

2021 ANNUAL REPORT

WE **POWER** YOU



BALLOT ENCLOSED



**Calhoun County Electric
Cooperative Association**

A Touchstone Energy® Cooperative 



Jim Miller | Board President



Keaton Hildreth | CEO

President's & Manager's **REPORT**



At Calhoun County Electric Cooperative Association, We Power You. For 86 years, the mission has been simple: we provide our member-owners safe, reliable, and responsible electric service at a fair price and demonstrate our commitment to communities by offering other value-added services. Your cooperative powers homes, farms, businesses, and schools and we've continued to find ways to improve safety, reliability, and the value of electricity while investing in our communities to improve the lives of our members. We're proud to report the cooperative's Board of Directors and its employee team completed another successful year in 2021.

CULTURE OF SAFETY

Safety remains the top priority at CCECA. Last year, our employees worked 24,091 hours safely, bringing our total number of accident-free hours to over 625,000 – an accomplishment that spans all the way back to 1997. This means our employees are going home safely to their families at the end of every day. One of the ways we accomplish this is by completing the Rural Electric Safety Achievement Program (RESAP) process through our partners at NRECA and IAEC every three years. In 2021, we completed the RESAP by developing a Safety Improvement Plan (SIP), performing enhanced on-site safety inspections, and reviewing and evaluating our annual performance measures. Our employees work in less-than ideal conditions from time to time, and their continued focus on safety must be recognized and we applaud the effort they've put forth to work safely!

SYSTEM INVESTMENT & RELIABILITY

In 2021, we invested nearly \$550,000 in needed infrastructure improvements such as line reconstruction, pole replacements, tree trimming, and equipment maintenance, which helps ensure reliability. Excluding major storms, our overall system reliability as a percentage of time was 99.985%. The average interruption duration per member served in 2021 was 78 minutes. In comparison, the Iowa REC average was 127 minutes and rural investor-owned customers experienced an average of 158 minutes of interruption in 2021. We know you count on us to power your homes, farms, and businesses, and we do our best to provide reliable service to our member-owners.

In December, our area was hit with high winds and tornadoes, damaging several portions of our system, leaving hundreds of members without service. Our line crew worked into the night

restoring power as quickly as possible. While assessing the damage, we discovered 49 broken poles, spread out in four different areas, along with 9 additional transmission structures that had been destroyed. With some assistance from neighboring Racoon Valley Electric Cooperative, we were able to safely restore power to everyone by the next evening, a truly remarkable accomplishment and a testament to the dedication and commitment of our employees to our members.

AMI PROJECT

An improvement to our automated metering infrastructure (AMI) system was initiated in 2021. The original AMI was deployed in 2011 and served a great purpose. It allowed the cooperative to collect meter reads over the powerline system without the need to dispatch traditional meter readers. We were also able to capture daily meter reads, helping pinpoint the causes of high usage for members looking to lower their energy consumption. As with any computerized system, the useful life has been met and upgrades were necessary. With the deployment of the newer technology, the cooperative will gain important improvements in the way we collect and utilize data. The new meters will collect usage readings every 30 minutes and will have the ability to automatically report a power interruption to the office, improving outage response and restoration, and increasing reliability. We are excited to implement this new technology over the next year or so.

MAPS UPDATE

We started another project in 2021 to digitize our mapping system. For years, our operations department navigated our nearly 760 miles of electric distribution system using a master map at headquarters and paper maps in our fleet of trucks with a limited amount of technical information available while in the field. With proven GIS mapping technology available and utilized by most other utilities, it was time for an upgrade. With the help of the engineering firm responsible for designing our system back in the 1930's and today, a digital map of our system has been created with interactive data, including members' location and contact information, transformer size, meter type, wire and pole size and type, plus much more. All this information is now available to our line crew with the tap of a finger. There are many advantages to the digital maps including enhanced ability to prepare and respond during outages, improving our safety and your reliability.

THE VALUE OF ELECTRICITY

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. With inflation on the rise and cost increases on most of the products we use, it's more important than ever to develop and execute on a well thought out plan. 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.

PATRONAGE RETURNED

The Board of Directors once again decided to give back a portion of the most recent year's margin, or profit. A special cash retirement in May of 2021 sent over \$92,000 back to current members in the form of bill credits. In addition, a regular patronage retirement payment of more than \$106,000 was made in December 2021, bringing the total amount returned to the members in 2021 to over \$198,000. Having a locally elected board is a strong example of the cooperative difference and a benefit of being a member of a not-for-profit electric cooperative.

COMMITMENT TO OUR COMMUNITIES

We continue to enhance our communities by investing in projects and people that make a difference, improving all our lives. Our revolving loan fund (RLF) was a source of financing recently for a much-needed daycare facility and a hardware store in Rockwell City, and an auto shop in Manson. The fund, established using a grant from USDA, has also been used for local medical and emergency response facilities, restaurants, and retail businesses. We've also utilized our RLF, along with matching funds from Corn Belt Power Cooperative to assist in the development of the Calhoun County Business Park located in our service territory, at the intersection of highway 4 & highway 20. We also continue to invest back into our area students through scholarships, the Washington D.C. Youth Tour program, and through donations to our local County Fair and youth organizations.

WAYS TO CONNECT

Recently, we've added ways you can connect with us. Our online account platform allows you to view and pay your bill electronically, monitor your usage, and make decisions on how you'd like us to communicate with you. We've also developed a mobile app that can do all those things, plus it gives you the ability to report outages from your phone. We encourage everyone to download the mobile app and sign up for general notifications to receive text message alerts or electronic billing notifications from the cooperative. We want to make it simple to interact with us. We think these new technologies will do just that.

After a successful 2021, we look forward to working on behalf of our member-owners into the future. At Calhoun County Electric Cooperative Association, We Power You.

CALHOUN COUNTY ELECTRIC COOPERATIVE

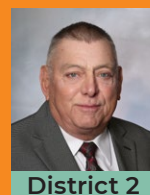
BOARD OF DIRECTORS

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



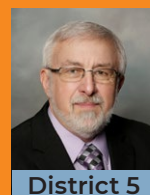
District 3

Jason McKenney,
Secretary



District 4

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



District 5

Steve Boedecker,
Director



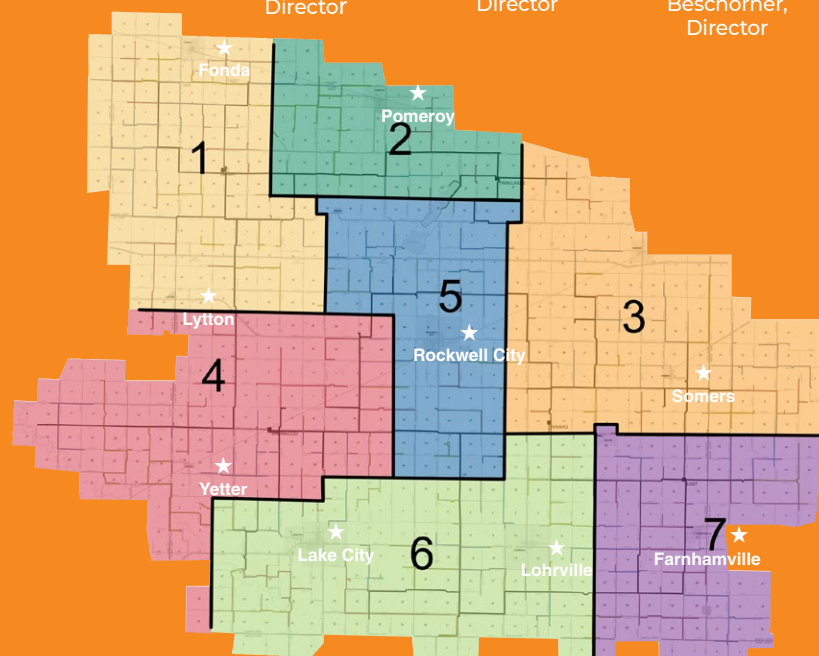
District 6

Scott Hicks,
Director



District 7

Duane
Beschorner,
Director



3

Corn Belt Power Cooperative Report 4

This year, Corn Belt Power Cooperative will celebrate the 75th anniversary of filing the organization's articles of incorporation. This year's theme "Powerfully Present," in part, embraces our history and the work we do for the betterment of future generations.

Just like our founders did almost 75 years ago on August 28, 1947, our job is to lay groundwork for future generations of cooperative members. However, while doing that, we must also engage and respond to today's membership with powerful presence. 2021, much like 2020, was full of challenges. In February, due to historic, prolonged low temperatures, we witnessed our first-ever energy emergency alert Level 3. Utilities across the Midwest, including Corn Belt Power Cooperative, implemented load control measures and curtailments to some accounts on Feb. 15 and 16. Southwest Power Pool (SPP) ordered these load curtailments, leaving Corn Belt Power and its member-cooperatives little time to act.

This unprecedented event raises many questions about the future of power generation across the United States. Corn Belt Power continues to refine its processes to help mitigate future energy emergency alerts. Furthermore, we're working with our industry partners, including SPP, to address root causes of the event. Corn Belt Power remains strong financially. In 2021, we received another "A" rating from our ratings agencies. Again, we were able to keep rates stable, while also returning \$5.14 million in our annual quick roll to members. Furthermore, in December, Basin Electric Power Cooperative, N.D., returned \$30 million to members. Corn Belt Power returned our \$2.1 million share to our member-cooperatives. These accomplishments are indicative of strong financial metrics and bode well for future rate stability.

Our membership in the SPP regional market continues to produce positive economic results. We aggressively continue upgrading and rebuilding our electric system as a byproduct of that relationship.

Corn Belt Power upgraded more than 40

miles of its transmission infrastructure in 2021. The Algona-Hancock-Klemme line saw 28.52 miles of rebuild. In total, when complete, more than 40 miles on that stretch of line will be rebuilt.

System improvements increase system reliability and provide for future load growth. Corn Belt Power crews began construction on the Whalen Substation inside the Butler Logistics Park. This substation will serve a new soy processing facility inside the park.

Elsewhere across the system, our electrical maintenance department upgraded buses and switches at Pocahontas, Galbraith and Burt switching stations. Corn Belt Power replaced transformers at Bradford, Eagle and Lake Cornelia. Our system improvement and upgrade plan included regulator replacements at Meadowbrook, Bauman South, Rembrandt and Pocahontas.

Our power supply department continued its practice of proactive inspections and preventive maintenance at Wisdom Station in 2021.

Wisdom Unit 2 underwent a routine borescope inspection following the extended fuel oil operations that occurred in February. During this inspection issues were discovered with the thermal barrier coating on multiple components in the unit's combustion section. These components were replaced during a planned outage that occurred in December. The Wisdom Unit 2 generator step-up transformer underwent routine electrical testing which led to the discovery of an issue with one of its high voltage bushings. The bushing was then replaced and the transformer was returned to service without issues. These projects show how routine, proactive inspections help prevent more costly, unplanned outages in the future.

Crews also replaced the firewalls in the Wisdom Unit 1 transformer bay and upgraded the control system for the Wisdom Unit 1 cooling tower. Both of these items were original to the unit. The battery bank and battery charger were also replaced in 2021 due to age. These batteries supply DC power to the Wisdom Unit 1 control system

and various emergency equipment, such as lighting and lube oil systems.

Training the future leaders of Corn Belt Power is a goal that remains unchanged. Our second Leadership Exploration and Development (LEAD) class graduated in 2021. The LEAD program helps develop and identify future leaders.

As part of the LEAD program, graduates must complete and/or pitch a project for potential implementation to Corn Belt Power's management. In 2021, we saw several of those projects come to fruition, including an all-employee training day and LED lighting improvements at Wisdom Station. Brittany Dickey, a graduate of the inaugural LEAD class in 2019, created an employee engagement committee. The committee organized an all-employee training day in October, where employees heard updates from all Corn Belt Power departments. Employees also heard from guests about topics of safety and leadership.

John Naber, a 2021 LEAD graduate, helped to install LED lighting improvements at the cooperative's Wisdom Station plant. This lighting improvement enhances safety for operators and employees while they do rounds and work in and outside of the plant. Corn Belt Power and our board is confident in LEAD and what it fosters in the employees who commit to growing their own leadership and development. Finally, we'd like to thank our former employees and board members for their years of dedicated service. Without their foresight and leadership, we wouldn't be where we are today.

We'd also like to thank our current Corn Belt Power board of directors and employees. The board's flexibility and decision-making and our employees' steadfast adherence to Corn Belt Power's mission and values give powerful presence to the way we serve our members and communities.



**Corn Belt
Power Cooperative**

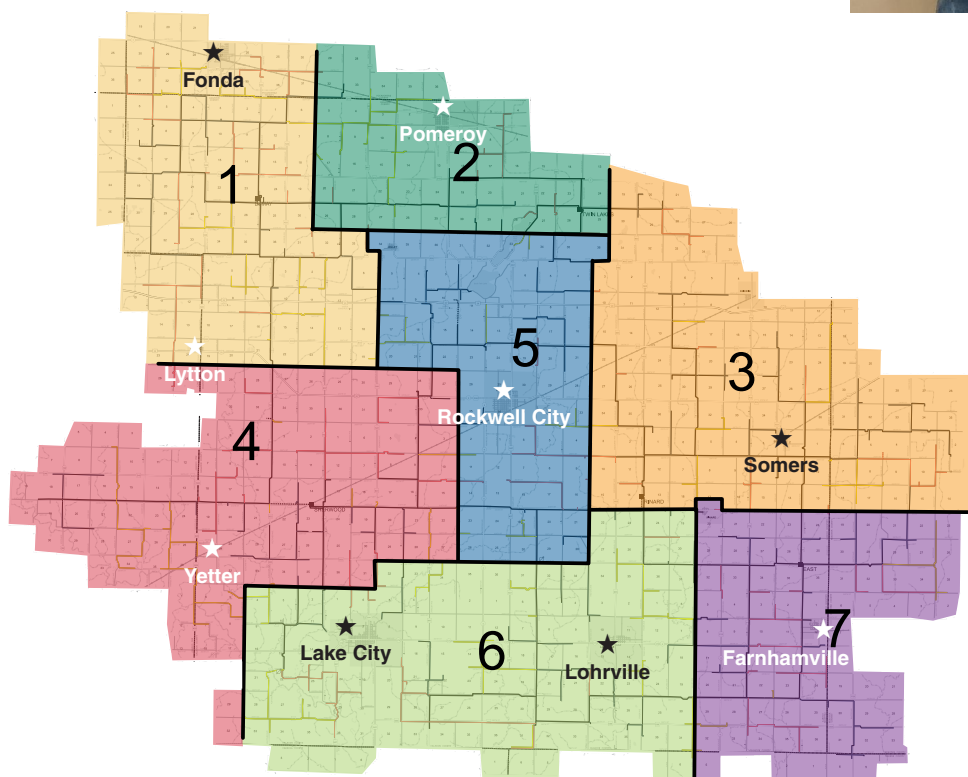
A Touchstone Energy® Cooperative 

2021 ANNUAL REPORT

Report of **Nominating Committee**

The Nominating Committee met July 11, 2022 at 5:30 p.m. at the Calhoun County Electric Cooperative office in Rockwell City. The Nominating Committee of the Calhoun County Electric Cooperative Association, duly appointed by the Board of Directors, hereby nominated members of the Cooperative for the office of director for a term of three years.

L to R: Joe Parker, Doug Hucka, Tony Sommerfeld, Keith Hiler & Scott Doherty (Not pictured: Ron Maulsby)



Two Positions on CCECA Board Up for **Election**

Two positions on Calhoun County Electric Cooperative's seven-member Board of Directors will be up for election at the September 14, 2022 annual meeting. This year the terms of LaVerne Arndt (District 4) and Scott Hicks (District 6) will expire.



Board Candidates

DISTRICT 4:

LaVerne Arndt (Incumbent)

Resides 2.5 miles southwest of Lytton

Married to Colleen, 2 children,
2 grandchildren

Owner operator, raising corn, soybean
and hay for 38 years

Cow and calf operation

Retired FSA CEO for Calhoun County

Member of Farm Bureau

Member of CCECA since 1993

CCECA Director since 2013 and current Vice President

Corn Belt Power Director since 2018



Darcy Dougherty Maulsby

Lives between Lake City and Yetter

Married to J. Maulsby

Assists with her family's Century
Farm, a corn and soybean operation

Earned her MBA from Iowa State
University

Has owned her own marketing/
communications business since 2002

Author of seven non-fiction Iowa history books, including
Iowa Agriculture

Past president and current director on the Calhoun County
Farm Bureau board

Member of CCECA since 2006



DISTRICT 6:

Brent Bergquist

Resides north of Lohrville

Married to Dana, 4 children

Owner operator, raising corn,
soybeans, oats and alfalfa since 1995

Also has cattle, goats and poultry

Member of CCECA since 1998



Joe Parker

Resides west of Lohrville

Married to Heather, 3 children

Employed at NEW Cooperative for
the last 15 years

Pheasants Forever – Calhoun County

Lohrville Lions Club

Member of CCECA since 2013



BALLOT FOR DIRECTORS

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BALLOT FOR DIRECTORS



BALLOT FOR DIRECTORS

CALHOUN COUNTY
ELECTRIC
COOPERATIVE
ASSOCIATION

Detach ballot here

Vote for the
candidate of
your choice
and return
ballot by mail
in the enclosed
postmarked
envelope or by
bringing your
ballot to the
meeting.

Ballots will be
accepted until
6:15 p.m. on
September 14,
2022.

Detach ballot here

BALLOT FOR DIRECTORS



**Calhoun County Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

ANNUAL MEETING
Sept. 14, 2022

Director District 4
[Vote for one]



LAVERNE ARNDT



**DARCY DOUGHERTY
MAULSBY**



CANDIDATE BIOS ON PREVIOUS PAGE



**FIND YOUR VOTING
BALLOT ON BACK**

OFFICIAL BALLOT



**Calhoun County Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

PO Box 312, Rockwell City, IA 50579

**Telephone: 712-297-7112
or 800-821-4879**

www.calhounrec.coop



BALLOT FOR DIRECTORS



BALLOT FOR DIRECTORS

CALHOUN COUNTY
ELECTRIC
COOPERATIVE
ASSOCIATION

CALHOUN COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ANNUAL MEETING OF MEMBERS September 1, 2021



The Annual Meeting of the Members of Calhoun County Electric Cooperative Association was held at the Cooperative office in Rockwell City, Iowa, at 7:20 P.M. on the 1st day of September, 2021.

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

It was noted that the COVID-19 pandemic had caused the Board to adjust the manner in which the annual meeting was conducted. A drive-through format was used and the Director election was primarily completed by mail voting.

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 and September 2, 2020 were also mailed to all members and it was noted that these minutes will need to be approved by the members at the next meeting.

The next order of business was the election of two (2) 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. 2 - Brad Assman, Matt Johnson, and Steve Pelz; District No. 7 - Jeff True, Roger Kopecky, and Marcus Vogel. Attorney Puckett described the work of the Committee, who had nominated the following members as candidates for Director:

Three-Year Term (Two to be Elected)

- | | |
|----------------|---|
| District No. 2 | Gary Birkey
Ron Hanson
Justin Grossnickle |
| District No. 7 | Duane Beschorner |

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.

It was noted that Justin Grossnickle had declined the nomination and was therefore not on the ballot.

The Chairman had previously appointed Brad Assman and Dennis Puckett 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. 2 | Ron Hanson |
| District No. 7 | Duane Beschorner |

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.

Chairman Miller declared the meeting adjourned.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting adjourned.

BALANCE SHEET

	DECEMBER	
ASSETS	2021	2020
Total Plant in Service	\$ 18,168,806	\$ 17,142,167
Less: Accumulated Depreciation	<u>4,020,926</u>	<u>3,642,797</u>
NET VALUE OF UTILITY PLANT	\$ 14,147,879	\$ 13,499,370
Cash	\$ 150,999	\$ 90,751
Temporary Investments	101,481	232,650
Accounts Receivable	509,268	502,599
Materials and Supplies	248,864	254,160
Other Assets	144,486	202,670
Long Term Investments/		
Economic Development	374,384	370,320
Investments in Associated Orgs	2,904,328	2,818,158
Other Property	-	-
TOTAL ASSETS	<u>\$ 18,581,689</u>	<u>\$ 17,970,678</u>
LIABILITIES		
Consumer Deposits	\$ 6,800	\$ 8,000
Accounts Payable	347,247	325,476
Other Accrued Liabilities	163,516	128,289
Deferred Credits	4,162	4,377
RDUP Mortgage Notes	6,867,794	6,432,937
CFC Mortgage and Notes	2,564,035	2,831,315
Accumulated Operating Provisions	174,034	171,369
Other Notes Payable Econ		
Dev Grant	<u>225,000</u>	<u>225,000</u>
TOTAL LIABILITIES	<u>\$ 10,352,588</u>	<u>\$ 10,126,764</u>
NET WORTH		
Memberships	\$ 5,925	\$ 5,910
Deferred Patronage	2,804,097	2,736,356
Margins-Current year	582,999	514,687
Other Margins & Equities	<u>4,836,079</u>	<u>4,586,962</u>
TOTAL NET WORTH	<u>\$ 8,229,100</u>	<u>\$ 7,843,914</u>
TOTAL LIABILITIES & NET WORTH	<u>\$ 18,581,689</u>	<u>\$ 17,970,678</u>

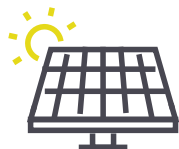


of meters:
1,890



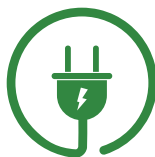
kWh sold:

44,067,890



CCECA Solar Array
kWh produced:

141,484



1,601

Average kWh
used per mo. by
residential members

HOW YOUR \$ WAS SPENT IN 2021

PURCHASE WHOLESALE POWER

65¢

OPERATIONS/MAINTENANCE

12¢

DEPRECIATION

9¢

TAXES/INTEREST/OTHER

6¢

ADMINISTRATION/GENERAL

5¢

MEMBER ACCOUNTS/SERVICES

3¢

STATEMENT OF REVENUE AND EXPENSES

	DECEMBER	
ELECTRIC REVENUE	2021	2020
Rural Residential	\$ 4,262,421	\$ 4,284,655
Commercial	716,750	749,259
Resale Sales - Farnhamville	339,318	343,608
Resale Sales - Callender	188,457	181,354
Other Electric Revenue	<u>13,447</u>	<u>15,583</u>
TOTAL ELECTRIC REVENUE	<u>\$ 5,520,394</u>	<u>\$ 5,574,458</u>
EXPENSES		
Purchased Power	\$ 3,322,951	\$ 3,426,349
Operations and Maintenance	582,938	525,566
Consumer Accounting	107,184	106,944
Sales Expense	121,986	130,721
Administrative & Office Expense	519,431	462,592
Depreciation	481,854	466,331
Interest on Debt	290,291	294,032
Taxes - Energy Assessment	<u>11,168</u>	<u>6,979</u>
TOTAL EXPENSES	<u>\$ 5,437,802</u>	<u>\$ 5,419,515</u>
ELECTRIC MARGINS	<u>\$ 82,592</u>	<u>\$ 154,943</u>
OTHER INCOME		
Interest	\$ 20,207	\$ 22,319
Patronage	277,071	337,424
Misc Non-Operating Income	21,829	-
Contributions and Grants	<u>181,300</u>	<u>-</u>
TOTAL OTHER INCOME	<u>\$ 500,407</u>	<u>\$ 359,743</u>
TOTAL MARGINS	<u>\$ 582,999</u>	<u>\$ 514,687</u>

IMPORTANT REGISTRATION CARD



Join Us for our

Member Appreciation Event

Fun for all Ages

Wednesday, September 14 | 5:00 p.m. - 6:30 p.m.

Calhoun County Electric Cooperative Office, Rockwell City

Short business meeting at 6:30 p.m for those interested

Come for supper (Calhoun County Pork Producers grilling),
bucket rides, gifts, and refreshments!



Bring this
registration
card with you
to the annual
meeting to
claim your
registration gift.

WE POWER YOU



7 COOPERATIVE PRINCIPLES

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community



Back L to R: Richard Hall, Jared Kuhlers, Doug LeMonds, Reid Galloway and Keaton Hildreth
Front L to R: Lori Morse, Kayla Wiederin, Chad Krukow, Ben Wiederin, Bret McAlister and Rob Peterson



11

Employees



1,178

Members



5

Counties
served



758

Miles of line

CALHOUN COUNTY ELECTRIC COOPERATIVE



Calhoun County Electric Cooperative Association

A Touchstone Energy® Cooperative



PO Box 312, Rockwell City, IA 50579

PRSRT STD
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WE POWER YOU



Join Us for our
Member Appreciation Event
Fun for all Ages - Sept. 14, 2022

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



Calhoun County Electric Cooperative Association

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Office Hours:

Monday - Friday

8:00 a.m. to 4:30 p.m.

Telephone: 712-297-7112 or

Toll Free: 800-821-4879

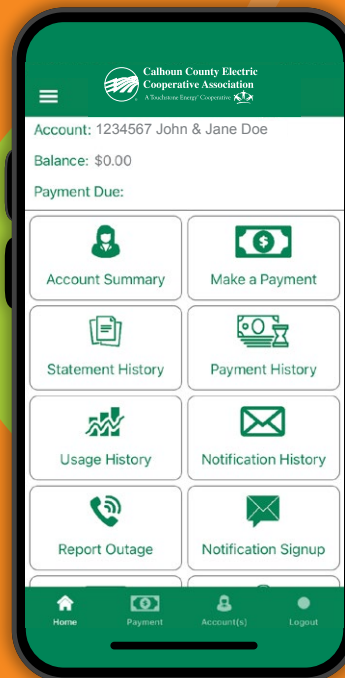
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