



**Calhoun County Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

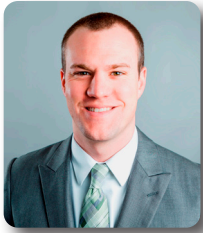
2020 Annual Report Celebrating 85 Years



President's and Manager's Report



Jim Miller
Board President



Keaton Hilldredth
CEO

2020 was anything but normal. A global pandemic meant we all faced challenges never experienced before. Despite the COVID-19 pandemic and all its disruption, your cooperative's Board of Directors and employee team were able to navigate another year safely and successfully, while providing you the electric service you've come to expect. Our focus on **the cooperative difference, safety, reliability, and affordability** continues to be the driving force behind every decision we make at Calhoun County Electric Cooperative.

THE COOPERATIVE DIFFERENCE

Your membership in the cooperative matters. The Board of Directors once again decided to return a portion of the current year's margin, or profit,

recognizing the financial hardship some member-consumers were facing due to the pandemic. This was a special cash retirement and in May of 2020, \$122,000 was sent back to the current members in the form of bill credits. In addition, a regular patronage retirement payment of \$127,000 was made in December 2020, bringing the total amount returned to the members in 2020 to \$249,000. Having a locally elected board that is responsive to the needs of the membership is a strong example of the cooperative difference and a benefit of being a member of a not-for-profit electric cooperative.

SAFETY

Our employees hit an impressive milestone and surpassed a combined 600,000 hours of accident-free, no-lost-time work – an accomplishment that spans all the way back to 1997. This is important because it means our employees are going home safely to their families at the end of every day, which is our number one priority. The cooperative was able to maintain monthly employee safety meetings, despite the pandemic, by socially distancing and using virtual platforms depending on the type of training performed. It's well-known that our employees often complete tasks that can be dangerous and sometimes work in less-than ideal conditions, so their continued focus on safety must be recognized and we applaud the effort they've put forth to work safely!

RELIABILITY

In 2020, our overall system reliability as a percentage of time was 99.995%. The average interruption duration per member served in 2020 was only 27 minutes. That's an improvement over our 5-year average, which is 48 minutes. For context, the 5-year average interruption duration for all electric cooperatives in Iowa combined, excluding major events, is 98 minutes per member. In comparison, investor-owned utility customers in rural areas have experienced an average of 123 minutes of interruption over each of the past 5 years. To support system reliability, your cooperative invested \$320,000 in maintenance

programs across the co-op's nearly 760 miles of power lines in 2020. Tree trimming, pole testing, electrical equipment inspections, meter testing, and a robust re-construction work plan are just a few areas in which your cooperative invests to maintain reliable service to the membership. We have contractors that test poles and inspect electrical cabinets on approximately one-tenth of the distribution system every year. These regular inspections help the co-op maintain a reliable system. In 2020, we rebuilt 10.6 miles of aging power lines and replaced 36 poles and 38 security lights. We also installed 15 new services including four swine facilities and four grain bin sites and upgraded 15 existing services.

AFFORDABILITY

One of the most important responsibilities of the cooperative's board and leadership is to maintain financial stability while providing electric service to you, the member, at the lowest cost possible. The rate you pay for the service you receive hasn't changed since January of 2018, after the routine business practice of a cost-of-service study (COSS) was conducted in 2017. A COSS helps the cooperative design rates consistent with charging each type of membership based on what it costs to serve that type of membership. We have initiated an updated COSS to be performed during the Fall of 2021. Even though we've seen inflation on the rise and cost increases on most of the products we use, our most recent 10-year financial forecast projects stable rates into the future, thanks to strong financial management and cost saving measures. The electricity you receive to power almost every aspect of your farm, home, or business remains an incredible value, and we work to keep it that way.

While 2020 brought its share of challenges, we remain committed to our mission of providing safe, reliable, affordable, and responsible electric service to our member-owners.

GENERAL UPDATE – February's Energy Emergency Alert (EEA) Event

Utilities across the Midwest, including Corn Belt Power Cooperative, Calhoun County Electric Cooperative's power supplier, were called upon to implement load curtailment measures on February 15 and 16, 2021. Corn Belt Power is a member of a regional transmission organization (RTO) known as Southwest Power Pool (SPP). The events on those days were unprecedented as extreme and prolonged arctic weather significantly impacted the RTO's 14-state footprint, stretching from Canada to northern Texas. Regional power supply energy emergency alert declarations were proclaimed as unprecedented and historic energy demand was placed on the system.

Many electric utilities across the country are members of one of nine RTOs and independent system operators (ISOs), also referred to as power pools. These federally regulated entities work on a regional scale to coordinate, control, and monitor supply and demand on the electric grid. RTOs do not own the power grid, but they do work as "air-traffic

Continued on page 3

Board of Directors

Leading the way are our Board of Directors who are democratically voted in by the membership every three years. Like you, these members depend on electricity from the cooperative to power their homes and businesses. We thank these leaders for their commitment to the cooperative.

District 1



Jim Miller,
President

District 2



Ron Hanson,
Treasurer

District 3



Jason McKenney,
Secretary

District 4



LaVerne Arndt,
V.P./Corn Belt Rep.

District 5



Steve Boedecker,
Director

District 6

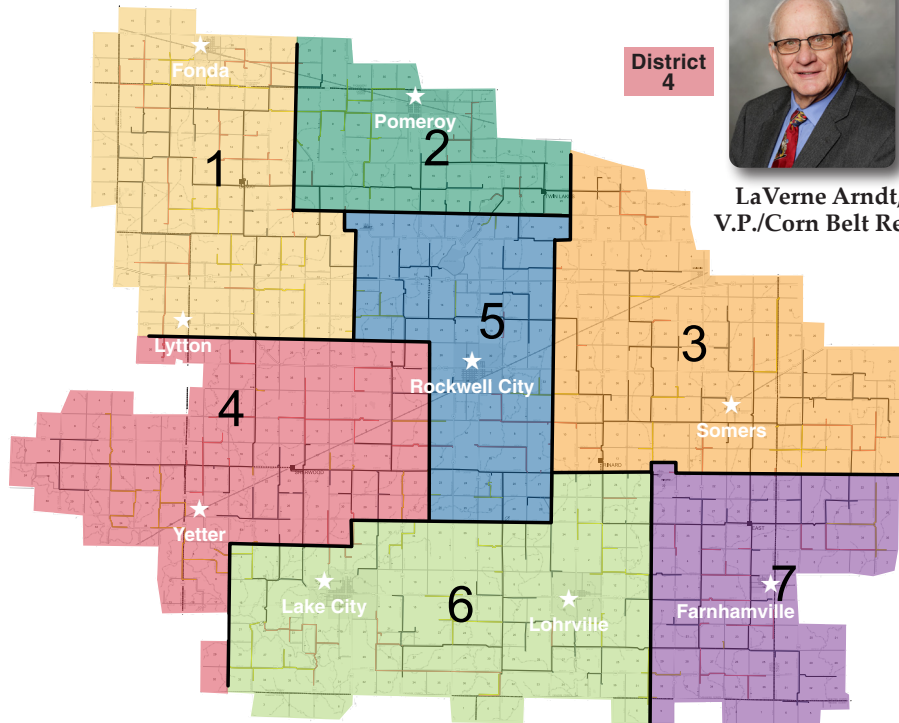


Scott Hicks,
Director

District 7



Duane Beschorner,
Director



President's and Manager's Report...continued

controllers" of the grid to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of their members.

SPP issued an Energy Emergency Alert (EEA) Level 2 and Level 3 orders to its member utilities across several states on Monday through Wednesday, calling for high levels of electric load reduction/curtailment to match available supply. To put it simply, there was not enough available generation/supply to meet this exceptionally high electric demand. This is the first time in its 80-year history SPP issued an EEA Level 2 or Level 3 warning.

Corn Belt Power's times of curtailment included:

- Monday, February 15, Corn Belt Power curtailed 5 megawatts of load for approximately 45 minutes around the noon hour. Approximately 1,500 accounts were without power, including all of Calhoun's Esmay substation.
- Tuesday, February 16, Corn Belt Power was asked to curtail 24 megawatts of load between 6:45 – 10:15 a.m. Approximately 12,500 accounts were without power at some point during the event, including Calhoun's Esmay, Sherwood, and Twin Lakes substations.

These outages occurred without much advanced warning as SPP manages electric supply and demand minute-by-minute in real time. Corn Belt Power Cooperative had minutes to shed specific electric load levels as they complied with Level 3 orders.

Outages and load curtailment measures are necessary to protect the entire SPP power grid. If electric generation cannot keep up with electric demand, grid reliability can be severely compromised. In this worst-case scenario, power plants across the SPP footprint are at risk of cascading outages that would leave tens of thousands of electric consumers in the dark for hours, possibly even days. Thanks to the efforts of Corn Belt Power, as well as several other utilities across the SPP footprint, the electric grid experienced only minor levels of service disruption.

As a result of this event, we have worked to improve our options for more efficient communications during emergencies and extended outages through email and text messages. Look for more information on how to receive these communications soon.

Corn Belt Power Cooperative Report

From Mother Nature's destruction to the COVID-19 global pandemic, 2020 was a challenging year. Despite the challenges, our mission remained the same: to enhance the quality of life of those we serve.

Our membership in the Southwest Power Pool regional market continues to produce positive economic results. We are able to aggressively continue upgrading and rebuilding our electric system as a byproduct of that relationship. Building and maintaining our robust transmission system continues to power us and our members forward.

Corn Belt Power upgraded more than 70 miles of its transmission infrastructure in 2020. The Pocahontas to Whittemore line rebuild, completed by Corn Belt Power crews, consists of 24 miles of new 336 aluminum conductor steel-reinforced cable.

System improvements increase system reliability and provide for future load growth, like the projects we completed in the Butler Logistics Park. Corn Belt Power crews constructed the new Bauman Substation and Feldman Switching Station to power new load at TrinityRail. While the new infrastructure is adjacent to the growing commercial and industrial park, these stations will also deliver power to the surrounding area.

Our power supply department reported Wisdom Station Unit 2 reached record start times and operation hours in 2020. The year's energy production fell just shy of a record setting year. The low, stable natural gas price makes Wisdom Unit 2 a competitive peaking resource within the Southwest Power Pool. Unit 2 is fast-starting and operational on short notice when needed to support transmission system reliability.

We were pleased to announce the commissioning of Wisdom Station's new 150-kilowatt solar facility in 2020. After months of planning, the facility began generating electricity in August 2020. The project features two different photovoltaic panel arrangements, a fixed-tilt array and an array of single-axis tracking panels. The panels take up space once occupied by the plant's coal pile. Wisdom Station converted to an all-natural gas burning facility in 2014.

We witnessed Duane Arnold Energy Center's (DAEC) closure in August, following the devastating derecho that swept across Iowa. Because of our strong relationship with Basin Electric Power Cooperative, we can withstand this closure. Before joining Basin Electric as a Class A member, DAEC made up a large portion of our generation mix. Since joining Basin, our 10-percent share of DAEC has made up less than two percent of our power supply.

In 2020, Corn Belt Power's main office location also received updates with new flooring, an updated reception area and information technology systems. Employees continued to refine the support systems that allow Corn Belt Power to supply our members with safe, reliable and affordable electricity.

Corn Belt Power upgraded its supervisory control and data acquisition system (SCADA) in December. The upgrade increased SCADA system reliability along with the number

of servers providing additional system redundancies. Along with other cooperatives in the state of Iowa, we joined NRECA's Rural Cooperative Cybersecurity Capabilities Program. The program will help Corn Belt Power identify its virtual and physical security strengths as well as detect system threats and vulnerabilities. We're pleased to leverage that information to keep our systems steadfast and secure.

Training the future leaders of Corn Belt Power is a goal that remains unchanged. We welcomed our second class of employees to our Leadership Exploration and Development (LEAD) course in 2020. Corn Belt Power will lose years of experience over the next decade due to retirements. The LEAD program helps develop and identify future leaders. We are confident in LEAD and what it fosters in the employees who commit to growing their own leadership and development through the program.

We'd like to take a moment to thank our employees for their adaptability and for powering on with resilience to serve our members and communities. Whether on an outside crew, at Wisdom Station, in the office, warehouse or mechanic shop, our employees never wavered from Corn Belt Power's mission. They are the epitome of our four core values: integrity, accountability, teamwork and commitment.

Part of our employee's resilience can be seen in overcoming change in our work environments. Employees exemplified this by boosting cleaning efforts, wearing masks, keeping their distance, staying home when ill, working staggered shifts, hosting virtual meetings and at times working from home. Thanks to our IT department, employees were equipped with the technology needed to safely and securely carry-on virtual work where possible.

We are proud to lead such a resilient and highly trained team of professionals who work together to serve our members especially through such unprecedented adversity. Thank you to our employees and their families who helped us endure the year.

We'd also like to thank our former employees and board members for their years of dedicated service as well as our current Corn Belt Power board of directors. Our board's flexibility and decision-making continue to help guide our cooperative through difficult times and into a brighter future.



CALHOUN COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ANNUAL MEETING OF MEMBERS

September 2, 2020

The Annual Meeting of the Members of Calhoun County Electric Cooperative Association was held at the headquarters in Rockwell City, Iowa, at 10:00 A.M. on the 2nd day of September, 2020.

The meeting was called to order by Jim Miller, President of the Cooperative, who presided. Attorney Dennis L. Puckett acted as Secretary of the meeting and kept the minutes thereof.

It was noted that the COVID-19 pandemic had caused the Board to make the difficult decision to conduct this year's annual meeting differently by restricting attendance and completing the essential business of the Director election by mail.

Chairman Miller noted that the Bylaws of the Cooperative allowed the members voting by mail to be deemed present for determining a quorum for purposes of the Director election, but not for other purposes. He stated that there were a sufficient number of members represented by mail ballot so a quorum of the members was deemed present for the conducting of Director election.

It was noted that the record of those voting by mail would be accepted in lieu of a roll call.

The Chairman appointed attorney Dennis L. Puckett of Sullivan & Ward, P.C. as parliamentarian of the meeting.

It was noted that the Notice of the Annual Meeting of the Members had been mailed to all members of the Cooperative. In the absence of any members being present in person, the reading of the Notice was declared unnecessary.

The minutes of the Annual Meeting of the Members held September 4, 2019 were also mailed to all members and it was noted that these will need to be approved by the members at the next meeting.

The next order of business was the election of three (3) Directors for a term of three (3) years each. In accordance with the By-Laws, the Board of Directors had appointed from the members of the Cooperative a Nominating Committee consisting of District No. 1 - Mike Barrett (Secretary), George Mack (Chairman), Dale Bruns; District No. 3 - David Hanson, Dan Stelling, Larry Winkelbauer; District No. 5 - Pat Riley, Mike Powers, Keith Sexton. Attorney Puckett described the work of the Committee, who had nominated the following members as candidates for Director:

Three-Year Term (Three to be Elected)

District No. 1	Jim Miller Jeff Neubaum
District No. 3	Jason McKenney
District No. 5	Steve Boedecker Joel Wuebker

The report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting. Attorney Puckett explained that in addition to the nominations by the Nominating Committee, the Bylaws provide a process for nominations by Petition. He indicated that there were no nominations by petition.

The Chairman had previously appointed Mike Barrett, Larry Winkelbauer, Kayla Wiederin and Lori Morse as Tellers/Inspectors of Election. A vote was then had by mail ballot and the ballots were previously delivered to the Inspectors, who proceeded to count them.

The Certificate of Inspectors of Election was then presented and read, certifying that the following members, having received the highest number of votes cast, had been duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

Three-Year Term

District No. 1	Jim Miller
District No. 3	Jason McKenney
District No. 5	Steve Boedecker

The Chairman directed the Secretary to annex the Certificate of Inspectors of Election to the minutes of this meeting, and thereupon declared such members duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

CEO Keaton Hildreth presented a report on the activities of the Cooperative. He noted the Cooperative's commitment to safety and to community. He described reliability improvements and system maintenance. He reported on patronage retirements, diverse power supply, electric vehicles, and COVID-19 impacts on the Cooperative.

Chairman Miller provided closing remarks and then declared the meeting adjourned.

Dedicated to Serving You



Linemen: L to R: Bret, Jared, Doug, Chad, Reid and Ben



Office: L to R: Richard, Kayla, Keaton, Lori and Rob

Reid Galloway, Line Foreman
Richard Hall, Member Services Representative
Keaton Hildreth, CEO
Chad Krukow, First Class Lineman
Jared Kuhlert, First Class Lineman
Doug LeMonds, Lead Lineman/Safety Coordinator
Bret McAlister, Line Superintendent
Lori Morse, Billing Supervisor
Rob Peterson, Office Manager/Accountant
Ben Wiederin, First Class Lineman
Kayla Wiederin, Communications Manager



11 employees



1,178 members



5 counties served



758 miles of line

IMPORTANT REGISTRATION CARD

Bring this registration card with you to the

DRIVE-THRU ANNUAL MEETING

CALHOUN COUNTY ELECTRIC COOPERATIVE OFFICE

1015 Tonawanda St., Rockwell City, IA 50579

4:30 – 7:00 P.M.

September 1, 2021



**FAMILIES ARE
WELCOME!**

TO-GO STYLE MEAL

*Grilling by Calhoun
County Cattlemen

GIFTS!
(while supplies last)

Financials

BALANCE SHEET

	MAY	
	2021	2020
ASSETS		
Total Plant in Service	\$17,416,321	\$16,645,004
Less: Accumulated Depreciation	<u>3,770,709</u>	<u>3,470,929</u>
NET VALUE OF UTILITY PLANT	\$13,645,612	\$13,174,075
Cash	\$ 341,626	\$ 325,301
Temporary Investments	533,223	-
Accounts Receivable	411,891	423,605
Materials and Supplies	312,423	292,118
Other Assets	150,267	207,182
Long Term Investments/ Economic Development	371,733	367,301
Investments in Associated Organizations	2,649,745	2,504,459
Other Property	-	-
TOTAL ASSETS	<u>\$18,416,521</u>	<u>\$17,294,041</u>
LIABILITIES		
Consumer Deposits	\$ 6,100	\$ 6,800
Accounts Payable	287,348	240,517
Other Accrued Liabilities	189,295	177,611
Deferred Credits	4,483	4,549
RDUP Mortgage Notes	6,888,065	6,032,352
CFC Mortgage and Notes	2,770,561	3,029,907
Accumulated Operating Provisions	194,143	174,767
Other Notes Payable		
Econ Dev Grant	<u>406,300</u>	<u>225,000</u>
TOTAL LIABILITIES	<u>\$10,746,294</u>	<u>\$ 9,891,502</u>
NET WORTH		
Memberships	\$ 5,885	\$ 5,900
Deferred Patronage	2,917,617	2,866,579
Margins-Current year - 1/1 to 5/31	(83,127)	(49,895)
Other Margins & Equities	<u>4,829,851</u>	<u>4,579,955</u>
TOTAL NET WORTH	<u>\$ 7,670,227</u>	<u>\$ 7,402,539</u>
TOTAL LIABILITIES & NET WORTH	<u>\$18,416,521</u>	<u>\$17,294,041</u>

STATEMENT OF REVENUE AND EXPENSES

	MAY	
	2021	2020
ELECTRIC REVENUE		
Rural Residential	\$4,210,904	\$4,521,906
Commercial	717,645	740,541
Resale Sales - Farnhamville	328,503	387,360
Resale Sales - Callender	183,654	188,393
Other Electric Revenue	<u>14,811</u>	<u>14,660</u>
TOTAL ELECTRIC REVENUE	<u>\$5,455,517</u>	<u>\$5,852,860</u>
EXPENSES		
Purchased Power	\$3,367,995	\$3,603,576
Operations and Maintenance	502,091	547,364
Consumer Accounting	108,739	112,324
Sales Expense	122,895	108,182
Administrative & Office Expense	472,480	496,102
Depreciation	474,294	450,972
Interest on Debt	292,482	290,013
Taxes - Energy Assessment	<u>11,304</u>	<u>7,453</u>
TOTAL EXPENSES	<u>\$5,352,280</u>	<u>\$5,615,985</u>
ELECTRIC MARGINS	<u>\$ 103,237</u>	<u>\$ 236,875</u>
OTHER INCOME		
Interest	\$ 21,358	\$ 20,551
Patronage	337,635	315,649
Merchandising	<u>19,224</u>	<u>(516)</u>
TOTAL OTHER INCOME	<u>\$ 378,218</u>	<u>\$ 335,685</u>
TOTAL MARGINS	<u>\$ 481,455</u>	<u>\$ 572,559</u>

Calhoun County Electric Cooperative belongs to the communities it serves. In 2020, the cooperative returned \$249,000 in patronage dividends to past and present members.



Calhoun County Electric Cooperative Association

A Touchstone Energy® Cooperative 

PO Box 312, Rockwell City, IA 50579

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DPC

DON'T FORGET! Tear off here and bring this card to register at the annual meeting. 



Directors:

Jim Miller, President - Fonda
LaVerne Arndt, V. President - Sac City
Jason McKenney, Secretary - Somers
Ron Hanson, Treasurer - Pomeroy
Duane Beschorner - Lohrville
Steve Boedecker - Rockwell City
Scott Hicks - Lake City
Keaton Hildreth, CEO

Office Hours:

Monday - Friday
8:00 a.m. to 4:30 p.m.
Telephone: 712-297-7112 or
Toll Free: 800-821-4879
Fax: 712-297-7211
e-mail: info@calhounrec.coop
www.calhounrec.coop