

KILOWATT



KANDIYOHI POWER COOPERATIVE
will be closed on April 15th, 2022
in celebration of Good Friday.
If you need assistance, please call 800-551-4951.

BOARD MEETING SUMMARY

March 23, 2022

The Kandiyohi Power Cooperative Board of Directors held their regular monthly meeting. All directors present. Chairman, Dale Anderson called the meeting to order.

Additions made to the agenda:

- Discussion on meetings recently attended by the board.

The following reports were given:

- Hinterland Vineyards presentation
- CEO Report – discussed monthly activities
 - Annual Meeting update
 - Heartland Security update
 - New employee
 - NRECA PowerXchange
 - Member Event update
- Finance – Finance Manager, explained discrepancies and variations within the February budget.
 - Sales tax exemption on purchased materials explanation
 - Special retirements will be discounted using the Edison Electric Institute
 - WAPA Rate Increase
 - Discounted Retirements
 - Two write-offs in March
- Member Services/Communications
 - COVID – Pandemic Plan updates
 - MSR staffing
 - Annual Meeting preparations
 - Community Solar update
- Engineering/Operations
 - Crew work plans update
 - Outage breakdown

Motions made and approved by the Board:

- Regular Agenda
- Consent Agenda
- Revised Board Policy 612 Special Retirements of Patronage Capital
- Revised Board Policy 204 Financial Management

Great River Energy (GRE) Director's Report by Chair Anderson

Meeting Adjourned – Next regular board meeting is April 27, 2022

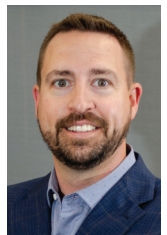
WHAT IS THE POWER COST ADJUSTMENT (PCA)?

At Kandiyohi Power Cooperative rates are designed to cover our operating expenses, the largest of which is the cost of purchasing power from our wholesale power provider, Great River Energy (GRE). Our cost of power is not only based on fixed rates, but also variable costs like transmission services and fuel. So how do we deal with the fluctuations of our largest expense? Enter the Power Cost Adjustment.

The Power Cost Adjustment (PCA) is the difference between the average actual cost for GRE to provide our cooperative power each month, compared to GRE's normal budgeted wholesale rates. Sometimes it is a charge, and sometimes it results in a credit. This mechanism effectively deals with volatility without having to constantly restructure rates. KPC's portion of the monthly Power Cost Adjustment is taken directly from the face of our power bill from GRE and passed on to our members, resulting in either a credit or charge on your monthly electric bill.

KPC has only applied the PCA eight times in the last decade. Because the Power

Ryan Nelson,
CEO



Cost Adjustment has historically ebbed and flowed with some consistency, we have absorbed these fluctuations month to month and avoided having to apply a charge to your bill one month only to apply a credit the next. When the balance of our PCA crosses a threshold set by the KPC Board of Directors, the PCA is then applied to each member-owner's bill. Appropriate thresholds have kept our historic Power Cost Adjustments small. The last time the PCA was passed on to the member-owners was in the fall of 2017, which was a charge. PCA credits or charges are based on kWh usage to ensure that they remain equitable.



LIKE US ON
FACEBOOK

[WWW.FACEBOOK.COM/KANDIYOHIPOWERCOOPERATIVE](https://www.facebook.com/kandiyohipowercooperative)



Enroll in our Auto Pay program to be entered into a monthly drawing for a \$25.00 bill credit. Save time and money! Must be on Auto Pay to be eligible to win. You can also select email as your only delivery option. You will then receive an email instead of a paper bill when your bill is ready for payment.

Auto Pay Winner: Catherine Dean

ANNUAL MEETING PROGRAM

9:00 a.m. - CALL TO ORDER

- Dale Anderson, Chairman

NATIONAL ANTHEM - Video

APPOINTMENT OF PARLIAMENTARIAN

- Dale Anderson

APPOINTMENT OF SECRETARY

- Dale Anderson

REPORT OF QUORM

- Stanley Wubben, Secretary/Treasurer

DECLARATION - FILE REPORT ON QUORUM

- Stanley Wubben, Secretary/Treasurer

READING OF NOTICE OF ANNUAL MEETING

- Stanley Wubben, Secretary/Treasurer

AFFIDAVIT OF MAILING

- Stanley Wubben, Secretary/Treasurer

APPROVAL OF 2021 ANNUAL MEETING MINUTES

- Dale Anderson, Chairman

BOARD CHAIRMAN COMMENTS

- Dale Anderson

GRE GUEST PRESENTATION

- John Brekke, VP/Chief Power Supply Officer

CEO COMMENTS - Ryan Nelson, CEO

FINANCIALS - Patrick Krueger, CFO

INTRODUCTION OF DIRECTORS

- Dale Anderson, Chairman

Introduction of Nominees by District:

- District 1 - Dale Anderson (Incumbent) - Appointed by Acclamation - no other candidates ran for District 1.
- District 2 - Stan Wubben (Incumbent) - Appointed by Acclamation - no other candidates ran for District 2.
- District 3 - Diane Helgeson (Incumbent) - Appointed by Acclamation - no other candidates ran for District 3.

Introduction of present Board Members

- | | |
|------------------------------|------------|
| • Dale Anderson (Incumbent) | District 1 |
| • Rollo Campe | District 1 |
| • Larry Powers | District 1 |
| • Stan Wubben (Incumbent) | District 2 |
| • Dan Pomranke | District 2 |
| • Todd Post | District 2 |
| • Diane Helgeson (Incumbent) | District 3 |
| • Ryan Erickson | District 3 |
| • Robbert Stone | District 3 |

OLD BUSINESS - Benjamin Bohnsack, Attorney

NEW BUSINESS - Benjamin Bohnsack, Attorney

REPORTS OF ELECTION RESULTS

- Benjamin Bohnsack, Attorney

MOTION TO ADJOURN - Dale Anderson, Chairman

Brunch to follow

MAKE YOUR ANNUAL MEETING RESERVATION NOW!

Kandiyohi Power Cooperative is holding their Annual Meeting April 26th at the Little Crow Event Center. The doors will open at 8:30 a.m. with the meeting beginning at 9:00 a.m. sharp with brunch to follow. Due to limited space, we ask that you please RSVP NO LATER than April 15th if you plan on attending the Annual Meeting. Contact us at 1-800-551-4951 or by email to contactus@kpcoop.com.



8605 47th Street NE
Spicer, MN 56288-0040
Phone #: 800-551-4951
Fax #: 320-796-0620 * www.kpcoop.com

NOTICE OF THE ANNUAL MEMBERS' MEETING of the KANDIYOHI POWER COOPERATIVE

NOTICE IS HEREBY GIVEN, that the Annual Meeting of the Members of the Kandiyohi Power Cooperative (KPC) will be held in person on Tuesday, April 26, 2022 at the Little Crow Event Center, 15980 Hwy 23 NE, Spicer Minnesota. The Annual Business Meeting of the Members will be called to order at 9:00 a.m. The following business will be transacted:

- 1) To hear, examine and approve the reports of the officers, directors, and committees.
- 2) To elect three (3) Directors for said Association for the ensuing term.
- 3) For the transaction of such other and further business as may lawfully be brought before the membership of the Association, and as may be deemed to be in the best interest of the Association.

DATED: Spicer, Minnesota, March 7, 2022

BY ORDER OF THE BOARD OF DIRECTORS


Dale Anderson, Chair


Stanley Wubben, Secretary

BOARD DIRECTOR FILING FOR 2022

The filing period for election to the Board of Directors closed on March 7th, 2022. Filings were received for the following seats up for election:

District 1: Dale Anderson (Incumbent)

District 2: Stan Wubben (Incumbent)

District 3: Diane Helgeson (Incumbent)

There will be no voting this year. Article IV, Section 4.2 of the KPC Bylaws states "In the event that there is only one candidate for election to a Director position, either through filing or by nomination, the single candidate shall be deemed elected by acclamation as an unopposed candidate and no voting shall be required for such an uncontested Director election."

December 31, 2021 Balance Sheet

UTILITY PLANT

Electric Plant in Service	\$ 74,765,412
Construction Work in Progress	1,238,737
TOTAL UTILITY PLANT	\$ 76,004,149
Less: Accumulated Depreciation	(23,117,041)
NET UTILITY PLANT	\$ 52,887,108
NON-UTILITY PROPERTY (NET)	\$ 1,236,741

INVESTMENTS

Patronage Capital	\$ 10,018,188
Other	1,706,897
Investments in Subsidiaries	637,848
TOTAL INVESTMENTS	\$ 12,362,933

CURRENT & ACCRUED ASSETS

Cash & Temporary Investments	\$ 967,871
Accounts Receivable, Net of Reserve	2,762,534
Materials & Supplies	1,833,888
Prepayments & Other Accrued Assets	636,222
TOTAL CURRENT & ACCRUED ASSETS	\$ 6,200,515

DEFERRED CHARGES	\$ 913,920
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TOTAL ASSETS	\$ 73,601,217
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EQUITIES & MARGINS

Patronage Capital Assigned to Membership	\$ 30,457,479
Other Equities	3,916,093
TOTAL EQUITIES & MARGINS	\$ 34,373,572

LONG-TERM LIABILITIES

Long-Term Debt Obligation to NRUCFC	\$ 32,097,475
Long-Term Debt - Great River Energy	50,667
TOTAL LONG-TERM LIABILITIES	\$ 32,148,142

CURRENT & ACCRUED LIABILITIES

Accounts Payable	\$ 2,568,631
Current Portion of Long-Term Debt	1,476,073
Notes Payable	1,185,556
Consumers Deposits	50,361
Other Current & Accrued Liabilities	1,351,311
TOTAL CURRENT & ACCRUED LIABILITIES	\$ 6,631,932

DEFERRED CREDITS	\$ 447,571
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TOTAL EQUITIES & LIABILITIES	\$ 73,601,217
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December 31, 2021 Operating Statement

OPERATING REVENUES

Sales of Electric Energy	\$ 20,916,242
Capital Credits - Great River Energy	671,437
Capital Credits - NRUCFC	108,973
Capital Credits - Other	29,705
Miscellaneous Electric Revenue	116,579
Consumer Late Fee Charges	31,811
TOTAL OPERATING REVENUES	\$ 21,874,747

OPERATING EXPENSES

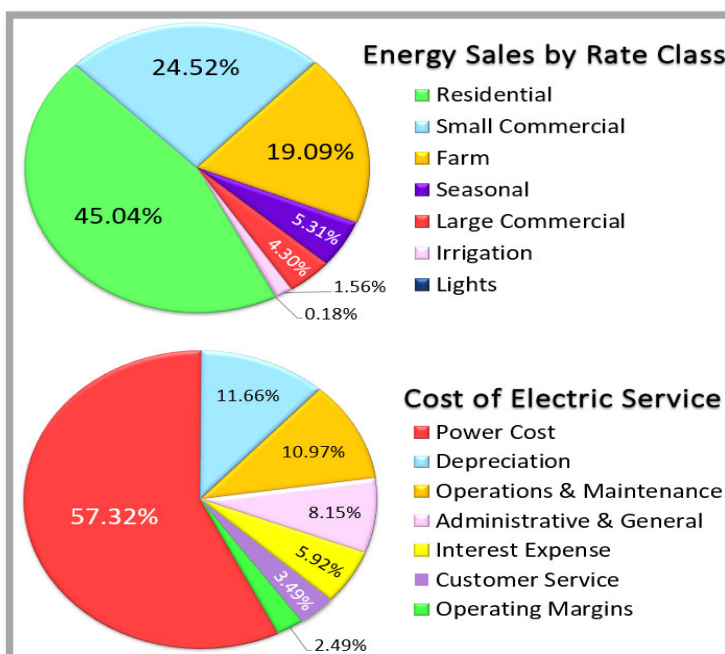
Cost of Power	\$ 12,075,285
Depreciation and Amortization	2,455,125
Operations and Maintenance	2,141,380
Administrative and General	1,556,941
Interest	1,246,132
Customer Service	471,145
Consumer Accounts	262,192
Property Taxes	215,586
Directors' Compensation & Ancillary Costs	112,741
Sales	2,674
TOTAL OPERATING EXPENSES	\$ 20,539,201

OPERATING MARGINS	\$ 1,335,546
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NON-OPERATING MARGINS

Income from Equity Investments	\$ 169,536
Rental Income (Net) - Old HQ Building	103,264
Other Non-Operating Income	101,028
Interest Income	52,692
TOTAL NON-OPERATING MARGINS	\$ 426,520

TOTAL KPC MARGINS (NET)	\$ 1,762,066
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As of December 31, 2021, KPC has retired \$19,975,053 in capital credits to our members.



**KANDIYOHI POWER
COOPERATIVE**

8605 47th Street NE, Spicer, MN 56288
www.kpcoop.com

Office Hours: Mon.-Fri. 7:30am – 4pm

Phone: 1-800-551-4951

Fax: 320-796-0620

Tom McCormick

Electric Inspector: 320-221-2809

Drop boxes available for your convenience
at Cash Wise and our headquarters
building near flag pole.

Ryan Nelson, CEO	320-796-1160
Michele Scheffler,	
Member/Communications/HR	320-796-0982
Brent Hatlestad,	
Line Superintendent	320-796-1163
Patrick Krueger, CFO	320-796-0991

BOARD OF DIRECTORS: District

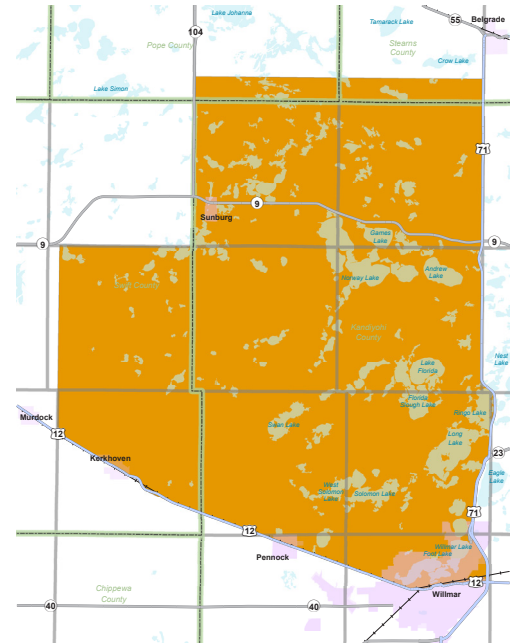
Dale Anderson, Chair - 320-894-1687	1
Rollo Campe - 320-894-1601	1
Larry Powers - 320-212-7960	1
Dan Pomranke, VC - 320-894-7113	2
Todd Post - 320-212-1119	2
Stan Wubben, Secretary - 320-905-8325	2
Ryan Erickson - 320-979-5033	3
Diane Helgeson - 320-220-3745	3
Robbert Stone - 320-894-8867	3

KILOWATT STAFF:

Michele Scheffler, Editor

TREE TRIMMING

Tree trimming has begun. KPC has contracted with TreeStory to do our trimming and ground clearing. Their trucks are clearly marked with their TreeStory logo. Throughout the year, they will be working in Kandiyohi County north of Highway 12 and west of Highway 71 in the following townships: Willmar, Dovre, St. Johns, Mamre, Arcander, Lake Andrew, Colfax and Norway Lake and the following townships in Swift County: Hayes and Pillsbury. Prior to trimming, a door hanger is placed on the members door, notifying them of the work to be done. Maintaining clearances around our facilities is critical to providing safe and reliable power to our members. Thank you for your cooperation!



ANNOUNCING A LIMITED TIME AIR SOURCE HEAT PUMP PROMOTION

Kandiyohi Power Cooperative is pleased to announce our 2022 Air Source Heat Pump (ASHP) promotion. For a limited time, we will be increasing our rebate on ASHP's. Promotional rebate is subject to limited availability.

Ducted ASHP

Rebate Qualifications/Considerations:

- Must be installed in KPC territory
- Must be "QI" installed and tested in May, June, July or August 2022
- Can be combined with furnace EC motor rebate
- Ask about off-peak program and reduced electric rates
- To qualify for a rebate, must be purchased and installed in May, June, July or August 2022
- Promotional rebates based on HSPF rating

Ducted ASHP

≥ 8.2 HSPF
≥ 9.0 + HSPF

QI Rebate

\$750.00
\$1,500.00



Ducted ASHP

Rebate Qualifications/Considerations:

- Must be installed in KPC territory
- To qualify for a rebate, must be purchased and installed in May, June, July or August 2022
- Promotional rebates based on HSPF rating

Ductless ASHP

Delivered Fuels

Electric Heat

Minimum HSPF ≥ 9.0

Rebate

\$450.00

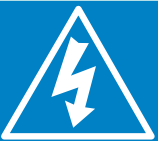
\$750.00



CALL BEFORE YOU DIG!!!

www.gopherstateonecall.org

1-800-252-1166



24-HOUR OUTAGE NUMBER

When your lights go out, so do we.

Call us if your power goes out even if you think your neighbors already did. Leave one light on so you know when power has been restored and make sure you have an emergency kit ready.

1-800-551-4951