

# 2020 ANNUAL REPORT

**menergy™**  
COOPERATIVE  
Your Touchstone Energy® Cooperative 



# POWERON



# Notice of Annual Meeting of Members

The annual meeting of the members of MiEnergy Cooperative will be held at the Mabel Community Center, 201 South Main Street, Mabel, Minn. at 7 p.m. on April 14, 2021, to take action upon the following matters:

1. The reports of officers, directors and committees;
2. The election of two directors to be elected from District 2 for a term of three years each; and the election of three directors to be elected from District 3 for a term of three years each;
3. All business which may legally come before the meeting or any adjournment or adjournments thereof.

In connection with the election of five directors scheduled for this meeting, the following members have been nominated for director by the Nominating Committee appointed by the board of directors of the cooperative pursuant to the bylaws.

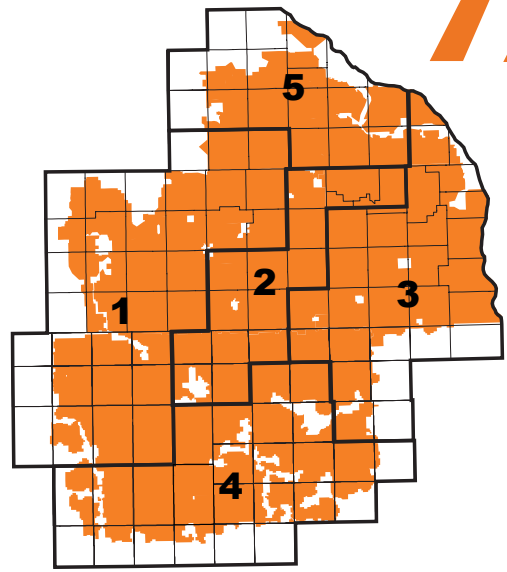
- District 2: Seat #1 Ron Stevens and Vance Haugen; and Seat #2 Dean Nierling.
- District 3: Seat #1 Dennis Young and Cody Webb; Seat #2 Don Petersen and Stephen "Steve" Kujak; and Seat #3 Al "Skip" Wieser, III.

Members are encouraged to participate to hear the reports of the officers, vote for directors and transact such other business as may come before the meeting.

—Dennis Ptacek, Secretary



# Board of Directors



Dean Fisher District 4, 2022   Charles Frana District 4, 2022   Dean Nierling District 2, 2021   Beth Olson District 5, 2022   Don Petersen District 3, 2021   Dennis Ptacek District 1, 2023



Jeffrey Redalen District 1, 2023   Carl Reicks District 4, 2022   Jennifer Scharmer District 5, 2022   Ron Stevens District 2, 2021   Skip Weiser District 3, 2021   Dennis Young District 3, 2021

**In-Person Attendance**

The MiEnergy Cooperative Annual Meeting for members will be a one-hour business meeting. The cooperative will follow Centers for Disease Control guidelines and the State of Minnesota requirements for public gatherings that include wearing masks and social distancing. The meeting will be limited to 75 members in attendance. Only members who have made a reservation in advance can attend. Reservations can be made by calling 1-800-432-2285.

**Virtual Attendance**

Due to the COVID-19 restrictions on public gatherings, MiEnergy will livestream its annual meeting via YouTube. Visit [www.mienergy.coop/annual-meeting](http://www.mienergy.coop/annual-meeting) for more information.

**Annual Meeting | April 14, 2021**  
**Mabel Community Center, Mabel, Minn.**  
**6 p.m. doors open for registration**  
**7 p.m. business meeting**

Call to Order and Meeting Rules.....Dean Nierling, board chair  
 Invocation..... Ron Stevens, vice chair  
 Pledge of Allegiance..... All attendees  
 Meeting Notice and Proof of Mailing..... Dennis Ptacek, secretary  
 Announcement of Quorum .....Nierling  
 Introduction of Board, CEO & Attorney.....Nierling  
 Approval of Annual Meeting Minutes.....Nierling  
 Report of Nominating Committee..... Eugene Lundak, committee chair  
 Introduction of Director Candidates..... Beth Olson, director  
 Treasurer’s Report (Audit) .....Don Petersen, board treasurer  
 Director Elections ..... Denny Puckett, attorney  
 President/CEO Report..... Brian Krambeer, president/CEO  
 Questions from the Membership .....Krambeer  
 Unfinished Business .....Nierling  
 New Business.....Nierling  
 Adjourn.....Nierling

Pictured above and on front cover are MiEnergy Cooperative employees from l-r: Marc Mikkelsen, Jamie Breese, Steve Bronner, Brad Pecinovsky and June Vitse.



BRIAN

DEAN

# Message from the president/CEO & board chair

# POWERON

This year's theme "Power On" is attributed to us reaching our fifth year of successful operation as MiEnergy Cooperative and our 85 years of powering southeastern Minnesota and northeastern Iowa. However, following the catastrophic incidents across the United States from the February frigid blast of arctic weather and 12 months of a national pandemic emergency, it carries even more meaning. Regardless of the circumstances, your cooperative and your employees have powered on.

## KEEPING THE POWER ON

Keeping the lights on has been a core mission that began in our early days of incorporation. Members rallied together to build electric lines beyond the city boundaries where other utilities refused to extend service because low density and challenging terrain was not profitable. Ensuring members have power when they need it remains a top focus of MiEnergy today.

Last year marked the completion of our five-year work plan, an investment of over \$41 million in power grid improvements. A new work plan, totaling nearly \$50 million, is awaiting approval by the United States Department of Agriculture's Rural Utility Service. Our commitment to invest in improving and maintaining the grid directly attributes power reliability to our membership.

Trees continue to be the number one cause of power outages. In 2020, \$2.7 million was allocated to maintain vegetation within power line rights-of-way. For 2021, the board of directors approved \$3.1 million for continuing our

progressive vegetation management program to ensure electricity is there when you need it.

## FINANCIALLY STRONG

MiEnergy met all the financial requirements of our financial lenders and successfully powered on through 2020's roller coaster of financial swings due to weather and the pandemic. The first half of the year presented nearly a \$1 million revenue shortfall. The year-end wholesale power credit from Dairyland Power Cooperative allowed us to end the year close to budget projections.

Operating revenue in 2020 was down \$3 million in comparison to 2019. Thankfully, selling fewer kilowatt-hours to our membership reduced our wholesale power costs by nearly \$2 million. Despite the pandemic uncertainty, in July the board of directors approved returning \$3.2 million in capital credits to you—our members. Seasonal year-end sales and wholesale power cost credits resulted in margins of \$3.4 million, a decrease of about \$900,000 from 2019. Yet, MiEnergy maintained a strong financial position.

## EXPANDING BROADBAND

Our partnership with Mabel Cooperative Telephone Company and Spring Grove Communications to create MiBroadband continues to flourish. To date, we have attained two federal ReConnect awards totaling \$15.1 million, an Iowa CARES Grant totaling \$1.5 million, and most recently a \$1.2 million Minnesota Border-to-Border grant. These resources are the direct result of our cooperative's partnership and

strategic initiative for all the members of MiEnergy to receive quality broadband service. We believe that broadband service is a critical infrastructure and a quality-of-life enhancer, much like the buildout and electrification of the countryside by electric cooperatives in the early 1930's.

Broadband service in southeastern Minnesota and northeastern Iowa will increase opportunities for distance learning, teleworking, telemedicine and create growth opportunities for our electric cooperative. This is an exciting opportunity for MiEnergy and our partnership as we power on to build out the grant projects already attained and go after new grant opportunities at both the state and federal level in the months ahead.

## POWERING VEHICLES

MiEnergy marks 2020 as the beginning of a buildout of a regional electric vehicle (EV) charging network with 29 electric cooperative partners in our adjoining states to creating CHARGE EV, LLC. This regional EV charging network, aptly tagged "Powered by Cooperatives", will buildout in 2021 to provide the needed EV infrastructure as the transportation industry evolves to electric powered vehicles.

MiEnergy has plans to work with our local communities to

prepare for this next stage of powering on with this exciting industry transformation.

## RENEWABLE ENERGY TRANSITION

The permitting process is complete for construction of 9 megawatts of local utility-scale solar we announced in 2020 for MiEnergy in southeastern Minnesota. One of the projects is in Winona County and the other four in Fillmore County. One will be adjacent to our Rushford office. They will provide competitive energy pricing and complement our wholesale power supply from Dairyland Power Cooperative. These systems are strategically located to produce energy on the MiEnergy distribution system to be consumed by members to avoid transmission charges.

Our members continue to demonstrate their support for renewable energy by the number of member-owned solar systems being installed. The adjustments we make to our retail rates to recover delivery costs continue to ensure rate fairness to all members, regardless of solar ownership.

## OUR COOPERATIVE'S PURPOSE

As we begin our fifth year as MiEnergy, our vision and mission have been our focus in progressing the cooperative to meet our members' needs in an ever-changing electric industry. Our continued focus to put our members first led to MiEnergy Cooperative being nominated by the Minnesota Rural Electric Association for the Electric Cooperative Purpose Award. On February 24, 2021, it was announced at the National Rural Electric Cooperative Association's PowerXchange Conference that MiEnergy was selected by the national association as the 2021 Electric Cooperative Purpose Award winner. This is the single, top award among 800-plus electric cooperatives across the country.

The future of MiEnergy Cooperative is as bright as the lights that shine in the dead of night. But, we also believe our brightest days are still ahead of us.

Thank you for the tremendous support of your member-owned electric cooperative – MiEnergy.

**Our Vision:**  
That MiEnergy Cooperative is the model of efficiency, innovation, and member satisfaction.

**Our Mission:**  
To be an industry leader in delivering reliable, high quality energy services at reasonable prices with superior member service.

MiEnergy Cooperative is the 2021 Electric Cooperative Purpose Award winner.

Brian Krambeer  
President/CEO

Dean Nierling  
Board Chair

»» We are an **ELECTRIC** cooperative.



POWER  
**23,092**  
ELECTRIC METERS



RETURNED  
**\$3.2 MILLION**  
IN CAPITAL CREDITS



SERVE  
**18,892**  
MEMBERS

MiEnergy Cooperative is one of **834 distribution cooperatives** in the U.S. Cooperatives power **56% of the nation's landmass** and serve **42 million** people across 2,500+ U.S. counties. Cooperatives **power over 20 million** businesses, homes, schools and farms in 48 states.



AVERAGE  
**3.4 MEMBERS**  
PER MILE OF LINE



MAINTAIN  
**5,554**  
MILES OF LINE



**\$12,610**  
contributed by members  
to the RECare program



**\$30,000**  
in scholarships given to  
local high school students

»» We are a **COMMUNITY-FOCUSED** organization that works to efficiently deliver affordable, reliable and safe energy.

# » We BELONG to the COMMUNITIES we SERVE



MiEnergy Cooperative and its predecessors have a history of working together with other cooperatives to provide programs and services to its members. The cooperative is a member of the **NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**. It is also a member of the **IOWA ASSOCIATION OF ELECTRIC COOPERATIVES** and the **MINNESOTA RURAL ELECTRIC ASSOCIATION**. MiEnergy is a **TOUCHSTONE ENERGY COOPERATIVE**.

MiEnergy purchases wholesale power from **DAIRYLAND POWER COOPERATIVE**. Its billing system provider is **NATIONAL INFORMATION SOLUTIONS COOPERATIVE** and one of its lenders is the **COOPERATIVE FINANCE CORPORATION**. MiEnergy is insured by **FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE**. Its after-hours dispatching service is provided by the **COOPERATIVE RESPONSE CENTER**.

## ADDITIONAL PARTNERSHIPS:



Electrical engineering and technical solutions company owned by MiEnergy and seven other electric cooperatives.



Owned by MiEnergy and two local telephone cooperatives. Provides fixed wireless and fiber broadband services.

Minnesota Three LLC

Utility-scale solar array owned by MiEnergy and two other electric cooperatives.



Owned by MiEnergy and 29 other electric cooperatives to create an electric vehicle charging network.

MINNOWA Alliance LLC

Owned by MiEnergy and two other electric cooperatives for purchasing utility equipment and providing specialized services.



Security and medical monitoring services and video surveillance services. Owned by MiEnergy and 12 other electric cooperatives.

smec Southern Minnesota Energy Cooperative

Created to purchase Alliant Energy's assets in Minnesota in 2015 by MiEnergy and 11 other electric cooperatives.

HTC Development Corporation

Owned by MiEnergy to support economic development in the form of a residential housing development.

# » COOPERATIVES WORK TOGETHER to develop new technologies and infrastructure, learn from each other and keep the grid secure.



JENNY

# Message on Dairyland Power Cooperative

## SAFE AND SUSTAINABLE

The world changed in many ways during 2020. Dairyland’s six strategic priorities support their overarching goal of sustainability: culture of safety, cooperative principles, “People 1st”, asset reliability and diversification, financial and competitive strength, growth and innovation. Dairyland’s leadership team and the board of directors continue to address ongoing changes in the energy industry known as the “Four Ds”: decarbonization, deregulation, digitalization and decentralization. To be sustainable, Dairyland must address these challenges and create long-term value for Dairyland’s members.

### SAFETY & “PEOPLE 1ST”

- Without a culture of safety, nothing is sustainable, and safety remains the highest priority. Dairyland is implementing human performance tools to strengthen and maintain a culture of safety as they strive for an operational goal of zero incidents.
- One thing that hasn’t changed is the value of cooperative principles and relationships. Dairyland has demonstrated commitment to transparent governance and strong relationships with members. As a cooperative, Dairyland makes positive impacts in its local communities by supporting organizations that assist those facing economic challenges.
- Aligned with the updated mission, vision and core values, Dairyland’s “People 1st” culture is member-

focused, clarifies employee roles and goals, and enhances communication throughout the organization.

### ASSET RELIABILITY & DIVERSIFICATION

- In 2020, Dairyland’s Board of Directors approved a goal of a 50 percent reduction in the carbon dioxide intensity rate by 2030. The Sustainable Generation Plan provides a framework for energy diversification, considers economic impact on members, technological feasibility, social implications and environmental responsibility.
- In January 2021, the Tatanka Ridge Wind Farm (Deuel County, S.D.) began operation. Dairyland has a power purchase agreement (PPA) to receive renewable wind energy from a 52-megawatt (MW) portion of the wind farm. Dairyland also has a PPA with Ranger Solar for a future addition of 149 MW from the Badger State Solar Facility.
- The retirement of Dairyland’s coal-fired Genoa Station #3 (G-3) is scheduled for June 1, 2021. Employees remain focused on safe and reliable operation of the unit.
- In 2020, they achieved a significant sustainability milestone by recycling 100 percent of the fly ash captured by precipitators at G-3 and the John P. Madgett Station (Alma, Wis.). Dairyland’s fly ash is most commonly recycled as a replacement for Portland cement in concrete. Adding fly ash into concrete contributes to a stronger, less permeable product at a lower price.

Another beneficial reuse effort underway is participation in a pilot agricultural project with UW-Extension to test the effectiveness of coal-combustion byproducts as fertilizer.

### GROWTH & INNOVATION

- Dairyland and its members are also implementing strategies to support electric vehicle growth through the creation of CHARGE EV, LLC. CHARGE EV will help to lead the installation of more EV chargers in the rural areas served by Dairyland members in Iowa, Illinois, Minnesota and Wisconsin. Additionally, CHARGE EV will work with local businesses to help them learn more about adding EVs to their fleets.
- Dairyland staff works with members to support economic development opportunities that will help communities grow by adding businesses and jobs.
- By seeking innovative solutions and implementing effective project management to achieve its strategic priorities, Dairyland will remain sustainable, adaptable and competitive as the energy industry transforms.

### FINANCIAL & COMPETITIVE STRENGTH

- Dairyland balances building financial strength with ensuring competitive rates and sound operations.
- Financially, Dairyland had strong margins in 2020 due to a favorable regional energy market, a reduction in budgeted operational/divisional costs and other factors. As a result, Dairyland provided \$6 million of rate credits

to members in 2020, reduced future expenses and is evaluating business development opportunities. In addition, Dairyland increased its cash retirement of capital credits to five percent resulting in 2020 cash retirements of \$11.5 million.

- Dairyland is also investing in regional transmission opportunities that improve reliability and add value for members. By working with other utilities, regional transmission infrastructure has been strengthened to absorb changing generation sources, while maintaining reliability.
- In 2020, Dairyland began a programmatic approach for adding middle-mile fiber optic communications to its existing transmission infrastructure, primarily for communication purposes. Fiber deployment will help enhance the broadband availability to our local communities.

Dairyland has demonstrated its agility and commitment to safety, while reliably providing critical power throughout this unexpected pandemic journey. As your representative on the Dairyland Board of Directors, I am confident that Dairyland will continue to provide our cooperative with reliable, affordable and sustainable power today and for future generations.

Jennifer Scharmer  
MiEnergy Cooperative’s  
Dairyland Power Cooperative Representative



Set goal to reduce carbon dioxide intensity rate 50% by 2030.



Added a 52-megawatt PPA of wind power from Tatanka Ridge Wind Farm.



Returned \$6 million as rate credits, plus retired \$11.5 million in capital credits to member co-ops.



Recycled 100% of fly ash captured by precipitators at G-3 and John P. Madgett Station.



RON

VANCE

DEAN

## District 2 Director Candidates

Seat #1: Ron Stevens (Incumbent) and Vance Haugen (Challenger)  
Seat #2: Dean Nierling (Incumbent) running unopposed



### **Ron Stevens, incumbent, 30987 Harvest Dr., Preston, Minn.**

Ron Stevens is a retiree of Quest Communications and currently raises beef cows and works part-time as a school bus driver and at F&M Bank. He's been a member of the cooperative for 41 years.

Stevens has served on the board since 2007 and currently serves as vice chair. In addition to this role, Stevens currently serves on the Preston Township Board, Greenfield Lutheran Church Council, MiBroadband Board, and as secretary of the Minnesota Rural Electric Association Board of Directors. Past commitments include serving on the Harmony and Fillmore Central school boards.

Stevens cites renewable energy and electric vehicles as important issues for the cooperative. "One of our primary challenges as a cooperative is how to deal fairly with the membership on the topic of renewable energy. The main concern is how to balance allowing members to install renewables without negatively affecting the cost to members who may not have the desire or means to install renewable energy," says Stevens. "We are also preparing for the future of electric vehicles by installing charging stations."

"Our electric cooperative continues to evolve as technology advances and I find the industry to be very interesting in how we are able to adjust to keep up with all the changes," states Stevens.



### **Vance Haugen, challenger, 12620 Deer Rd., Canton, Minn.**

Vance Haugen is a retired University of Wisconsin Extension Educator and dairy farmer who has been a member of the cooperative for 27 years.

Haugen currently serves as Canton Township Supervisor, GrassWorks Board Director and Great River Graziers Coordinator/Facilitator. Past commitments include: Chair of the Canton Township Land Use Planning Study Committee; UW Extension Liaison to GrassWorks Board; UW Department Chair for Crawford County; Committee of Professors, Department of Agriculture Extension Educators Chair; and Tri-County Electric Cooperative Advisory Committee Member.

Haugen received his bachelor and master's degrees in agricultural engineering from the University of North Dakota, with his master's degree focusing on energy production.

"In addition to being a business owner, lifelong educator and lifelong electric cooperative member, I feel I understand the historical importance of rural electric cooperatives and the need to focus on maintaining and improving the model for today's situations," says Haugen.

Haugen cites the massive changing economy and rural demographic shift as important issues. "The appropriate use of technology to improve load shifting, load sharing, smart energy storage and member-owned generation are huge issues," says Haugen. "Equally important is to keep members' rates competitively priced, while providing top-notch service and dependability."

"I want to see this cooperative continue its good work and move forward with innovative methods and policies that will not only aid in both electrical storage and distribution, but in other areas of technology such as broadband, battery storage and more that will allow members and the communities they live in to thrive," states Haugen.



### **Dean Nierling, incumbent unopposed, 2537 County Rd. A-14, Decorah, Iowa**

Dean Nierling is a self-employed farmer who has been a member of the cooperative for 50 years.

Nierling has served on the board since 1999 and currently is chair of the board. In addition to this role, he also serves on the Mabel Cooperative Telephone Company Board and MiBroadband Board. Past commitments include the North Winneshiek School Board, Winneshiek County Dairy Herd Improvement Board, St. Agnes Church Council and Winneshiek County Compensation Board.

"Having served on several boards over the years, I'm very familiar with the role and duties of a board member," says Nierling. "I realize the importance of board decisions needing to be made in the best interests of all cooperative members and take that role seriously."

Nierling cites keeping electric costs reasonable, along with safety and reliability as important issues. "I also feel the cooperative's involvement in MiBroadband is extremely important in providing high-speed internet access to as many rural residents as possible. It is needed more now than ever," says Nierling. "Also, new technology like electric vehicles will make us look at different strategies."

Nierling feels his education and experience allow him to make good decisions on behalf of members. "Thank you for your past support. I have the time to commit and would be honored to represent you for another three years," says Nierling.

## Our LEADERS are MEMBERS

MiEnergy Cooperative has 12 directors representing the five districts of its service territory. Members vote for candidates that live in and represent their district. Being elected to the board is a paid position that comes with responsibilities.

The election process begins with an article in the November MiNews informing members which districts are up for election and the deadline for candidate applications. The cooperative also seeks members to serve on the Nominating Committee at that same time. The Nominating Committee is made up of members who live in the district up for election. MiEnergy's attorney reviews the director applications, along with the committee who selects which applicants are placed on the ballot.

Information about MiEnergy's board of directors is available online at [www.MiEnergy.coop/board-directors](http://www.MiEnergy.coop/board-directors).



**DENNIS**

**CODY**

**DON**

**STEVE**

**SKIP**

## District 3 Director Candidates

Seat #1: Dennis Young (Incumbent) and Cody Webb (Challenger)

Seat #2: Don Petersen (Incumbent) and Stephen "Steve" Kujak (Challenger)

Seat #3: Al "Skip" Wieser, III (Incumbent) running unopposed



### **Dennis Young, incumbent, 1553 Canoe Ridge Rd., Decorah, Iowa**

Dennis Young is retired and works as a school bus driver. He has been a member of the cooperative for 18 years.

Young has served on the board since 2004. In addition to this role, he has served on the Aase Haugen Home Board, church councils, bus driver for handicapped children and vice president of Farm Bureau.

"I'm an open-minded person and have had experience in the role of being a board director in how it relates to working with fellow board directors and management. I've been able to gain training opportunities from our national and state associations to help make good decisions for the cooperative," says Young.

Young cites the ability of the cooperative to continue providing safe, reliable and affordable electricity to members as an important issue. "With the advancement of member-owned generation, we need to continue to make adjustments to ensure fairness to the members of the cooperative," says Young.

According to Young, he would like to continue to represent members on the board. "I enjoy working with the board to make decisions that allow the cooperative to provide safe, reliable and affordable electricity to the satisfaction of our members," states Young. "Thank you to all who have supported me in the past. I look forward to the opportunity to continue serving you in the future."



### **Cody Webb, challenger, 3006 Pleasant View Rd., Decorah, Iowa**

Cody Webb works as a safety director for Reilly Construction. He and his wife reside in the home he grew up in with their two young sons, and he has been a member of the cooperative for 12 years.

Webb currently serves on the finance council for St. Benedict's Parish and in the past has served as president of the Northeast Iowa Rugby Club. He also has an MBA from Western Governors University.

"In my profession, I work with people from different demographics in both the public and private sectors every day to complete projects that require agreement by everyone involved," says Webb. "This demonstrates my ability to communicate clearly, and most importantly, my ability to listen as a board director."

Webb cites high-speed internet and renewable energy as important issues for the cooperative. "The board needs to address high-speed internet to rural communities that is cost competitive and reliable," says Webb. "Another issue is balancing renewable energy with traditional energy generation resources. The cost effectiveness versus the cost efficiencies of generation resources and how that affects members."

Webb would like the opportunity to serve members as a board director. "I'd like the chance to serve on the board to offer my skills as the cooperative continues to thrive and evolve through the current industrial revolution of smart homes and renewable energy," states Webb.



### **Don Petersen, incumbent, 9873 Ridgeview Rd., Hokah, Minn.**

Don Petersen works as a self-employed farmer and has been a member of the cooperative for 35 years.

Petersen has served on the board since 2011 and currently serves as treasurer. In addition to this role, he also serves on the Hokah Co-op Oil Association Board of Directors as its secretary.

"Being self-employed and being accountable for the day-to-day operations and finances of our family's cow-calf and feedlot operation has taught me the economic responsibility of using hard-earned money to make a living," says Petersen. "I've also taken the necessary classes to be a Credentialed Cooperative Director and obtained a Board Leadership Certificate to help me make good decisions on behalf of cooperative members."

Petersen cites several important issues for the cooperative. "An ongoing issue is to always make sure that rate classes are not being cross subsidized; everyone should pay their fair share," says Petersen. "We need to find a way to incorporate renewable energy without increasing costs and still have reliable power. The growth of electric vehicles will also be an important issue."

As a small-business owner, Petersen says he understands the important role of electricity. "I know that energy is one of the main costs in all forms of business. By being involved on the MiEnergy board, I'm able to facilitate discussions and actions on behalf of members that promote innovation and financial stability for all members," states Petersen.



### **Stephen "Steve" Kujak, challenger, 303 South Marina Dr., Brownsville, Minn.**

Steve Kujak is a chemist and the director of refrigerant research for Trane Technologies. He has been a member of the cooperative for four years.

Since 2005, Kujak has held many leadership positions for American Society Heating Refrigeration Air-Conditioning Engineers (ASHRAE). In addition to these roles, his past commitments include president of the Board for Friends of the Refuge - Mississippi Pool 7 & 8; Onalaska Town Board Supervisor; and Troop 21 Onalaska Assistant Scout Master.

Kujak says he carries a strong drive to help others and a background that would help him as a board director.

"My career is focused on decarbonization technologies and reducing global warming impacts. I also have a lifetime of involvement in conservation and sustainability," says Kujak. "I have a personal interest in 'green' technologies as it relates to electrification."

Kujak cites several important issues for the cooperative. "I see decarbonization of the grid and full electrification of homes for heating and transportation as important matters for the board," says Kujak. "How those issues impact electric costs for MiEnergy members and most importantly the cost of ownership to enable the use of those technologies to enable further electrification are important. Also, the ability to



offer additional services and/or technologies for members like high-speed internet, energy storage and high efficiency appliances.”

“I would look forward to using my background to help develop plans to minimize the impact of the decarbonization transition of the grid to further the electrification of homes and businesses, while minimizing the cost impacts to members,” states Kujak.



## AI “Skip” Wieser, III, incumbent unopposed, 1985 County Hwy 6, La Crescent, Minn.

Skip Wieser is an attorney and vice president of Wieser Law Office, P.C. He has been a member of the cooperative for 17 years.

Wieser has served on the board since 2013. In addition to this role, he currently serves on the finance committee for Crucifixion School, is a member of the La Crescent Chamber of Commerce and volunteers at various community events in La Crescent. Past commitments include serving as director of the La Crescent Community Foundation and as a member of the Third District Bar Association where he served as president and vice president.

“I bring a unique background of professional and personal experiences to the board room. As electric distribution continues to evolve and change, I have experience and insight to address board level day-to-day issues along with focusing on long-term issues facing the cooperative,” says Wieser. “Since joining the board, I have also earned certification as a Credentialed Cooperative Director by the National Rural Electric Cooperative Association.”

Wieser cites growth opportunities, legislation and member-owned generation as important issues for the cooperative.

“We proactively look for economic growth and development opportunities within and outside the service territory to provide long-term stability. It is also important to work with state and federal legislators regarding any impacts to the cooperative,” says Wieser. “And to creatively address the challenges related to member-owned generation. Continuing to address these issues will provide the best outcome for members.”

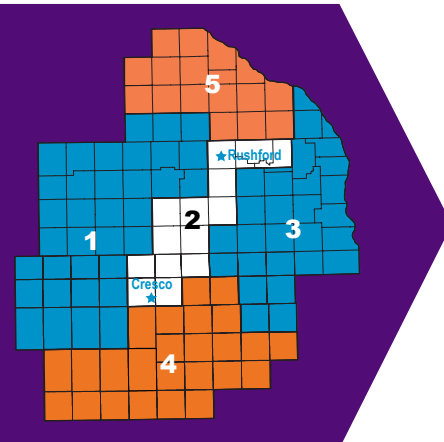
Wieser says he was honored to be appointed to the board in 2013 and subsequently elected in 2014. “I have embraced and enjoyed the challenges of serving on the board during dynamic industry times. I believe I can continue to contribute in a positive manner for the benefit of MiEnergy Cooperative,” states Wieser.

## Future election schedule & voting

Board directors are elected to three-year terms. The election schedule is as follows:

- Districts 2 & 3, 2021
- Districts 4 & 5, 2022
- District 1, 2023

Members who live in a district up for election received a ballot package with information on how to cast a ballot by mail, online or in person. This year, members living in district 2 and 3 had a yellow ballot package mailed to them on March 12.



# Annual Meeting Minutes

## ANNUAL MEETING MINUTES

APRIL 22, 2020

The 4th annual meeting of the members of MiEnergy Cooperative was held at the cooperative’s headquarters in Rushford, Minn. on April 22, 2020, at 7 p.m.

The meeting was called to order by Dean Nierling, chair of the board, who presided. Attorney Dennis L. Puckett acted as secretary of the meeting and kept the minutes thereof. Directors and staff participated in the meeting by teleconference.

Due to the recent concerns related to the COVID-19 virus, an in-person meeting of the members was not recommended and the board had taken action to approve conducting a limited annual meeting for the sole purpose of electing directors, with all voting occurring by mail or electronic means.

Nierling asked Puckett to address the election of two directors for a term of three years each. Puckett reported that in accordance with the bylaws, the board of directors had appointed from the members of the cooperative a Nominating Committee. He presented the report indicating the committee had nominated the following members as candidates for director: District 1 (Two to be elected):

Seat #1 - Dennis Ptacek

Seat #2 - Jeffrey Redalen and Dave Ruen

Puckett noted the vote was conducted by mail and electronic voting, with all ballots submitted to Survey and Ballot Systems. The certified election results were then sent to Puckett and he presented the same, noting that the following members, having received the highest number of the votes cast, had been duly elected as directors of the cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

Seat #1 - Dennis Ptacek

Seat #2 - Jeffrey Redalen

Puckett noted those participating in the balloting by electronic voting were able to provide remarks and it appeared almost all were pleased with the process.

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

## ANNUAL MEETING MINUTES

APRIL 23, 2019

The 3rd annual meeting of the members of MiEnergy Cooperative was held at the Mabel Community Center in Mabel, Minn. at 7 p.m. on April 23, 2019.

The meeting was called to order by Dean Nierling, chair of the board, who presided, and Dennis Ptacek, secretary of the cooperative, acted as secretary of the meeting and kept the minutes thereof.

Nierling welcomed the members and special guests in attendance. He noted that the meeting would be conducted pursuant to the “Modern Rules of Order” and indicated that there would be an opportunity for member questions following the President/CEO report.

An invocation was offered by Director Ronald Stevens, vice chair. Nierling then led the members in reciting the Pledge of Allegiance.

Nierling introduced Ptacek, who noted that the notice of annual meeting had been mailed to all members and was printed in the annual report. He read the affidavit of mailing of the notice.

Nierling reported that the members present had been checked, and that a sufficient number of members were present to constitute a quorum.

Nierling introduced the board members, President/CEO Brian Krambeer and attorneys Dennis Puckett and Dan Berndt.

Director Jenny Scharmer introduced guests in attendance, including those from neighboring cooperatives and local business leaders.

Nierling noted that the minutes of the annual meeting held April 18, 2018, were mailed to the members in the annual report. He recommended that the reading of the minutes be waived and they be accepted as printed. A motion was duly made, seconded and carried, to waive the reading of said minutes, and they were thereupon declared to be approved and were ordered to be filed in the records of the cooperative.

The chair introduced Board Treasurer Don Petersen who reviewed the financial statements for 2018. The annual report included a summary

statement of revenue and expense and balance sheet information and Petersen reviewed some of the key figures. He indicated total assets increased by \$4.5 million and liabilities increased by \$3.2 million. Total equity at the end of 2018 was \$69.5 million. 2018 margins were \$3.78 million. \$2.1 million in capital credits were retired in 2018. The financial statements were audited by the Eide Bailly CPA firm.

Nierling introduced Puckett who explained the process whereby director elections will commence in 2020. The election schedule is as follows: District 1 in 2020, districts 2 and 3 in 2021, and districts 4 and 5 in 2022. He noted directors Hegland and Fisher announced plans not to seek reelection when their terms expire, and the vacancies created by their retirement will not be filled thereby reducing the size of the board from 14 to 12. The process for nominating candidates in 2020 was reviewed and Puckett offered to answer any questions.

Hegland was recognized for his years of service on the board, then he offered some comments.

President/CEO Krambeer presented about the work of employees during recent storms; board leadership; 2018 numbers and accomplishments; rates; the residential battery storage pilot program; broadband; electric vehicle charging; advanced metering; power supply and transmission; succession planning; solar projects; the need for balanced and diverse energy supplies; and the future of MiEnergy. He thanked the members for their support. At the conclusion of his report, he answered questions from the members.

Nierling next noted that there was no unfinished business from last year’s member meeting and called for any new business, and there was none.

There being no further business to come before the meeting, Nierling declared the meeting adjourned at 8:05 p.m.

A drawing was held for door prizes and the members in attendance were provided an attendance gift as they left the meeting. Prior to the meeting, the members enjoyed dessert and coffee. A video concerning Operation Round Up was presented prior to the meeting.

## BALANCE SHEET

ASSETS	2020	2019
<b>ELECTRIC PLANT</b>		
In service	\$198,257,372	\$194,389,653
Under construction	1,772,369	721,839
Total electric plant	\$200,029,741	\$195,111,492
Less accumulated depreciation	57,936,976	55,895,684
<b>Net Electric Plant</b>	<b>\$142,092,765</b>	<b>\$139,215,808</b>
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Investments in associated companies	\$32,902,647	\$32,242,883
Restricted investments	2,435,386	2,588,623
Non-utility property, net	96,602	148,241
Special funds - revenue deferral	4,000,000	4,000,000
Other investments	250,342	195,604
<b>Total Other Property and Investments</b>	<b>\$39,684,977</b>	<b>\$39,175,351</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$5,415,089	\$1,275,030
Restricted cash	600,392	497,818
Accounts receivable - net	7,903,467	9,237,037
Materials and supplies	5,187,310	4,592,082
Other assets	343,941	392,819
<b>Total Current Assets</b>	<b>\$19,450,199</b>	<b>\$15,994,786</b>
<b>DEFERRED DEBITS</b>	<b>\$1,745,013</b>	<b>\$2,235,249</b>
<b>TOTAL ASSETS</b>	<b>\$202,972,954</b>	<b>\$196,621,194</b>
<b>EQUITIES AND LIABILITIES</b>		
<b>EQUITIES</b>		
Patronage capital	\$59,933,297	\$60,314,554
Other equities	11,946,912	11,282,105
<b>Total Equities</b>	<b>\$71,880,209</b>	<b>\$71,596,659</b>
<b>LONG-TERM DEBT, Less Current Maturities</b>	<b>\$109,423,582</b>	<b>\$104,105,108</b>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	\$6,299,000	\$4,757,000
Accounts payable	5,338,335	6,110,144
Customer deposits	155,139	153,215
Other current and accrued liabilities	3,496,657	3,593,208
<b>Total Current Liabilities</b>	<b>\$15,289,131</b>	<b>\$14,613,567</b>
<b>DEFERRED CREDITS</b>	<b>\$6,380,032</b>	<b>\$6,305,860</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$202,972,954</b>	<b>\$196,621,194</b>

## 2020 BY NUMBERS

**\$41M**  
INVESTMENT IN POWER GRID IMPROVEMENTS  
5-year work plan 2015-2020



**\$2.7M**  
SPENT ON CLEARING RIGHTS-OF-WAY



**\$3.2M**  
RETURNED TO MEMBERS

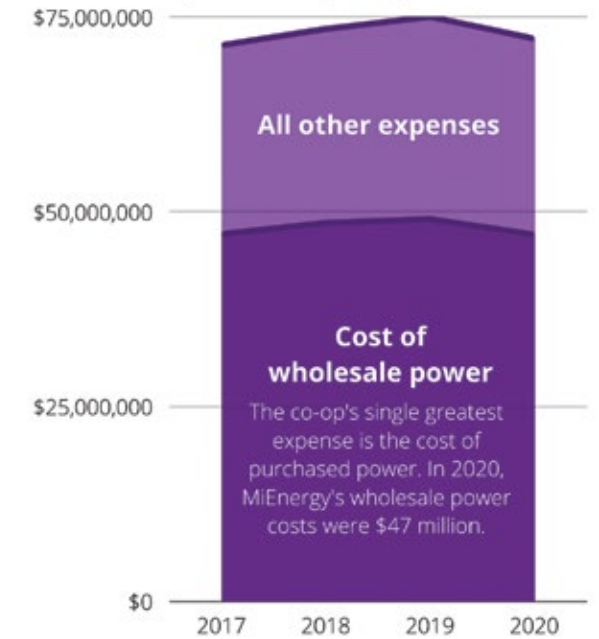


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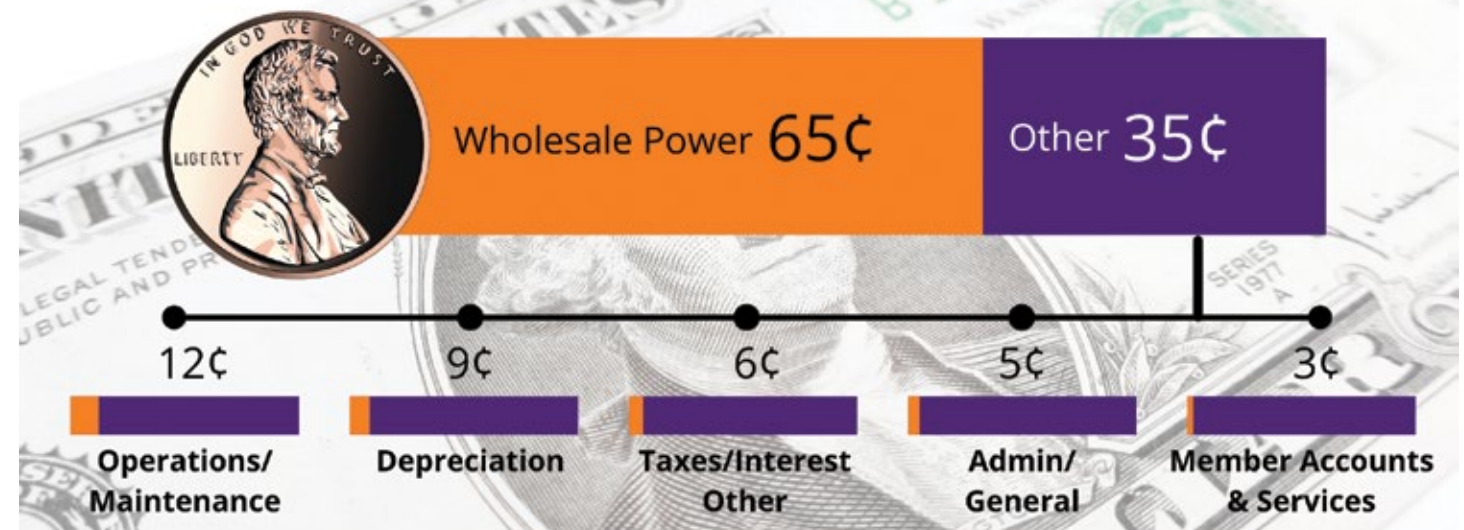
## STATEMENT OF REVENUE AND EXPENSE

	2020	2019
<b>OPERATING REVENUE</b>		
Cost of purchased power	47,057,189	48,989,131
Distribution - operations	4,317,427	4,522,589
Distribution - maintenance	4,601,763	4,628,373
Consumer account	792,250	905,127
Customer service and informational	1,083,774	1,125,850
Administrative and general	3,628,551	3,825,248
Depreciation	6,307,449	6,132,254
Taxes	803,517	806,755
Interest	3,632,146	3,987,016
Other	34,119	69,079
<b>Total operating expense</b>	<b>\$72,258,185</b>	<b>\$74,991,422</b>
<b>OPERATING MARGINS</b>	<b>\$1,027,533</b>	<b>\$1,486,295</b>
<b>G &amp; T AND OTHER CAPITAL CREDITS</b>	<b>\$1,896,419</b>	<b>\$1,955,538</b>
<b>NON-OPERATING MARGINS</b>	<b>\$455,765</b>	<b>\$861,300</b>
<b>NET MARGIN</b>	<b>\$3,379,717</b>	<b>\$4,303,133</b>

## Operating Expenses



## How A Dollar Was Spent in 2020





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**POWERON**

During a year when the terms COVID-19, social distancing and masking up were added to our vocabularies, it will also be known as the year MiEnergy Cooperative employees powered on.

We may have looked differently in our masks or our processes may have changed in an effort to protect our employees and our members, but we never let the pandemic get in the way of continuing to be progressive and innovative.

Our members expect us to help improve their quality of life and because of that we power on.