

Meeker Cooperative

Light and Power Association



2023

ANNUAL REPORT

ENERGIZING AND CONNECTING
...ENHANCING YOUR LIFE

89th Annual Meeting

August 6, 2024

7:00 p.m.

ANNUAL MEETING SCHEDULE

Pledge of Allegiance - Brad Donnay, President

Invocation - Pastor Tom Kopp, Kimball Christian Church

Business Meeting - Brad Donnay, President

- **Call to Order**
- **Appoint Parliamentarian**
- **Certify Notice of Annual Meeting Mailing**
- **Establish Quorum**
- **Approve Agenda**
- **Approve Standing Rules of the Annual Meeting**
- **Approve 2023 Minutes**
- **Qualifications & Election Committee Report** - Mark Larson
- **Call for Volunteers for Tellers** - Brad Donnay, Pres.
- **Introduction of Directors**
- **Cooperative 101 Member Group Report** - Barbara Ann Nelson
- **Meeker Cooperative Electric Trust Report** - Holly Schultz-Anderson
 - Great River Energy Donation
- **Financial Report** - Scott Froemming, Finance Manager
- **General Manager's Report** - Luke Johnson, CEO/GM
- **Election Results Report** - Election Teller Chair
- **New Business** - Chad Felstul, Co-op Attorney
- **Adjournment** - Brad Donnay, President
- **Attendance Prizes** - Holly Schultz-Anderson, Account Services and Sales Manager

Fresh Perspectives, Dedication, Commitment

As we reflect on 2023, we are filled with gratitude and optimism for the future. This year has been a period of significant progress and change for our Cooperative. The Board welcomed three new directors: David Leonhardi in District 4, James Ellingson in District 5, and Neil Pearson in District 6, each bringing fresh perspectives and energy to our leadership.

Additionally, we celebrated with Tim Mergen as he announced his retirement and were pleased to welcome Luke Johnson as the new CEO. Luke's vision and commitment, along with the dedication of all of our employees, ensures we will continue to meet your needs effectively.

Safety remains a priority not just for our employees, but for our members and the general public as well. We have various safety measures in place to ensure a secure environment for everyone involved in our operations.

Reliability is equally important to us. We are pleased to report that our system was spared from major storms this past year significantly reducing outages for our electric members. This stability has allowed us to provide you with safe and reliable service while minimizing interruption.

The continued expansion of VIBRANT broadband has been a highlight of the year. We received a large grant from the USDA through the ReConnect 4 program and numerous grants through the State of Minnesota's

Border-to-Border grant program which have been instrumental in our efforts. This fiber expansion not only provides high-quality broadband and phone services but also advances the technology used in our electric system enhancing overall efficiency and reliability.

It is rewarding to witness the growth and evolution of our Cooperative over the past year. The dedication and hard work of our employees, combined with the support of our members, have made these achievements possible. We remain optimistic about the opportunities ahead and are committed to continuing our mission of providing excellent service and innovative solutions.

Thank you for your continued support and commitment to our cooperative community. Together, we are building a brighter and connected future.



*Cooperatively,
Brad Donnay, President*

RULES OF THE ANNUAL MEETING

RECOGNITION BY THE CHAIR:

Every Member, after being recognized by the Chair, shall state their name and address before speaking on the relevant subject.

MOTIONS AND SECONDS:

All Motions and Seconds shall be made by Members only and such Member shall state their name and address at the time of making said Motion or Second.

RULES OF SPEAKING, NUMBER OF TIMES AND DURATION:

No Member shall speak more than twice on the same subject without permission of the Members present, nor more than once until every Member choosing to speak on the subject pending shall have spoken. Nor shall any Member occupy the floor more than three minutes the first time, and three minutes the second time, without the consent by a majority of the Members in attendance.

Unapproved Minutes of the 88th Meeker Cooperative Annual Meeting

April 24, 2023

Directors Karen Becker, Randy Bryant, Paul Bugbee, Brad Donnay, Larry Huhn, Kevin Issendorf, Mark Larson, Stephen Plaisance and Jesse Turck were in attendance. Luke Johnson, CEO/General Manager, and Chad Felstul, Attorney with Pemberton Law, were also present.

Johnson welcomed the Members and guests.

Chair Brad Donnay led the assembly in the Pledge of Allegiance and Director Kevin Issendorf, Chaplain for the Last Man's Club and the Litchfield VFW, gave the invocation.

Chair Donnay called the 88th Annual Meeting of the Members of the Meeker Cooperative Light & Power

Association to order at 9:01 a.m. The meeting was held at Meeker Cooperative Light & Power Association, State of Minnesota, on Monday, April 24, 2023, pursuant to Article II of the Bylaws of the Cooperative.

Donnay appointed Attorney Chad Felstul of Pemberton Law, the legal firm for Meeker Cooperative, as parliamentarian for the Meeting.

Secretary Huhn certified that the Meeting Notice of the Annual Meeting was published in the Meeker Pioneer and mailed to all Meeker Cooperative Members on March 16, 2023.

Secretary Huhn also certified that 152 Members were registered for the Meeting as identified by returned ballots per the Cooperative's Bylaws and

declared a quorum for conducting the business of the Cooperative.

There was a motion by Holly Schultz-Anderson and second by Neil Pearson to approve the Agenda for the meeting as printed in the Annual Report. Motion carried.

Chair Donnay asked for a motion to approve the Rules of the Annual Meeting as printed in the Annual Report. Motion by Kevin Issendorf and second by Mark Larson to approve said Rules. Motion carried.

A motion was made by Steve Plaisance to dispense with the reading of the minutes of the 2022 Meeker Cooperative Annual Meeting and accept them as

88th Annual Meeting Minutes - cont.

printed in the Annual Report. Karen Becker seconded the motion. Motion carried.

The next item on the agenda was the report of the Qualifications & Election Committee. David Leonhardi, Chair of the Committee, provided the Membership with a review of the responsibilities and actions of the Committee. He explained that one Member from each District in which the Director is not up for election is appointed by the Board to serve on the Committee. He introduced the Members of the 2023 Committee and asked any present to stand and be recognized.

Leonhardi described the process for a Member interested in being placed on the ballot which included completing and submitting an Application by the announced deadline, review of the submitted applications by the Committee to verify eligibility and other information, and then action by the Committee to place names on the ballot.

One application was submitted in District 1, District 2 and District 6. Two Members submitted applications for the seat in District 9. This seat had been filled by appointment of the Board at the time of an unexpected opening until the next regular election per the Bylaws.

The Committee determined that all of applicants met the stated qualifications and the Committee took action to place these interested Members on the ballot in their respective Districts.

Meeker Cooperative's Bylaws give the Committee the authority to declare a candidate elected if there is only one candidate in a District. The Committee took said action declaring Incumbent Paul Bugbee elected in District 1, Incumbent Karen Bugbee elected in District 2 and Member Neil Pearson elected in District 6.

Ballots were mailed to the Members in District 9 with nominees Incumbent Jesse Turck and David Lundin identified as candidates. Ballots have been submitted and will be counted during this Meeting. The results will be announced prior to adjournment.

Chair Donnay thanked Leonhardi for his report and the work of the Committee. He then called for tellers to count the ballots for the Director seat in District 9. Volunteers included Paul Bugbee, Larry Huhn, Nathan Johnson and David Leonhardi. Tellers left the Meeting with Meeker Cooperative employee Felicia Skaggs and Attorney Chad Felstul to tally the votes.

Donnay introduced the current Board of Directors and asked that they stand to be recognized.

Johnson introduced Troy Hilsgen to report on his experience as a member of the Cooperative 101 Member Group. This was the sixth Group to complete this training and had concluded its term in November. Hilsgen explained that the Group is designed to offer Members a greater understand-

ing of Meeker Cooperative. He shared some of his favorite presentations and highlighted the results of a survey taken during the last meeting. The survey results indicated that everyone found it to be a worthwhile activity and that they would recommend others participate if given the opportunity to do so.

CEO/General Manager Luke Johnson introduced Holly Schultz-Anderson, Chair of the Meeker Cooperative Electric Trust Board, to review the Trust's activities in 2022. Johnson had two donations to present to Schultz-Anderson including a \$1,000 check from Great River Energy (one of Meeker's power suppliers) and a \$2,500 check from NRTC in honor of retired CEO Tim Mergen. Schultz-Anderson thanked Johnson for these donations. She also thanked Meeker's Members and VIBRANT subscribers for rounding up their bills, and Co-op employees for rounding down their paychecks, to support the Operation Round Up® program. On average, Members and VIBRANT subscribers participating in Operation Round Up contributed about \$5.78 each in 2022. This "spare change" adds up quickly and is distributed back into the communities where Members live and work. In 2022, the Trust distributed \$57,865 to various organizations through grant requests for specific projects, food shelf and heat/emergency assistance donations and as educational scholarships. About 77 percent of the Membership and VIBRANT subscribers currently participate in the program. Schultz-Anderson also thanked the Trustees for their time, commitment and dedication to the work of the Trust.

The next item of business was the 2022 Financial Report presented by Finance Manager Scott Froemming. Attendees were invited to follow along in the Annual Meeting Report which will be also available on the website following the meeting. Froemming reviewed the Cooperative's assets and liabilities and the 2022 statement of net margins. The Co-op ended the year with \$25.4 million in operating revenue which included \$850,000 of revenue deferred in prior years. When expenses were subtracted from the revenues, the 2022 operating margins were recorded as \$2,568,819. The Cooperative had a net non-operating margin of \$23,973. The total net margins for 2022 were \$2,592,792. A clean audit opinion from the firm of Brady Martz & Associates had been received.

Donnay thanked Froemming and invited CEO/General Manager Luke Johnson to present the annual Report to the Membership.

Johnson thanked employees for their hard work, dedication to the Membership, and resiliency as they continue to adapt to whatever situations are at hand.

Johnson's presentation focused on increased costs and longer than usual lead times, and the numerous grant opportunities that continue to surface through state and federal legislation. Johnson described some of the price increases that Cooperative has experienced for product and for

purchased power and assured Members that the Cooperative is doing everything it can to mitigate costs. He noted that the Cooperative is fortunate to have well-developed, long-standing relationships with many of its vendors.

Johnson also described how the covid pandemic brought to the forefront the disparities in internet availability and access and the desperate need to correct it. The Cooperative has been diligent in its efforts to access as much grant funding as possible at both the state and federal levels for both internet services and the electric system. Recently, the U.S. Department of Energy announced a grant opportunity under the Bipartisan Infrastructure Law, Grid Resilience and Innovation Partnerships. Meeker has submitted an application to the Department of Energy to deploy Smart Grid devices on the electric system. These smart devices will allow for advanced data collection, remote operation, increased reliability and resiliency and will reduce maintenance expenses on the electric system. Receipt of this funding will allow an accelerated grid modernization project on the system which would otherwise take Meeker years to complete if we were to self-fund a project of this magnitude.

As the Tellers had not yet returned from counting the ballots, Johnson announced there would be a short break.

Attendees were called back together and Donnay called on the Chair of the Tellers to announce the results of the election. David Leonhardi had been selected as the Chair and he introduced the other volunteers that had served as Tellers. Leonhardi then reported that 51 votes were cast for David Lundin and 102 votes were cast for Incumbent Jesse Turck. Turck was declared the winner of the election for the open seat in District 9. This seat will be up for election following the regular rotation of elections next year. There was one ballot disqualified that could not be counted. As noted earlier in these minutes, prior to the meeting 152 Members were represented. Upon the opening and counting of the ballot envelopes it was found that two ballot envelopes each contained two ballots representing two different accounts. Total ballots counted for the election were 154.

Donnay thanked the Tellers and candidates and congratulated Turck on his re-election.

Meeker's Attorney and Meeting Parliamentarian Chad Felstul came forward to conduct the New Business portion of the Meeting. After calling for New Business and hearing none, Felstul turned the Meeting back over to Chair Donnay.

Donnay called for a motion to adjourn the Meeting. A motion was made by Randy Bryant and seconded by Neil Pearson to adjourn the Meeting. Motion carried; meeting was adjourned.

Larry Huhn, Secretary

Mary Alice Holm, Recorder

2023 Board of Directors



District 3
Brad Donnay



District 1
Paul Bugbee



District 2
Karen Becker



District 7
Randy Bryant



District 4
James Ellingson



District 5
David Leonhardi



District 6
Neil Pearson



District 8
Larry Huhn



District 9
Jesse Turck

MEEKER COOPERATIVE DISTRICTS



Resigned. Moved from Meeker Co-op Service Territory.



District 4
Kevin Issendorf



District 5
Steve Plaisance

Meeker Cooperative Electric Trust

Over \$1 million dollars – that is quite an accomplishment! The spare change of members, subscribers and employees, combined with other donations, has made it possible for the Meeker Cooperative Electric Trust to fund projects and provide scholarships to strengthen the communities within Meeker's service territory.

How does this happen? Members and VIBRANT subscribers allow the Cooperative to round up their bills up to the nearest dollar and employees can choose to round down their paychecks. This spare change, along with various other donations, is placed into a Trust for distribution. In 2023, the Meeker

Cooperative Electric Trust distributed \$55,750 to various organizations and as scholarships to support and enhance local opportunities.

The Meeker Cooperative Electric Trust is an independent 501(c)3 organization made up of residents from throughout Meeker's service territory. The Trustees meet three times per year to review grant applications for funding. They are tasked with reviewing the applications submitted by non-profit area organizations which describe proposed projects and their need for funding. Trustees also consider annual donations to area food shelves, to the United Community Action Partnership for heat and emergency

assistance and to area high schools for scholarships. Since its inception in 1998, about \$1,053,392 has been distributed.

Information about the grant application process and scholarships is available on Meeker's website at www.meeker.coop or by calling the Cooperative.



2023 Trustees

- Allen Anderson, Paynesville
- Raeann Carlson, Litchfield
- Tom Ehlinger, Kimball
- Joan Euerle, Litchfield
- David Leonhardi, Dassel
- Theresa Nelson, Litchfield
- Gail Schiefelbein, Kimball
- Holly Schultz-Anderson, Darwin
- Megan Wimmer, Litchfield
- Jason Yates, Hutchinson

Summary of 2023 Awards

Community Service
23 awards totaling \$22,000

Education and Youth
13 awards totaling \$9,850

Food Shelves
7 awards totaling \$6,300

Disaster Relief
None awarded

K-12 Teachers Working Cooperatively Grants
2 awards totaling \$3,600

Non-Traditional Scholarship
None awarded

Lineworker & Electrician Scholarship
None awarded

Scholarships to High School Seniors
2 - \$1,000 scholarships to 7 schools totaling \$14,000

2023 Trust Distribution: \$55,750
Average contribution per member for the year: \$5.10

Thank you to everyone that contributes your spare change to strengthen our communities.



Back Row L to R:

Josh Carlson, Mike Flaata, Cody Schiroo, Dan Johns, Nick Simar, Luke Schoenecker, Scott Ernst, Tony McCleary, Andrew Kalkbrenner, Dan Schrupp, Scott Froemming, Dave Tremel, Kelly Hedtke, Shane Zeppelin

Middle Row L to R:

Kathy Hanson, Leah Kohls-Cummings, Mary Alice Holm, Felicia Skaggs, Madison Wegener, Nathan Johnson, Laura Niece, Michele Boreen, Holly Schultz-Anderson, Mary Petsche, Melissa Nordberg, Jane Wagner, Michele Caldwell, Bo Johnson, Steve Kosbab, Tiffany Volk

Front Row L to R:

Eric Wittenberg, John Grabow, Brady Hoppe, Al Resmen, Nate Glimsdal, Allen Lendt, Luke Johnson (front), Brandon Skalberg, Logan Josephson, Matt Larson, John Eggert, Mark Dallmann. Not pictured: Jake Smothers, Don Smieja, Jammie McCarney, Robbie Brown.

2023 FINANCIAL REPORT

Balance Sheet - December 31, 2023

ASSETS

CASH AND CASH EQUIVALENTS

General Cash	\$242,235	
Temporary Investments	<u>(2,640)</u>	
TOTAL CASH AND CASH EQUIVALENTS		\$239,595

CURRENT AND OTHER ASSETS

Accounts Receivable - Electric	\$3,523,357	
Less Allowance for Doubtful Accts	<u>(88,544)</u>	\$3,434,813
Accounts Receivable - Other	\$718,434	
Less Allowance for Doubtful Accts	<u>(4,510)</u>	\$713,924
Plant Materials and Supplies	\$4,252,421	
Merchandise	<u>67,763</u>	\$4,320,184
Payments and Deferred Charges		<u>\$432,540</u>
TOTAL CURRENT AND OTHER ASSETS		\$8,901,461

LONG TERM INVESTMENTS

Assoc. Organizations & Other Investments	\$48,460,130	
ERC and VB Construction Loans	<u>22,180</u>	
TOTAL LONG TERM INVESTMENTS		\$48,482,310

UTILITY PLANT

Distribution Line	\$74,274,715	
Headquarters Building & Lands	5,831,579	
General Equipment	<u>13,265,769</u>	
Total Utility Plant	\$93,372,063	
Less Accumulated Depreciation	<u>(30,764,435)</u>	
NET UTILITY PLANT		<u>\$62,607,628</u>

TOTAL ASSETS \$120,230,994

LIABILITIES AND EQUITY

CURRENT AND ACCRUED LIABILITIES

Current Maturities of Long-Term Debt	\$3,999,612	
Accounts Payable - General	5,245,391	
Customer Deposits	159,723	
Accrued Taxes	508,282	
Accrued Interest	13,682	
Other Accruals	<u>3,909,417</u>	
TOTAL CURRENT AND ACCRUED LIABILITIES		\$13,836,107

LONG TERM LIABILITIES

Long Term Obligation to RUS	\$830,819	
Long Term Obligation to CFC	1,834,755	
Long Term Obligation to CoBank	28,665,576	
Long Term Obligation to FFB	<u>38,351,601</u>	
TOTAL LONG TERM LIABILITIES		<u>\$69,682,751</u>

TOTAL LIABILITIES \$83,518,858

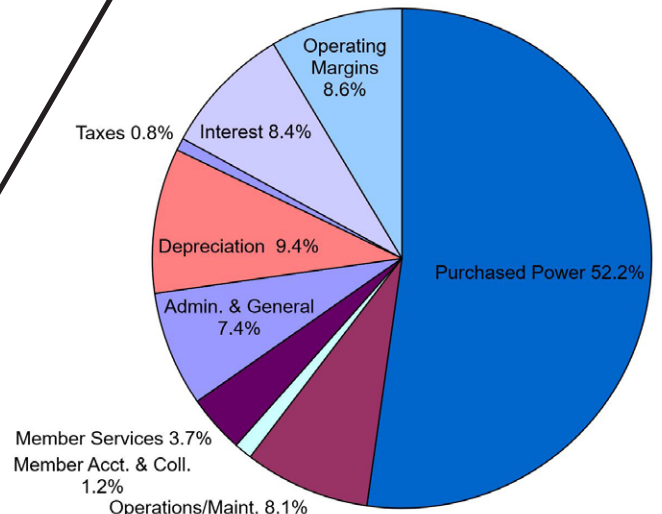
MEMBERS AND PATRONS EQUITY

Capital Reserve	\$880,343	
Patrons Revolving Fund Credits	32,408,218	
Patrons Margins - 2021	3,423,575	
TOTAL EQUITY		<u>\$36,712,136</u>

TOTAL LIABILITIES AND EQUITY \$120,230,994

HOW YOUR DOLLAR WAS SPENT IN 2023

Purchased Power _____ 52.2¢	Depreciation _____ 9.4¢
Operations/Maint. _____ 8.1¢	Taxes _____ 0.8¢
Member Accounts & Collections _____ 1.2¢	Interest _____ 8.4¢
Member Services _____ 3.7¢	Operating Margins _____ 8.6¢
Admin/General _____ 7.4¢	



STATEMENT OF NET MARGINS FOR YEAR ENDED DECEMBER 31, 2023

OPERATING REVENUE

Residential - Including Farms	\$17,741,072
Residential - Seasonal	1,209,793
Irrigation Sales	547,451
Commercial & Industrial	6,190,714
Public Streets & Highway Lighting	36,141
Consumers Forfeited Discounts	40,129
Other Electric Revenue	<u>69,080</u>

TOTAL OPERATING REVENUE **\$25,834,380**

COST OF ELECTRIC SERVICE

Purchased Power	\$13,497,195
Operating Expense	872,218
Maintenance Expense	1,232,433
Customer Accounting & Collecting	300,265
Customer Service & Informational Expense	968,384
General & Administrative Expense	<u>1,907,580</u>

TOTAL OPERATING EXPENSES **\$18,778,075**

Depreciation	\$2,425,962
Taxes	210,466
Interest	2,180,253
Other Expenses	<u>17,010</u>

TOTAL COST OF ELECTRIC SERVICE **\$23,611,766**

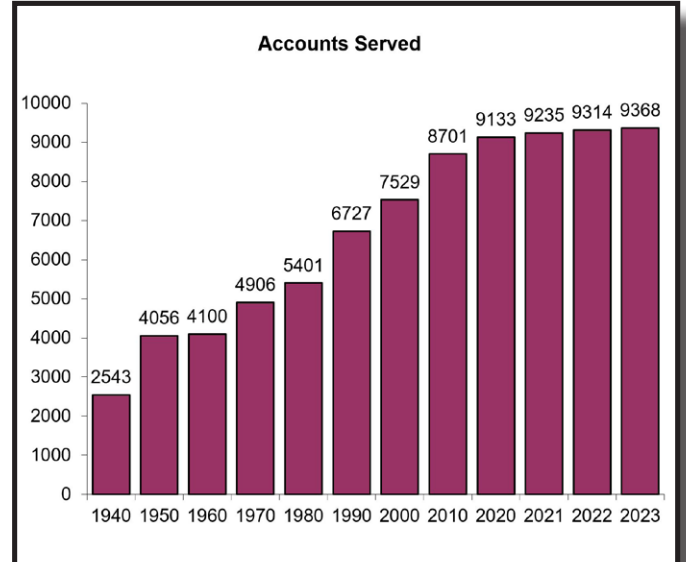
OPERATING MARGINS **\$2,222,614**

Non-Operating Margins - Int. & Dividends	\$219,873
Non-Operating Margins - Other	(861,794)
Generation & Transmission Capital Credits	1,155,817
Other Capital Credits - CFC & CoBank	<u>45,143</u>

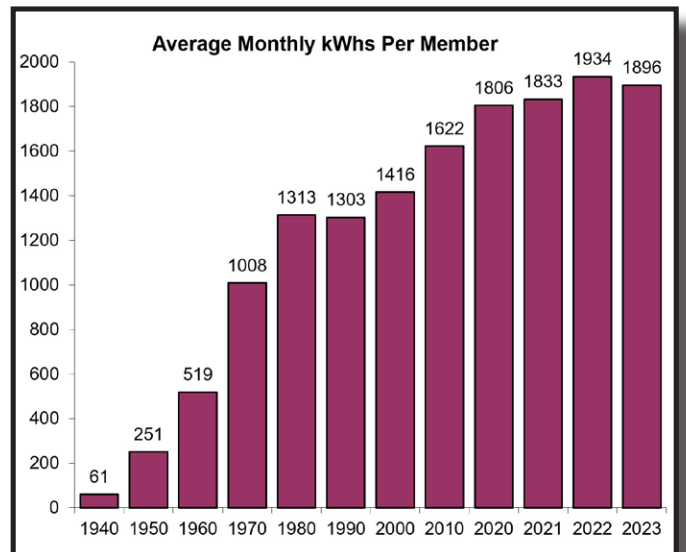
TOTAL NON-OPERATING MARGINS **\$559,040**

NET MARGINS **\$2,781,654**

ACCOUNTS SERVED



AVERAGE MONTHLY KWH PER MEMBER



Meeker
Cooperative 
Light and Power Association



Meeker Cooperative Light & Power Association
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www.meeker.coop • www.vibrantbroadband.com
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