1,877,989
2014	1,099,821	596,600	\$1,696,421
2015	1,002,300	92,649	\$1,094,949
2016	1,043,271	389,794	\$1,433,065
2017	1,391,899	422,370	\$1,814,269
2018	1,415,847	297,035	\$1,712,882
2019	1,078,025	319,257	\$1,397,282
2020	1,321,258	269,115	\$1,590,373
2021	724,806	697,597	\$1,422,403
2022	746,092	278,261	\$1,024,353
2023	754,405	714,364	\$1,468,769
Total Patr. Capital	\$15,709,361	\$7,815,665	\$23,525,026
Other Equity Total Equity			\$2,167,766 \$25,692,792

WHOLESALE POWER COSTS OVER TIME



REVENUE BY RATE CLASS

Irrigation 8.1%



EQUITY OVER TIME



Todd-Wadena Electric Cooperative • 2023 Annual Meeting Minutes • April 18th, 2023

The 2023 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 5:32 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.

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 2022 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. He identified and introduced the 2023 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 25th, 2023. A copy of said certificate is attached with these minutes. The certificate set forth the nominees for the three-director positions for a three-year term; the candidates selected were: *Dale Adams (I), Gene Kern (I), Gary Kneisl, Darrin Savoie,* and *Kristine Spadgenske (I)*.

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 Frederickson, the Member and Energy Services Manager to give away door prizes.

Chair Kuschel introduced the special guests that were in attendance and recognized retired board members and employees. He also recognized those employees who reached a milestone award in 2022: *Kallie Van De Venter (5), Luke Wilhelmi (5), Jamie Line (15),* and *Lori Redetzke (15).*

Dan gave the CEO Report. He began by sharing with the membership a few examples of how inflation over the past year has impacted the Cooperative. The price of material alone to build and retain Cooperative infrastructure increased anywhere from 64% to 144%. He reported the 2022 net margins were \$1,032,854. The Cooperative did utilize deferred revenue to help offset the decreased margins and they were still able to pass on the 2022 budgeted capital credit amount of \$766,000, along with \$160,000 of Great River Energy's capital credits for a total retirement of \$926,000. Equity ended the year at 40.88%. The Operations department installed 137 new services, changed out 187 poles, and rebuilt/replaced 6.5 miles of overhead line. One of the department's largest project this year was the completion of the Leaf River Substation rebuild. The other, was the impact from the two large storms that came through the service territory in May. These storms caused outages for 7,700 members. The Member and Energy Services department was able to host multiple member events and continues to promote and support energy efficiency. In 2022, over \$154,000 was paid out in rebates to members, resulting from 1,484,500 in kWh savings.

Dan then addressed some of the memberships' concerns regarding the challenges that the Cooperative is facing. He spoke about the push for renewables, both residential and commercial, and how they are mandated to interconnect with the grid. The Cooperative also has the opportunity to utilize a self-generation renewable option and has been researching this topic – only with the intention of moving forward if it can save the members money. Minnesota's legislation and mandates are also posing some challenges for the electrical industry, with over 400 bills that were introduced and may impact the Cooperative. The shift to carbon free by 2040 and the dependance on natural gas are creating a shift, as well as putting pressure on the transmission grid. He posed the question to the membership, is the expectation of reliable and affordable electricity for Todd-Wadena Electric members still attainable?

To address these concerns further, Dan invited David Saggau, CEO of Great River Energy (the Cooperative's main power supplier) to the stage. David gave a brief introduction of who/what Great River Energy (GRE) is. GRE is the largest generation and transmission cooperative in the United States and its wholesale rate is 20% lower than the national average. David shared that one of the reasons that Todd-Wadena Electric Cooperative's effective rates remain low is due to the memberships "efficient use of the product". By participating in load management programs, it reduces the amount of power the GRE needs to purchase and then those savings are directly passed onto the cooperative. GRE is confident that it will reach the carbon free requirements by 2040 and has the generation portfolio in place that will meet the needs of Todd-Wadena, the State, and MISO. Overall, GRE is predicting stability in its forecast and has the tools and processes in place to address the multiple challenges that the electrical industry is facing.

Dan re-took the podium to assure the membership that even with all these challenges ahead, he believes through the continued valiant effort of Great River Energy and the team at Todd-Wadena Electric, that it is plausible that the Cooperative will be able to maintain reliable and affordable electricity to its members, but ultimately time will be the judge.

Chair Miles Kuschel gave the Chairmen's report. He reflected back on the year, acknowledging both the successes and the challenges the Cooperative faced. The

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weather played a large factor in 2022, creating multiple battles with wind, snow, and ice. The aggressive vegetation management program has proven its worth by controlling the number of trees and brush that could have damaged the infrastructure, had they not been removed. Miles thanked the members for their voice during the past election and their continued contact with the legislators. The Cooperative will continue to work with the legislators on navigating new bills and transitioning to cleaner power supply. Miles assured the membership that the Todd-Wadena Electric Board of Directors review, analyze, and discuss every decision that is made in the board room in the best interest of the Cooperative and its members.

As part of the Cooperative's continued effort in its commitment to community, Chair Kuschel invited the 2023 Youth Scholarship winners to the stage to be recognized. They are: *Blake Knudson, Alex Treinen, Elissa Knoll, Lance Anderson, Landon Mertens,* and *Luke Bates.*

Chair Kuschel invited Ally Pavek to the stage. She was the 2022 Washington DC Youth Tour Recipient. Ally shared some highlights from her trip and thanked both the Cooperative and the membership for the great opportunity. Ally then announced the 2023 winner, *Isabel Birkholtz*.

Chair Kuschel addressed there was no old business to discuss and asked the membership for any new business. There was none.

Chair Kuschel invited Wally Wiese back to the podium to read the results of the election. The following were the results: *Gene Kern (997), Dale Adams (914), Kristine Spadgenske (910). Gary Kneisl (625)* and *Darrin Savoie (372)* were thanked for running for the board.

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

Before closing the meeting, Chair Kuschel thanked and recognized all of the Todd-Wadena Electric Cooperative employees, thanked BBQ Smokehouse for providing the meal, and invited anyone interested in being on the nominating committee to contact the Cooperative.

The meeting was adjourned at 7:10 pm.





TWEC Lineworkers (Left to Right): Jon Grenier, Crew Chief, Luke Wilhelmi, Journeyman Lineworker/Staking Technician; Brayden Gwiazdon, Apprentice Lineworker; Brady Erickson, Journeyman Lineworker; Josh Byman, Journeyman Lineworker; Jason "Norm" Ohrmundt, Journeyman Lineworker; David Snyder, Journeyman Lineworker; Jamie Line, Crew Chief; Nate Bart, Journeyman Lineworker; Jason Orlando, Crew Chief

811: Gopher State One Call

If you are planning a digging project it is your responsibility to notify Gopher State One Call (GSOC) by calling 811 or visiting *www.gopherstateonecall.org.* GSOC is the one-call notification system that informs Minnesota underground facility operators like Todd-Wadena Electric Cooperative of intended excavation. GSOC transmits the information about the area in question to TWEC and other utilites with underground facilities.

TWEC will locate wire up to the electric meter. You are responsible for locating your own private underground wires (all wires from the meter to your home or other buildings on your

property and you need to make other arrangements to locate them).

Call 811! It's free and could save your life!



Pine to Prairie News

A monthly publication for members & friends of



Office Hours:	8:00 a.m 4:30 p.m. Monday - Friday
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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: Mark Thoma (320) 309-9483 Wadena County: Brandon Disselbrett (218) 640-0187 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



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

Todd-Wadena Electric Cooperative

P.O. Box 431 Wadena, MN 56482 Printed on recycled paper. PRSRT STD U.S. Postage **PAID** DPC

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

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.

Darrel Janson of Wadena was the winner of our March Reader's Contest.

- **1.** Each membership in attendance will receive a utility _____ as the Annual Meeting attendance gift.
- worker appreciation day is on April 8th.
- **3.** Present your member registration card located on the _____ of the April Pine to Prairie at the Annual Meeting on Tuesday, April 16th to be eligible for door prizes.

Name: Your TWEC Account Number:

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