

KILOWATT

IT'S THAT TIME OF YEAR AGAIN!

ARTICLE BY: SCOTT FROEMMING, CEO



It's that time in between Christmas and spring when the grass is brown, the trees are leafless and the ground is muddy. It can be the let-down time that follows the holiday frenzy and before the arrival of spring. It's that time when the tax man comes calling for our tax returns and sometimes some more money. It's that depressing time when our New Year's Resolutions for losing weight, getting out of debt or saving for retirement are a distant memory and we're back in our same old rut. It's that time when the co-op is bugging you to vote for directors and come to the annual meeting, while you're thinking my one vote won't make a difference or my idea or comment will just fall on deaf ears so why should I bother.

It may be time for an attitude adjustment. Let's stop being mired in the despair of the moment, but rather let's look forward with optimism to the future. Instead let's consider, it's that time, when the days start getting warmer and longer. The grass will be getting green and the lilac buds are ready to explode in color and fragrance. Let's start getting excited about working the ground to plant our gardens or our fields. Let's pick up where we left off on our New Year's resolution and focus on why we made it in the first place. Let's get that tax return done and you may be surprised to find out you're getting a refund. Finally, let's make a point to vote for the co-op Board election and come to the Annual Meeting and enjoy some good (free) food and fellowship.

Our annual meeting is an important event for your cooperative. It's a time when we elect directors to the Board. These elections are important because the people elected are your voice in cooperative operations during monthly Board Meetings. Financial reports are reviewed to make sure we are staying on track. The Board is responsible for hiring auditors and reviewing the annual audit. They make decisions on operating budgets,

construction budgets and rates. They make other important business decisions on where we should and shouldn't invest. They approve debt limits, they set strategic objectives for the co-op and then make sure they are carried out. The list goes on and on. The point is you should get to know your directors and director candidates so when elections come you can make informed decisions on who should be running this co-op. The annual meeting is a great opportunity networking with the Board.

So yes, it's that time of year again! Time to look forward to spring and the rest of the year with optimism and anticipation. Each one of us has so much to give and can make such an impact on friends, family and community. Consider these wise words: "And who knows but that you have come to royal position for such a time as this?" (Esther 4:14). Your "royal position" is right where you are. You have a purpose for being there, embrace it!

Hope to see you all at the Annual Meeting on April 17th at 6:00 PM at the Spicer Legion!

INFORMATIONAL MEETING

Scott Luberts, Line Superintendent at Kandiyohi Power Cooperative (KPC) held an informational meeting on March 20th for area Fire Departments, Sheriff's Department and State Troopers. This meeting gives KPC the opportunity to share important information with our emergency crews that assures the safety of those we serve. We reviewed such topics as:

- Who do you contact if wires are down, damaged/broken poles, vehicular accidents involving power lines, fires and public contact with KPC equipment/powerlines.
- Dangers of electrical shock from energized lines that are down and vehicle encountering contact with an opened/damaged cabinet.

It was stressed that emergency crews contact KPC immediately of an incident/situation and location if it is in KPC's territory. We also encourage our members to call us if you come across something that doesn't look right so that we can check it out and keep everyone safe.

ANNUAL MEETING REMINDER...

Kandiyohi Power Cooperative is holding their Annual Meeting April 17th, at the Spicer American Legion. The doors will open at 5:30 p.m. with the meeting beginning at 6:00 p.m. sharp with meal to follow.

Due to limited space, you must RSVP. Contact us at 1-800-551-4951 or by email to rryks@kpcoop.com. We hope that you will be able to join us and take this opportunity to visit with your Board Directors and hear what is happening at your cooperative. As always we will have a welcome gift and prize drawings.

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ANNUAL MEETING PROGRAM - 2018

6:00 p.m. - CALL TO ORDER – Dale Anderson, Chairman

INVOCATION – Stanley Wubben, Secretary/Treasurer

APPOINTMENT OF PARLIAMENTARIAN – Don Wilcox, Attorney

APPOINTMENT OF SECRETARY – Robin Ryks

NATIONAL ANTHEM

REPORT OF QUORM – Stanley Wubben, Secretary/Treasurer

DECLARATION – FILE REPORT ON QUORUM – Dale Anderson, Chairman

READING OF NOTICE OF ANNUAL MEETING – Stanley Wubben, Secretary/Treasurer

AFFIDAVIT OF MAILING – Stanley Wubben, Secretary/Treasurer

APPROVAL OF 2017 ANNUAL MEETING MINUTES – Dale Anderson, Chairman

INTRODUCTION OF GUESTS – Dale Anderson, Chairman

PRESIDENTS COMMENTS – Dale Anderson, Chairman

GUEST SPEAKER – John Brekke

CEO REPORT – Scott Froemming, Chief Executive Officer

REPORT ON FILING FOR DIRECTOR ELECTIONS – Scott Froemming, Chief Executive Officer

INTRODUCTION OF DIRECTORS

Introduction of Nominees by District:

- District 1 – Rollo Campe (Incumbent)
- District 2 – Todd Post (Incumbent), Aaron Christensen (Nominee)
- District 3 – Darrell Fostervold (Incumbent)

Introduction of present Board Members:

- | | |
|----------------------------------|------------|
| • Dale Anderson | District 1 |
| • Rollo Campe (Incumbent) | District 1 |
| • Larry Powers | District 1 |
| • Stan Wubben | District 2 |
| • Ted Olsen | District 2 |
| • Todd Post (Incumbent) | District 2 |
| • Diane Helgeson | District 3 |
| • Darrell Fostervold (Incumbent) | District 3 |
| • Robbert Stone | District 3 |

OLD BUSINESS

NEW BUSINESS

QUESTIONS OF THE MEMBERS

REPORTS OF ELECTION RESULTS

MOTION TO ADJOURN

7:00 p.m. DRAWINGS and MEAL

**GUEST
SPEAKER
JOHN
BREKKE**



Kandiyohi Power Cooperative

Your Touchstone Energy® Partner

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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 at the Spicer American Legion, 155 Lake Avenue, Spicer, Minnesota on Tuesday, April 17, 2018. The Annual Business Meeting of the Members will be called to order at 6:00 p.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, February 19th, 2018

BY ORDER OF THE BOARD OF DIRECTORS


Dale Anderson, Chair


Stanley Wubben, Secretary

BOARD DIRECTOR FILING FOR 2018

The period for filing for election to the Board of Directors closed on February 26th, 2018. Filings were received for the following seats which are up for election:

District #1 Rollo Campe (Incumbent)

District #2 Aaron Christensen (Nominee)
Todd Post (Incumbent)

District #3 Darrell Fostervold (Incumbent)

Article IV, Section 4.2 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 acclamations an unopposed candidate and no voting shall be required for such an uncontested Director election."

The only voting will be for KPC Members in District #2 because there are two candidates running for election.

**Ballots mailed to District 2 members on March 29th.
Must be returned no later that April 16th, 4:00 p.m.**

STATEMENT OF REVENUE & EXPENSE ITEM

	2016	2017
Operating Revenue and Patronage Capital	\$20,156,062	\$20,417,819
Cost of Purchased Power	\$11,621,110	\$11,655,957
Distribution Expense- Operations	1,095,728	1,178,020
Distribution Expense- Maintenance	595,708	703,367
Consumer Accounts Expense	412,188	375,130
Consumer Service and Informational Expense	321,535	341,141
Sales Expense	2,017	2,117
Administrative and General Expense	1,706,805	1,808,924
Total Operation and Maintenance Expense	\$15,755,091	\$16,064,656
Depreciation and Amortization Expense	2,104,274	2,159,767
Interest on Long Term Debt	1,210,019	1,220,804
Interest Expense- Other	52	3,341
Other Deductions	(9,950)	(18,501)
Total Cost of Electric Service	\$19,059,486	\$19,430,067
Patronage Capital and Operating Margins	\$1,096,576	\$987,752
Non Operating Margins- Interest	50,291	51,892
Non Operating Margins- Other	129,629	71,897
Generation and Transmission Capital Credits	498,166	472,424
Other Capital Credits and Patronage Dividends	140,249	141,716
Patronage Capital or Margins	\$1,914,911	\$1,725,681

BALANCE SHEET AS OF DECEMBER 31 ASSETS

	2016	2017
Total Utility Plant in Service	\$61,051,018	\$64,612,271
Construction Work in Progress	3,322,402	1,346,531
Total Utility Plant	\$64,373,420	\$65,958,802
Accum Provision for Depr.& Amort.	17,211,298	17,113,527
Net Utility Plant	\$47,162,122	\$48,845,275
Nonutility Property- Net	\$217,581	\$199,353
Investment in Subsidiary Companies	1,285,794	451,748
Invest in Assoc Org. Patronage Capital	8,575,693	9,111,292
Invest Assoc Org-Other-General Funds	15,500	16,500
Invest Assoc Org-Other-Nongeneral Funds	1,640,878	1,645,726
Investments in Economic Development Projects	148,000	132,000
Other Investments	50,405	34,626
Total Other Property & Investments	\$11,933,851	\$11,591,245
Cash-General Funds	\$77,433	\$232,185
Temporary Investments	503,755	589,652
Accounts Receivable-Net Sale of Energy	2,666,201	2,848,847
Accounts Receivable-Net Other	340,045	58,417
Materials & Supplies-Electric & Other	1,867,792	1,306,124
Prepayments	6,929	14,321
Other Current & Accrued Assets	12,205	12,206
Total Current & Accrued Assets	\$5,474,360	\$5,061,752
Other Deferred Debits	\$2,322,940	\$1,654,791
Total Assets & Other Debits	\$66,893,273	\$67,153,063

LIABILITIES

Patronage Capital	\$26,135,982	\$27,240,958
Operating Margins-Current Year	1,096,576	987,752
Non Operating Margins	980,791	900,385
Other Margins & Equities	2,750,183	2,929,324
Total Margins & Equities	\$30,963,532	\$32,058,419
Long Term-Debt	\$29,107,319	\$29,730,189
Other Noncurrent Liabilities	\$876,738	\$130,667
Notes Payable	\$752,250	\$0
Accounts Payable	2,635,876	2,771,979
Consumers Deposits	49,288	48,550
Current Maturities Long-Term Debt	1,079,250	1,089,732
Other Current & Accrued Liabilities	930,270	854,100
Total Current & Accrued Liabilities	5,446,934	4,764,361
Deferred Credits	\$498,750	\$469,427
Total Liabilities & Other Credits	\$66,893,273	\$67,153,063

STATISTICAL FACTS

8364kWh's Sold

Year-end 2017

157,537,596

NOTICE

INFORMING KPC MEMBERS

Global Mapping Systems will begin GPSing Kandiyohi Power Cooperative lines. Starting date is set for April 6th in the City of Kandiyohi and continue throughout the system. Completion of this project will take about 8 months. Any vehicle or ATV on your property that is involved in this project should have a KPC sign on it for identification. If you have any questions, please feel free to call 1-800-551-4951.

CONSTRUCTION FOR 2018

County Road 4 road move – Cty. Rd. 10 to Hwy. 12.

System improvement - Cty. Rd. 4 from Hwy. 12 to Cty. Rd. 23.

System improvement - Southwest side of George Lake.

System improvement – NW side of Lake Andrew to Hwy. 9.

System improvement – Hwy. 9 from Cty. Rd. 48 to Hwy. 71.

System improvement – Cty. Rd. 40 from Cty. Rd. 5 to Cty. Rd. 38.

System improvement – NW side East Solomon Lake.

Private ROW relocation – South side of Henjum Lake.

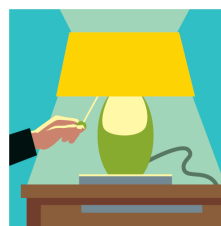
Private ROW relocation – NW of Lake Florida.

Change Habits to BEAT THE PEAK

You can beat the peak (and save money!) by decreasing your power use when energy demand and prices are at their highest. Here are a few tips to help you get started:

Laundry for Less:

Full loads mean fewer cycles, and washers and dryers run in the late evenings add less heat and humidity to the home. Energy can cost less outside of peak hours.

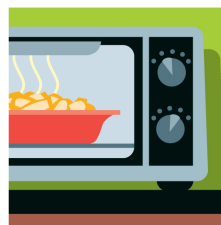


Cool Off/Calm Down:

Turn off unnecessary lighting and electronics that generate heat, resist the urge to turn down the thermostat and remember, lower fan settings use less energy.

Intramural Competition:

Online gaming with each active player using their own computer, display, gaming console and internet connection gets pricey. Play each other at home on one screen and save.



Countertop Convenience:

Range or oven cooking can really warm up a kitchen. Microwaves, convection ovens, induction cooktops, Crock-Pot® and toaster ovens put more cooking heat where you need it.



Kandiyohi Power Cooperative

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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 headquarters building
near flag pole.

MANAGEMENT STAFF

Scott Froemming, CEO

Anthony Stern, CFO

Diane Maurice, Marketing/Customer Service

Dave Nelson, Engineering

Scott Luberts, Line Superintendent

BOARD OF DIRECTORS:

Dale Anderson, Chair- 320-254-3530

Rollo Campe- 320-894-1601

Larry Powers- 320-212-7960

Ted Olsen- 320-220-3084

Todd Post- 320-212-1119

Stan Wubben, Secretary- 320-905-8325

Darrell Fostervold, VC- 320-212-4824

Diane Helgeson- 320-220-3745

Robbert Stone- 320-894-8867

KILOWATT STAFF:

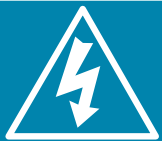
Robin Ryks, Editor



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



ALL-EMPLOYEE SAFETY DAY...

On March 8th, KPC offices were closed as employees and staff began their annual "Safety Training Day". After enjoying breakfast, hosted by the Safety Committee, we broke into teams and started the day with an icebreaker.

First on the agenda was reviewing and updating our Safety Manuals. The Committee explained the changes and we had great discussion on different topics. After that we headed back and got a demonstration from Tessa and Troy on how they check OCRs and Transformers to make sure everything is working correctly and doesn't pose a threat to the safety of employees.



We enjoyed special speakers throughout the day. Our first speaker was Lydia from Minnesota Rural Electric Association (MREA). She shared with us reasons why accidents happen, measures to take to prevent them from happening and what to do if an accident does happen. Our second speaker was Thomas Goeltz, a Safety Consultant with the National Safety Council (NSC). Thomas' message to us was on Distracted Driving. It was a heart-wrenching, eye-opening topic as he shared with us the loss of his daughter two years ago because of a distracted driver on his phone. At the time of her death, his daughter had a two-year old little girl and was pregnant. Not only did Thomas lose his daughter but also a grandson that he never had a chance to meet. He shared the statistics with us on texting and/or talking on our cell phone hands-free. He said that while talking during a phone conversation, hands-free, your distraction level is the same as a .08 DUI. He did a demonstration with us to show how distracted we truly are, even when we think we aren't. Our final speaker was one of our own Line Superintendent, Scott Luberts. Scott shared with us his own personal story of his accident on the job at KPC 26 years ago. This was the first time he had openly talked about the accident, what had happened and how it changed his life as he once knew it. When he assessed the accident – he wouldn't have done anything differently. Sometimes you can do all the right things to stay safe and an accident still can happen.

Our day ended with team building activities which involved several tasks and a race to see which team could finish first. Overall, it was a very positive day, reminding us to stay safe on and off the job, to work as a team and watch out for one-another. Thank you to the KPC Board Directors who visited throughout the day and to the Safety Committee for organizing an awesome and very important training. STAY SAFE!

KILOWATT CREDIT SCORECARD

Win a credit on your next bill.

Account numbers used are 9 digits, as appearing on your monthly bill. If you find your account number in this KILOWATT, please notify us by the 4th to claim your credit.

We will credit your bill. Do not deduct the amount from your bill; pay as usual. No one found their account number. Each account number is worth \$5.00.