

# Lyon-Lincoln Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative



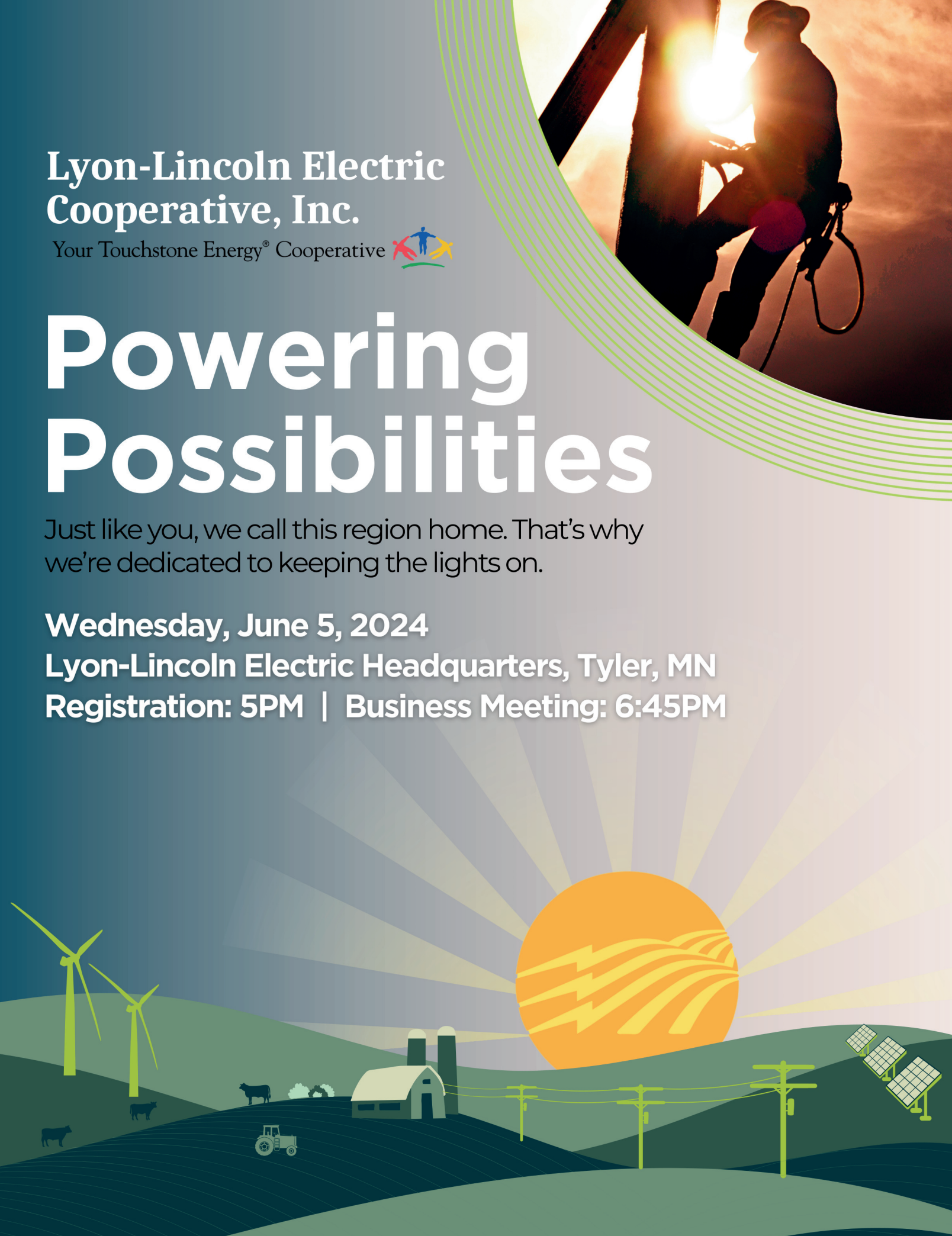
# Powering Possibilities

Just like you, we call this region home. That's why we're dedicated to keeping the lights on.

**Wednesday, June 5, 2024**

**Lyon-Lincoln Electric Headquarters, Tyler, MN**

**Registration: 5PM | Business Meeting: 6:45PM**



# OFFICIAL NOTICE OF ANNUAL MEETING

## LYON-LINCOLN ELECTRIC COOPERATIVE, INC. Tyler, Minnesota

The Annual Meeting of the Stockholders (hereinafter referred to as “Members”) of Lyon-Lincoln Electric Cooperative, Inc. (Cooperative) will be held at the Lyon-Lincoln Electric Headquarters Building in Tyler, Minnesota at 6:45 PM on Wednesday, June 5, 2024, to take action upon the following matters:

1. The Report of Officers, Directors, and Committees.
2. The election of Directors of the Cooperative.
3. All other business which may come before the meeting or any adjournments thereof.

In connection with the election of Directors scheduled for this meeting, the following members have been nominated for Directors by the membership within their respective voting districts. In accordance with the Bylaws of the Cooperative, the names have been arranged in order of preference indicated by the respective district vote.

DISTRICT	ELECTION	CANDIDATES
District I	For a 3 Year Term	Mary Gunnink Jason Piercy
District II	For a 3 Year Term	Joel Buyck
District III	For a 3 Year Term	Jared Dritz Darin Brink

Dated this 12th day of April, 2024

Kathleen Schreurs  
Secretary- Treasurer



# 2024 ANNUAL MEETING AGENDA

## LYON-LINCOLN ELECTRIC COOPERATIVE, INC.

**Wednesday, June 5th, 2024**  
**Lyon-Lincoln Electric Headquarters Building**  
**Tyler, Minnesota**

5:00 – 6:30pm Registration

5:30- 6:30pm Dinner  
Served by: Lincoln County Pork Producers and Country House

6:45- 7:45 PM CALL TO ORDER, Dale Fier, President  
National Anthem  
Report of Quorum  
Reading of Notice of Annual Meeting..... Kathy Schreurs, Secretary  
Approval of Minutes of 2023 Meeting..... Kathy Schreurs, Secretary  
Election of Directors..... Mike Cable, Attorney  
Introduction of Nominees  
Appointment of Tellers and Balloting  
Financial Report.....Kristi Jensen, Finance Manager  
President and Manager's Report..... Dale Fier and Tim O'Leary  
Operation RoundUp®..... Tim O'Leary, General Manager  
Introduction of Operation RoundUp® & Basin Scholarship Winners  
Balloting- Election Results  
Adjournment  
Prize Drawings-  
\*Must be present to win

**Bring the family**  
There's something for  
everyone- Bounce House &  
Raffle Prizes!



# MEET YOUR EMPLOYEES



**Timothy O'Leary**  
General Manager



**Kristi Jensen**  
Finance Manager



**Lyle Lamote**  
Line Superintendent



**Brian Jeremaison**  
Manager of Marketing &  
External Relations



**Rochelle Borresen**  
Accountant



**Lisa Hauswedell**  
Billing Clerk



**Jessica Gums**  
Executive Assistant



**Alan Fisher**  
Warehouse Coordinator/  
Work Order Clerk



**Wade Thooft**  
Operations Staff Assistant



**Ross Birath**  
Journeyman Lineman



**Dan Tutt**  
Journeyman Lineman



**Tyler Blomme**  
Journeyman Lineman



**Tyler Sand**  
Journeyman Lineman



**Nathan Pavek**  
Journeyman Lineman



**Sam Rohde**  
Apprentice Lineman



**Trent Skjefte**  
Apprentice Lineman



# MEET YOUR BOARD OF DIRECTORS



**Dale Fier**  
President- District 3



**Mike Longtin**  
Vice President- District 3



**Kathy Schreurs**  
Secretary/ Treasurer-  
District 1



**Joel Buyck**  
Director- District 2



**Jared Dritz**  
Director- District 3



**Galen Grant**  
Director- District 2



**Mary Gunnink**  
Director- District 1



**Scott Johnson**  
Director- District 1



**Jim Rokeh**  
Director- District 2



**Mike Cable**  
Board Attorney



- Define the mission and long term objectives of the business
- Represent member-owners and serve as trustee of their interests
- Select and appraise the Chief Executive Officer (CEO)
- Determine Policy
- Evaluate the performance of the business

## KEY DUTIES OF THE BOARD



# 2023 ANNUAL MEETING OF STOCKHOLDERS

## LYON-LINCOLN ELECTRIC COOPERATIVE, INC.

### 2023 ANNUAL MEETING MINUTES

The annual meeting of stockholders (hereinafter referred to as "members or member-owners") of Lyon-Lincoln Electric Cooperative, Inc., was held at the Headquarters Building in Tyler, Minnesota, at 7:15 o'clock P.M., on Wednesday, June 7, 2023, pursuant to a notice mailed to each and every member personally not less than fifteen days prior to the date of the meeting and publication of said notice.

Dale Fier, Vice-President, called the 84th Annual Meeting of Lyon-Lincoln Electric Cooperative, Inc. to order at 7:15 o'clock P.M. and designated Cooperative Attorney, Michael W. Cable, to keep the minutes thereof.

At that time the members of the Cooperative stood and joined in the National Anthem. Vice-President Fier invited the veterans and military members to stand and be recognized.

Vice-President Fier indicated on behalf of the Board of Directors and employees of the Cooperative that he welcomed the members to the 84th Annual Meeting indicating that said Annual Meeting was held once a year to give the members the Cooperative's financial position, to elect directors to the Board, and to conduct other Cooperative business.

Vice-President Fier introduced the Board and spouses of the Board Members being Vice-President, Dale Fier's wife Heidi; Secretary-Treasurer, Kathy Schreurs, and her husband David; Director Galen Grant and his wife Marie; Director James Rokeh and his wife Helen; Director Mary Gunnink and her husband Tom; Director Scott Johnson and his wife Rhonda; Director Jared Driz and his wife Amber; and Director Mike Longtin and his wife Ann. Vice-President Fier also introduced Michael W. Cable who is the Attorney for the Cooperative.

Vice-President Fier introduced the following special guests that were in attendance and thanked them for joining the Cooperative in conducting its Annual Meeting: Merv Anderson, former Board Director of Lyon-Lincoln Electric Cooperative, Inc.; Brent Imker, South Central Electric; Sandy Ludeman, former Board Director and President; Scott Reimer, from Federated; Bob Sahr, East River Electric Power Cooperative, Inc.; Scott Shewey, East River Electric Power Cooperative, Inc.; Henning Hanson, former Board Director at Sioux Valley Energy; Sebastian Schwing, former Board Director of Lyon-Lincoln Electric Cooperative, Inc.; Joe Schomacker, State Representative; James Johansen, former Board Director of Lyon-Lincoln Electric Cooperative, Inc.; Chris Swedzinski, State Representative; Glen Sorensen, former Board Director of Lyon-Lincoln Electric Cooperative, Inc.; Dean Fultz, Board Director from Redwood Electric; and Mike Baune, Board Director from Redwood Electric.

Vice-President Fier indicated that he wanted to recognize the former Board President of Lyon-Lincoln Electric Cooperative, Inc. Sandy Ludeman. Vice-President Fier indicated that Sandy Ludeman served on the Board of Lyon-Lincoln Electric Cooperative, Inc. for 15 years and for the last 11 years he guided the Board through its monthly meetings as the Board President. He indicated that Sandy Ludeman was a second-generation director, as his Father, Sander Ludeman IV, served on the Board as well. Sandy originally ran for the Board because he understood what an important link it was to serve on behalf of the other member-owners to preserve the rural quality of life. Sandy Ludeman believed that reliable and affordable power was needed to support

the members and to keep the rural farms, businesses, and homes functioning every day. Sandy Ludeman and his wife Peggy decided to move to Bloomington, Minnesota earlier in the year 2023 to be closer to family and therefore was no longer eligible to serve on the Board. Vice-President Fier then read a Certificate that he presented to Sandy Ludeman and it said the following: "With our greatest appreciation, this Certificate is presented to Sander Ludeman for your unwavering support and guidance that helped in leading our path to success. You are being honored for your years of service on the Lyon-Lincoln Electric Cooperative, Inc. Board of Directors." Vice-President Fier then thanked Sandy Ludeman for his years of dedicated service.

Vice-President Fier advised the membership that the registration list showed that 157 members were present and therefore declared there was a quorum.

Secretary-Treasurer, Kathy Schreurs, read the Annual Meeting Notice and indicated that according to the Affidavit of Publication the notice had been mailed and published pursuant to Minnesota law and the rules of the Cooperative. A motion was made, seconded and unanimously carried to waive a roll call vote of the members and to substitute the registration list therefore. Vice-President Fier directed that the registration list be filed for the establishment of a quorum and to make it a part of the minutes of the meeting.

Vice-President Fier advised the membership that the minutes of the 2022 Annual Meeting were printed in the Annual Report on pages 6, 7 & 14. Vice-President Fier asked for a motion to waive the reading of the minutes and to approve the minutes as presented and said motion was made and unanimously carried.

Vice-President Fier advised the membership that in accordance with the Bylaws, the Board of Directors took action on December 19, 2022 to call a separate meeting of the members of each district for the purpose of selecting two persons as candidates for director in each District where a current director's term had expired. Those meetings were held on April 10th, April 11th and April 13th of 2023. The certified copy of the minutes of each of the District Meetings was ordered annexed to the minutes of the meeting.

Vice-President Fier indicated that it was time to elect directors that would represent the membership on the Cooperative's Board of Directors. He advised the members that the ballots were included in the material received when the member registered. He asked that the members remember to vote for a director to represent each of the Districts on the ballot so the members will be voting for four individuals, one from each of the three Districts and an additional director from District Two to complete the three year term of Sandy Ludeman. Vice-President Fier indicated that the members can learn more about each of the candidates for directors by reviewing pages 8 and 9 of the Annual Meeting Report.

Vice-President Fier introduced Cooperative Attorney, Michael W. Cable, and indicated that Mr. Cable has been the Cooperative's Attorney for the last 27 years and will be handling the voting portion of the business meeting.

Cooperative Attorney, Michael W. Cable, thanked Vice-President Fier for introducing him and advised the members that there were District Meetings held for District One, District Two, and District Three for

the purpose of selecting candidates to be presented at the Annual Meeting. Three of the candidates will serve on the Board of Directors for a three year term and one of the candidates will serve for a one year term for District Two, to fill the vacancy left by the resignation of Sandy Ludeman as President and Director.

Mr. Cable advised the members of the procedure for determining the candidates that were nominated by the Nominating Committee for each District, as candidates to serve on the Board of Directors. Mr. Cable indicated that there was also a petition process to allow additional candidates to be presented at the District Meetings which would add additional candidates not presented by the Nominating Committee. Because of this procedure, the Bylaws indicate that there will not be additional nomination for directors from the floor of the Annual Meeting.

The following individuals were nominated as candidates for the Board of Directors to serve for a three year term from each district and one candidate to serve for a one year term for District Two. Those individuals stood because Mr. Cable asked that they stand as they were introduced. The individuals were as follows:

<u>DISTRICTS</u>	<u>CANDIDATES</u>
DISTRICT ONE For Three Year Term	Scott Johnson Kelly Sik
DISTRICT TWO For Three Year Term	Galen Grant
DISTRICT TWO For One Year Term	Joel Buyck
DISTRICT THREE For Three Year Term	Dale Fier

Mr. Cable asked that Secretary-Treasurer, Kathy Schreurs, place in nomination those persons as the official candidates for election as directors and the Secretary-Treasurer placed them in nomination.

Mr. Cable indicated that printed ballots had been distributed to the members and asked that the members complete the ballots indicating the Directors they are voting for. He asked that after the ballots were completed, they be passed to the tellers who had been selected. Mr. Cable indicated that the tellers that were selected were as follows: District One Gary Heffle and Les Johnson; District Two Dennis Meulebroeck and Roger Isenberg; and District Three Ken Jeremiason and Merv Anderson.

Mr. Cable then asked that the tellers meet with him in the Board Room located next to the office of the General Manager to tally the votes for the directors. Mr. Cable thanked the members for their attention and participation in the election process.

Vice-President, Dale Fier, thanked Cooperative Attorney, Michael W. Cable, for his assistance with this year's election of directors. Vice-President Fier indicated that it was time for the Financial Report and introduced Kristi Jensen, Finance Manager, who had joined the Cooperative in 2021.

Kristi Jensen, Finance Manager, gave the 2023 Financial Report by reviewing the 2022 Financial Statement and made reference to the annual report insert. There were also slides presented to the members for each area of discussion. Kristi Jensen indicated that the Cooperative's Fiscal Year Audit



covered the period of September 1, 2021 thru August 31, 2022. The Audit was performed by Eide Bailly – Certified Public Accountants, from Sioux Falls, South Dakota and the auditors gave a favorable report to the Board regarding the financial position of the Cooperative. She informed the membership that the operating revenue for 2022 was \$10,712,797.00. Kristi Jensen indicated the Cooperative in 2022 had a total of 97,863,499 in kWh sales. This was an increase of 5,940,194 in kWh sales compared to 2021. The net operating margins for the Cooperative in 2022 were \$294,854.00. The Cooperative also had margins of \$803,773.00 allocated from East River Electric Power Cooperative, Inc. This is an allocation on the Cooperative's books and it is not a cash payment received. When the Cooperative receives the cash payment from East River Electric Power Cooperative, Inc. those funds are paid to the members. Kristi Jensen also indicated that the Cooperative had margins of \$69,542.00 allocated from other associated organizations such as CFC, CoBank (the Cooperative's lending institution), Federated Rural Electric Insurance, RESCO (the Cooperative's material supplier), and NISC (the Cooperative's software vendor). The total margins for the year 2022 was \$1,219,777.00. The Net Utility Plant is \$26,332,141.00 and the total assets and liabilities for the Cooperative are \$38,872,302.00. The Cooperative has a total Margin and Equity balance of \$16,733,168.00. This is the amount allocated, but not retired, to the membership and the member's balance appeared on the member's February Energy Bill that was mailed to the members in March of 2023. The total Capital Credits Retired through December 2022 was \$770,700.00. Lyon-Lincoln Electric Cooperative, Inc.'s portion of this retirement was \$337,403.00; East River Electric Power Cooperative, Inc.'s portion was \$315,971.00 and the remaining \$117,326.00 were estate retirements. Kristi Jensen asked the members if they had any questions and concluded her report. Vice-President Fier thanked Kristi Jensen for giving the Financial Report.

Vice-President Fier advised the members that General Manager, Timothy O'Leary, and himself would be giving a joint report. He introduced General Manager, Timothy O'Leary, and indicated that Mr. O'Leary had been with the Cooperative since 2002. Vice-President Fier indicated that after the joint report was presented to the membership General Manager, Timothy O'Leary, would be giving the Operation RoundUp® Report. At that time General Manager, Timothy O'Leary, addressed the membership and thanked them for joining in the Electric Cooperative's 84th Annual Meeting. Mr. O'Leary indicated that this year's Annual Meeting theme was "Together Towards Tomorrow". The theme revolves around the idea that the Cooperative is stronger when the membership works together towards the future. This idea isn't limited to the relationship that the Cooperative has with its member-owners as it involves relationships with power and material suppliers that the Cooperative utilizes, local and federal legislators, and statewide and national trade organizations. The Cooperative must work together in an open and transparent way in order to meet the electric power needs well into the future. Vice-President Fier indicated that with this in mind he would like to introduce the employees that work on meeting the needs each and every day. He advised the membership that they could find the pictures of the employees on page 4 of the Annual Meeting Booklet. Wade Thoof is the Operation Assistant, Al Fisher is the Warehouse Coordinator & Work Order Clerk, Jessica Gums is the Executive Assistant, Lisa Hauswedell is the Billing Clerk, Rochelle Borresen is the Accountant, Brian Jeremiason is the Manager of Marketing and External Affairs, Lyle Lamore is the Line Superintendent, Kristi Jensen is the Finance Manager, and Timothy O'Leary is the General Manager. Vice-President Fier also referred to the linemen who worked tirelessly over the past year after several

storms passed through the trade area of the Cooperative. The linemen are Ross Birath, Dan Tutt, Tyler Blomme, Tyler Sand, Nathan Pavak, Sam Rhode, and Trent Skjette. Vice-President Fier asked that the membership give the employees a round of applause thanking them for their service to the Cooperative and its member-owners.

General Manager, Timothy O'Leary, indicated that with the multiple storms going through the trade area last year, each of the individuals described by Vice-President Fier performed their duties with a commitment to safety and to each other. The storms caused some significant damage and extended outage times and the Cooperative is thankful for the member's help in identifying damage where distribution poles and lines were on the ground. General Manager, Timothy O'Leary, indicated to the membership that as a reminder he asked them to treat all down power lines and accidents involving pad mount transformers or other utility equipment as though the same were energized. General Manager, Timothy O'Leary, indicated that the members should call 911 to report any downed power lines or damaged electrical equipment, the members should stay in their vehicle until an electric utility worker says it is safe to exit and warn others involved in the accident to stay put and alert others who might approach to stay back. Mr. O'Leary indicated that exiting a vehicle or equipment must be the last resort and should only be attempted if the vehicle or equipment is on fire or giving off smoke. If this is the case, he asked that the members exit the vehicle by crossing their arms and jumping from the vehicle without touching it. After jumping to the ground the members should hop with both feet together as far as the member can. He asked that members share this information with their family and friends to help them know what to do in these situations.

Vice-President Fier asked that the members visit the Cooperative's website and click the safety link under the education tab for more information. The monthly newsletter will continue to help the membership learn more about being safe around electricity and how to identify hazards. Vice-President Fier also reminded the membership to please call 811 before they dig to locate underground utilities and please slow down and move over when driving through a utility work zone. It is the law and could save a life. Safety must always be the Cooperative's top priority.

General Manager, Timothy O'Leary, indicated that one topic that has received local and national attention over the past couple of years is power supply and whether there will be enough power generated to supply the grid with the electricity needed to power our daily lives. This is something that the Cooperative continually focuses on with its power supplier and delivery partners, Basin Electric Power Cooperative, Inc. and East River Electric Power Cooperative, Inc. He started with some information on the generation resources that are currently being used to generate the electricity delivered to the Cooperative. Based on the 2021 numbers supplied by East River its members received 41.9% from coal owned and purchased, 29.2% from the wind, 17% from hydro power dams located on Missouri River, 10.6% from natural gas, 1.2% from recovered energy sources and 0.1% from other petroleum. The makeup of the resources that supply electric power to the Cooperative has changed dramatically since 2000. In 2000 a majority of electricity, nearly 85% of the Basin generating portfolio consisted of coal-based generation and now coal makes up about 39% of the portfolio.

Vice-President Fier indicated that the reduction in Basin's coal generation was done in collaboration with the membership. The plan was developed to keep electric generation reliable and affordable. Often the Cooperative is faced with costly state mandates that focus on a one size fits all parameter. Speaking of mandates, the State of Minnesota

passed a 100% carbon free bill that would force all generation to come from carbon free resources by 2040. The bill was passed by the DFL majority on a party line vote. All amendments failed along the same party line vote. However, before voting started the Minnesota Rural Electric Association, being the statewide association for electric cooperatives, with the help of their membership was able to advocate for certain changes to be included in the bill before it went to a vote in the Senate. Mr. O'Leary believes that the bill was improved for electric cooperatives, but he still has several concerns about how the bill will affect affordability and reliability in the future. Seventeen years seems like a long time to meet the mandates, but in the utility world that is seeing increased costs in all areas of the business and long lead times for materials, it will be nearly impossible to meet the mandates set out by this bill. There are other bills that were passed in 2023 that will also have an impact on future electric bills and the Cooperative will continue to work to limit the overall impact of these one size fits all, policy decisions.

Vice-President Fier indicated, that as the Cooperative has done in the past, we will continue to advocate for an "All of the Above" energy strategy that focuses on affordability and reliability as the Cooperative makes the transition to a new energy future. The "All of the Above" approach focuses on the use of a variety of energy resources to meet the Cooperative's energy needs. This approach recognizes that there is no silver bullet or one type of energy that will meet the future needs thus the Cooperative must use all resources available to the Cooperative so that it can build an affordable and reliable energy future for its member-owners. When the wind isn't blowing, or the sun isn't shining, the Cooperative must continue to have base load peaking power plants that provide power 24 hours a day and 7 days a week. The Cooperative must also have renewable resources like wind and solar as it starts to power more and more of the economy with electricity.

General Manager, Timothy O'Leary, indicated that Basin Electric continues to evaluate all options as they prepare for a future that limits carbon dioxide emissions. Basin continues to look at adding more wind and Basin has signed contracts to purchase the output from two solar farms. One of the farms will be located in western South Dakota and the other in Montana with both becoming operational in 2024. Another option for carbon free energy is nuclear energy. Unfortunately, nuclear energy was left out of the Carbon Free by 2040 Bill. An amendment was introduced to lift the moratorium on nuclear energy in Minnesota, but it was defeated by the DFL majority party during the debates on the House and Senate floors when the bill was being voted on.

General Manager, Timothy O'Leary, indicated that it is understood that nuclear power continues to be controversial and there are concerns about safety and waste disposal, but it is also understood that it has the potential to generate large amounts of electricity with little to no carbon emissions which is the goal of the carbon free bill. A new technology being looked at for nuclear uses is an advanced small modular reactor or SMR as the key to develop safe, clean and affordable nuclear power options. The advantage of this technology is that it leaves a small footprint, requires less capital investment and has the ability to be placed in more areas and closer to the load centers since it requires the use of less land.

The Department of Energy is working with the Utah Municipal Systems to demonstrate the first of its kind reactor and hope to have this project completed by the end of this decade. Cooperatives will continue to monitor this technology as it promotes the use of clean, reliable base load power.

**(Continued on page 14)**



# 2024 DIRECTOR CANDIDATES

## DISTRICT 1



**Mary Gunnink**

Mary Gunnink is the incumbent candidate for Director for the Lyon-Lincoln Electric Cooperative Board from District 1. Mary and her husband Tom live in rural Lake Benton and have two children, Matthew and Jennifer.

Mary and Tom farm in rural Lake Benton, raising crops and cattle. In addition to working on the farm, Mary also works at Kinner & Company in Lake Benton and keeps busy enjoying her four grandchildren and being active in the local community.

Mary is dedicated to being a good board member for Lyon-Lincoln Electric and feels that she brings some old-fashioned values to the board. Mary believes she is conscientious, open, honest, and willing to ask questions and learn. Running a successful business gives her the skills needed to make tough decisions. Mary understands how hard it can be to make a living in rural Minnesota and how important it is to keep rates as affordable as possible. Mary is also dedicated to ongoing Board Education and training to ensure that she remains current in the everchanging electric industry.

## DISTRICT 1



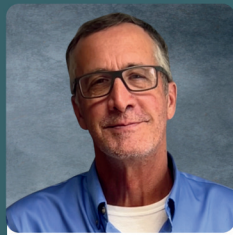
**Jason Piercy**

Jason Piercy is a candidate for Director for the Lyon-Lincoln Electric Cooperative Board from District 1. In the fall of 2021, Jason and his family moved and made a home in rural Lake Benton. Jason's wife, Jennifer is a nurse at Avera, and son Finn (freshman) and daughter Wren (3rd grade) attend and are involved in various RTR activities.

Jason has an extensive career in law enforcement including time as a State special agent conducting narcotics, violent crime and fraud/financial investigations. In 2013, Jason went to work for a Federal law enforcement agency conducting fraud/ financial related investigations and in 2018 began supervising task forces across multiple states. In 2017, he retired from military service as Major with 20+ years, including a combat deployment to Afghanistan.

In Jason's free time, he enjoys starting but not finishing home improvement projects, prepping for the arrival of daughter's new horse and attending son's athletic events.

## DISTRICT 2



**Joel Buyck**

Joel Buyck is the incumbent candidate for Director for the Lyon-Lincoln Electric Cooperative Board from District 3. Joel and his wife Lynn live on the family farm in rural Garvin. Joel operates a contract hog feeding operation and is also a retired US Postal Service rural mail carrier.

Joel has been involved in the church for many years filling positions on every board in their church of which has been very educational. Joel and Lynn have been involved with Special Olympics for many years. Joel is an active member of the Tracy Lions Club and was also on the Lyon-Lincoln Operation Roundup board for 2 terms.

Joel believes in working with others, not against them and would like to continue his term on the Cooperative Board to keep electricity affordable in the future.



## 2024 DIRECTOR CANDIDATES

### DISTRICT 3



**Jared Dritz**

Jared Dritz is the incumbent candidate for Director for the Lyon-Lincoln Electric Cooperative Board from District 3. Jared and his wife, Amber, live with their family on a farm south of Porter in Alta Vista township.

Jared moved back to the family farm about 15 years ago and he operates the service station in Porter.

Jared's experience running a business is an on-going benefit to the board and to the Cooperative members. Jared embraces the opportunity to show the patrons of LLEC that he can be open minded, trustworthy, and dedicated to being a good director. Jared also stated "Our goal as a Cooperative is to deliver safe, reliable and affordable electricity to our member- owners' homes, farms, and businesses. I would like to continue to serve on the board to help meet an ever-changing energy world and keep the Cooperative a sustainable business".

### DISTRICT 3



**Darin Brink**

Darin Brink is a candidate for Director for the Lyon-Lincoln Electric Cooperative Board from District 3. Darin, along with his Wife and 2 children, live in rural Marshall. Darin grew up in Southwest Minnesota and has lived in the LLEC area for over 18 years.

Darin is a Systems Specialist for Vestas Wind Systems with degrees in Wind Energy and Construction Electrician. With over 25 years of experience in power generation he understands what it takes to provide reliable power at an efficient rate.

In addition to his work in the wind industry, Darin currently assists coaching the trap and sporting clays teams for the Marshall high school, is an Eagle Scout and has been involved as a leader in scouting over the years with his son.

In his free time, Darin and his family enjoy the outdoors camping on Lake Benton and boating and fishing on the area lakes. Darin states "Making memories as a family is important to us so we make sure we set time aside to take trips and do family events together as often as we can. I enjoy carrying on a family tradition with my kids of hunting deer and turkeys no matter how busy of a schedule we may have".

When asked why Darin would make a good Cooperative Director, he said "I want to be involved in my community and offer my experience in power generation, product reliability of power generation equipment, as well as my knowledge in the renewable energy industry to the LLEC members. There are programs and mandates being pressed at state and federal levels and I would like to help LLEC navigate these programs and decide what is or is not best for the LLEC members". Darin also believes that grid security and a safe infrastructure is very important in this era of everything being operated remotely and by computers. He has worked in these environments and hopes to bring his experiences to the table.

Darin is eager to join the board if elected. He further added "I would like to opportunity to work for the members of LLEC and their interests. I think cost-effective and reliable power is something the LLEC team has done well over the years, and I would be honored to be an addition to that team".

# REVENUE & EXPENSES

For Fiscal Years Ending Dec. 31, 2023 & 2022

## REVENUE

2022

2023

### OPERATING REVENUE

\$10,712,797

\$10,955,728

### OPERATING EXPENSES

Cost of Purchased Power	\$5,961,395	\$6,179,764
Operations Expense	\$553,746	\$314,509
Maintenance Expense	\$723,131	\$805,682
Customer Accounts Expense	\$147,463	\$146,903
Customer Service & Information	\$230,684	\$235,945
Administrative & General Expense	\$1,062,045	\$1,118,468
Depreciation Expense	\$1,105,851	\$1,130,473
Interest on Long-Term Debt	\$607,180	\$638,978
Other Deductions	\$26,448	\$39,499

### TOTAL OPERATING EXPENSES

\$10,417,943

\$10,610,221

## MARGINS

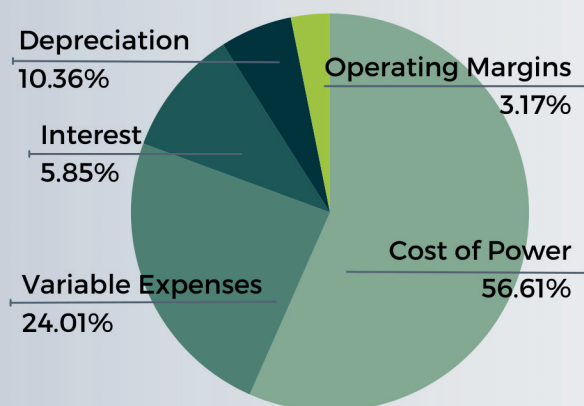
Net Operating Margins	\$294,854	\$345,507
Non-Operating Margins	\$51,608	\$125,613
East River Capital Credits	\$803,773	\$605,987
Other Capital Credits	\$69,542	\$69,575

### TOTAL MARGINS

\$1,219,777

\$1,146,682

## WHERE YOUR DOLLAR WAS SPENT:



## CAPITAL CREDIT RETIREMENT:

In total, LLEC has retired  
**\$18.83 MILLION**  
 IN CAPITAL CREDITS  
 to our members



- Lyon-Lincoln is ranked #21 out of 702 Co-Ops nationwide
- 52.02 % of all allocated Capital Credits have been retired
- National Average is 29.22%

# COMPARATIVE BALANCE SHEET

December 31, 2023 (Unaudited)

## ASSETS: WHAT WE OWN

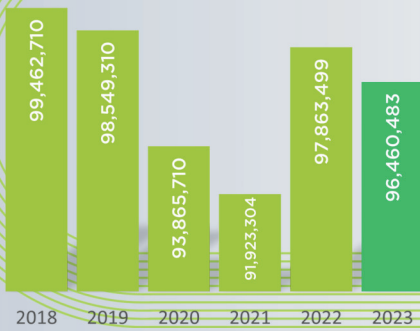
ASSETS	2022	2023
Utility Plant in Service	\$38,612,924	\$40,974,873
Less: Reserve for Depreciation	\$12,280,783	\$12,956,159
<b>NET UTILITY PLANT</b>	<b>\$26,332,141</b>	<b>\$28,018,714</b>
Investments in Subsidiary Companies	\$ -	\$ -
Investments in Assoc. Organizations	\$8,423,343	\$8,959,475
Investments in Eco. Develop. Projects	\$75,010	\$75,010
Other Investments	\$5,356	\$5,495
Special Funds	\$600,000	\$600,000
<b>TOTAL OTHER PROPERTY/INVTs</b>	<b>\$9,103,709</b>	<b>\$9,639,980</b>
Cash - General Funds	\$(86,944)	\$(196,774)
Temporary Investments	\$1,350,758	\$3,286,407
Accounts Receivable - Energy	\$838,979	\$758,677
Accounts Receivable - Other	\$72,467	\$66,067
Materials & Supplies	\$1,042,451	\$901,660
Interest Receivable	\$4,590	\$4,590
<b>TOTAL CURRENT &amp; ACCRUED ASSETS</b>	<b>\$3,222,301</b>	<b>\$4,820,627</b>
Deferred Debits	\$214,151	\$177,127
<b>TOTAL ASSETS &amp; OTHER DEBITS</b>	<b>\$38,872,302</b>	<b>\$42,656,448</b>

## LIABILITIES: WHAT WE OWE

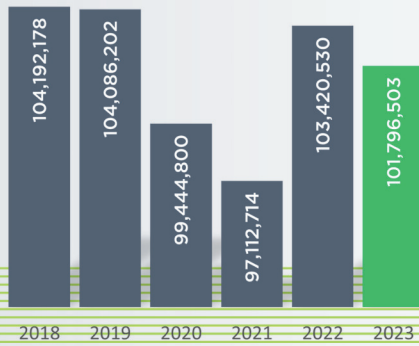
LIABILITIES	2022	2023
Membership Fees	\$19,730	\$19,855
Patronage Capital	\$15,755,111	\$16,209,495
Other Equities	\$958,327	\$1,015,709
<b>TOTAL MARGINS &amp; EQUITIES</b>	<b>\$16,733,168</b>	<b>\$17,245,059</b>
Long Term Debt, RUS	\$16,242,836	\$19,926,833
Long Term Debt, CFC, CoBank, Other	\$4,062,992	\$3,810,032
Long Term Debt, RUS, Eco. Develop.	\$ -	\$ -
<b>TOTAL LONG TERM DEBT</b>	<b>\$20,305,828</b>	<b>\$23,736,865</b>
Accumulated Operating Provisions	\$51,295	\$66,336
<b>TOTAL OTHER NONCURRENT LIABILITIES</b>	<b>\$51,295</b>	<b>\$66,336</b>
Notes & Accounts Payable	\$725,564	\$526,447
Consumers Deposits	\$26,300	\$24,000
Other Current & Accrued Liabilities	\$430,147	\$457,741
<b>TOTAL CURRENT &amp; ACCRUED LIABILITIES</b>	<b>\$1,182,011</b>	<b>\$1,008,188</b>
Deferred Credits	\$600,000	\$600,000
<b>TOTAL LIABILITIES</b>	<b>\$38,872,302</b>	<b>\$42,656,448</b>



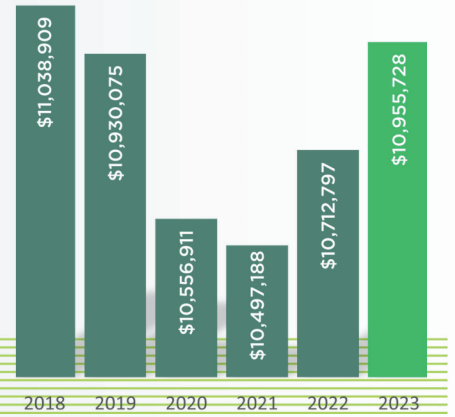
### KWh-Hours Sold



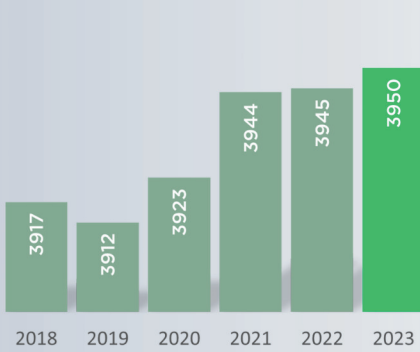
### KWh-Hours Purchased



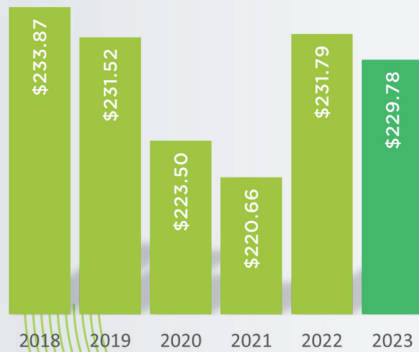
### TOTAL KWh Revenue



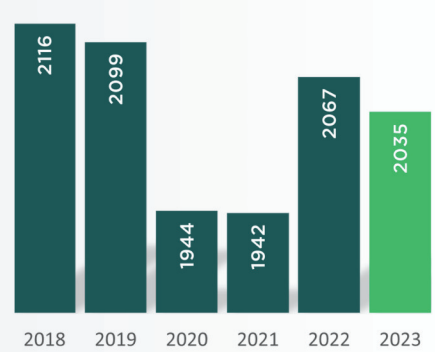
### Average Total Customers Total Service Accounts



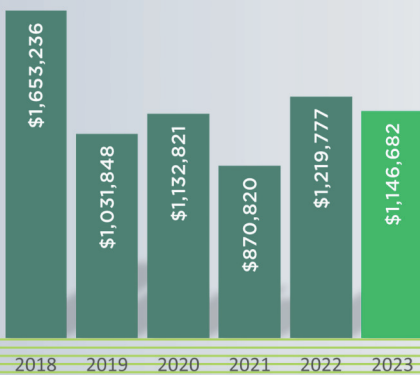
### Average Billing Per Member Per Month



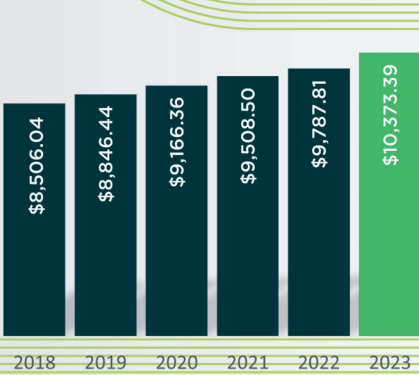
### Average KWh Used Per Member Per Month



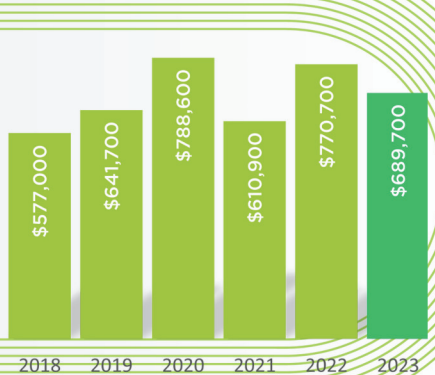
### Total Margins



### Investment in Plant Per Service



### Capital Credits Refunded



Miles of Distribution Line  
**1,670**

**3,950**  
Average Members Per Month

**2.36**  
Members per Mile of Line

Average KWh Price Paid By Member  
**\$0.11**

## 2023 GRANTEES

Child Care & Nutrition, Inc.  
 Junior Achievement North- Lincoln Co.  
 Junior Achievement North- Lyon Co.  
 Lincoln County Fair  
 Lyon County Fair  
 Lyon County Salvation Army  
 Minneota Post Prom Committee  
 Prairie Home Hospice  
 RTR Post Prom Committee  
 SWWC Foundation for Innovation in Education  
 Tracy Area Elementary School  
 Tracy Area Medical Foundation  
 Tracy Lions Club  
 True Friends  
 Tyler Area Community Club  
 Tyler Fire Department

## 2023 SCHOLARSHIP RECIPIENTS

### Basin Scholarship Winner

Breelee Berkenpas- Pipestone Area Schools

### Operation RoundUp Scholarship Winners

Kyah Ellefson - RTR High School  
 Leah Jones - Marshall High School  
 Kayleigh Lewis - Marshall High School  
 Lilly Moorse - Minneota High School  
 James Rybinski - Elkton High School  
 Joseph Wollum - Canby High School

## 2023-2024 BOARD MEMBERS

- Heidi Fier, President
- Michelle Williams, Vice President
- Ann Longtin, Secretary/Treasurer
- Diana Nielsen, Director
- Katy Vos, Director
- Judy Hayes, Director
- Kayla Werkman, Director
- Greg Kohler, Director
- Deb Belaen, Director



# OPERATION ROUNDUP

TURNING

COINS INTO CHANGE

## HOW OPERATION ROUNDUP WORKS

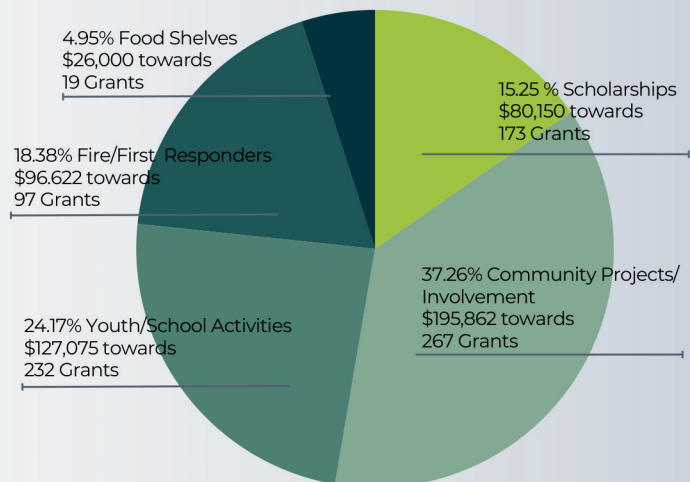
Lyon-Lincoln Electric Cooperative members have participated in the Operation RoundUp® program since September 1998. Cooperative members allow their electric bills to be rounded up to the next dollar each month with the odd cents going to help fund community projects and charities. Our member-owners have responded with open minds and hearts to the Operation RoundUp® program.

The Operation RoundUp® funds are controlled through the Lyon-Lincoln Electric Trust, Inc., a nonprofit corporation governed by a nine-person Board of Trustees that is selected from the cooperative's member-owners. The trustees meet quarterly to review and approve qualifying grant applications.

The generosity and community spirit of Lyon-Lincoln Electric Cooperative member-owners rounding up their bill each month makes this program work. For an average of 50 cents a month, or \$6.00 a year, participants are part of a very large community-wide program.

On behalf of the Operation RoundUp Board and the numerous grant recipients, thank you to the membership for their continued support of this program.

## TOTAL DISTRIBUTION OF ORU GRANTS SINCE 2000



**\$4000**

In Scholarships  
 given in 2023





## YOUR LYON-LINCOLN ELECTRIC TEAM

### 2023 ANNUAL MEETING REPORT.... (Continued from page 7)

Vice-President Fier indicated that as the energy world changes the Cooperative wants to assure the members that the Cooperative will continue to be the trusted energy advisor by focusing on education, training, and information, otherwise known as the Fifth Cooperative Principle. Vice-President Fier indicated that when he thinks of what it means to be a trusted energy advisor he thinks of a business or someone that has the knowledge and the ability to answer energy questions without trying to influence the person to purchase a certain brand or technology.

General Manager, Timothy O'Leary, indicated that he started the report by talking about the need to work together to meet the challenges in the future and believes that with the help of an engaged membership the Cooperative will be able to meet these challenges head on. On behalf of the Board of Directors and employees of the Cooperative he wanted to thank the members for their continued support, trust and confidence in the Cooperative business model. As this time General Manager, Timothy O'Leary, asked the membership if they had any questions.

General Manager, Timothy O'Leary, then indicated that he wanted to take a few minutes to discuss the Operation RoundUp® Program. He indicated to the members that Lyon-Lincoln Electric Cooperative, Inc. have participated in the program since September 1998. Cooperative members allow their electric bills to be rounded up to the next dollar each month with the odd cents going to help fund community projects and charities. The Operation RoundUp® Funds are controlled through the Lyon-Lincoln Electric Trust, Inc., a non-profit corporation governed by a nine-person Board of Trustees that is selected from the Cooperatives member-owners. The current Board of Trustees include: President, Heidi Fier; Vice-President, Michelle Williams; Secretary/Treasurer, Elizabeth Taylor; Diana Nielsen; Katy Vos; Greg Kohler; Kayla Werkman; Ann Longtin; and Judy Hayes. General Manager, Timothy O'Leary,

indicated that the Trustees meet quarterly to review and approve qualifying grant applications. General Manager, Timothy O'Leary, wanted to take this time to recognize the 2023 Operation RoundUp® and Basin Electric Scholarship recipients. First, the Operation RoundUp® recipients will each receive a \$500.00 scholarship. He asked that for the students who were attending the Annual Meeting that they come forward and receive their certificate and picture. The students who received the \$500.00 scholarship were as follows:

- James Rybinski from Lake Benton
- Kyah Ellefson from Tyler
- Joseph Wollum from Canby
- Lilly Moore from Minneota
- Leah Jones from Marshall
- Kayleigh Lewis from Marshall

General Manager, Timothy O'Leary, also indicated that the \$1,000.00 Basin Scholarship winner was Breelee Berkenpas from Verdi (daughter of Barry & Janya Berkenpas). General Manager, Timothy O'Leary, congratulated this year's Scholarship winners and indicated to the members that they would be able to read more about these students in an upcoming newsletter article. He also advised the membership that they can read more about the Operation RoundUp® Fund and find the 2022 grantees on page 13 of the Annual Meeting Booklet. On behalf of the Operation RoundUp® Board and the numerous grant and scholarship recipients General Manager, Timothy O'Leary, thanked the membership for their continued support of the program.

Vice-President Fier thanked General Manager, Timothy O'Leary, for giving the Operation RoundUp® and Scholarship Report. Vice-President Fier indicated that he wanted to give special thanks to the following groups and individuals for helping to make the 84th Annual Meeting a success and those groups and individuals are as follows:

- Lincoln County Pork Producers for preparing the pork chops for the meal.
- The Country House Supper Club of Lake Benton, Minnesota for preparing and serving the sides for the meal.

- The Soil Conservation District for the use of its trailer for the stage.
- East River Electric Power Cooperative, Inc. and Bob Gale for the Audio and Visual Equipment provided to the Cooperative for the Annual Meeting.
- The Cooperative Employees and Directors of Lyon-Lincoln Electric Cooperative, Inc.
- And last but not least, all of the member-owners of Lyon-Lincoln Electric Cooperative, Inc.

At this time Vice-President Fier asked if there was any Old Business to come before the meeting and there was none. Vice-President Fier asked if there was any New Business and there was none.

Vice-President Fier asked for a report on the election of directors. At that time the membership was advised that Scott Johnson was elected as Director for District No. 1 for a three year term having received 97 votes; Galen Grant was elected as Director for District No. 2 to serve a three year term having received 122 votes; Joel Buyck was elected as Director for District No. 2 for a one year term having received 124 votes; and Dale Fier was elected as Director for District No. 3 for a three year term having received 122 votes.

Vice-President Fier congratulated Scott Johnson, Galen Grant, and Joel Buyck on their election as directors of the Board of Lyon-Lincoln Electric Cooperative, Inc. for the terms designated. Vice-President Fier also thanked the membership for electing him as a director for a three year term for District No. 3. Vice-President Fier indicated that there would be an Organizational Meeting that would take place at the regular Board Meeting to be held on June 23, 2023.

There being no further business to come before the Annual Meeting a motion was made, seconded and carried to adjourn.

Secretary/Treasurer

Approved:

Vice-President



# 7 COOP PRINCIPLES

Cooperatives share a passion for serving our members and helping our communities thrive. In fact, all cooperatives adhere to the same set of seven principles that reflect our core values of honesty, transparency, equity, inclusiveness and service to the greater community good. Let's reflect on these principles that have not only stood the test of time but also provide a framework for the future.

## 1

### VOLUNTARY & OPEN MEMBERSHIP

Membership in a cooperative is open to all people who can reasonably use its services, and stand willing to accept the responsibilities of membership, regardless of race, religion, gender, or economic circumstances



## 2

### DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (Directors) are elected among members and are accountable to them. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.



## 3

### MEMBERS ECONOMIC PARTICIPATION

Members contribute, equably to, and democratically control, the capital, of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surplus for any and all of the following purposes: developing the cooperative; setting a reserves setting; benefiting members in proportion to their transactions, with a cooperative; and supporting other activities, approved by the membership.



## 4

### AUTONOMY AND INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.



## 5

### EDUCATION, TRAINING AND INFORMATION

Education and training for members, elected representatives (directors), CEOs, and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, help boost cooperative understanding.



## 6

### COOPERATION AMONG COOPERATIVES

By working together through local, national, regional, and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.



## 7

### CONCERN FOR COMMUNITY

Cooperatives work for the sustainable development of their communities through policy, supported by the membership.





# EV REBATES \$

## APPLY TODAY TO RECEIVE

Lyon-Lincoln Electric members with battery electric vehicles and plug-in hybrids can receive a rebate by completing the EV Rebate application found at [llec.coop/rebates](http://llec.coop/rebates). Members are eligible to receive one registration incentive per member account per year. By registering your vehicle with LLEC, you help us better understand how members are utilizing their power so we can manage long-term infrastructure and efficient rate planning, putting money back in your pocket.

- **Must be an Active LLEC Member**
- **Must Own an EV or PHEV**
- **Vehicle Must be Owned and Registered to a LLEC Member Within LLEC's Service Territory**
- **Must Have Been Purchased After 01/01/2020**
- **\$1 Meter Charge per Month for this Special Rate**
- **EV Rates are as Follows:**

\*Billed at 6.5 cents per kWh via sub-meter between the hours of:

- 10:00AM — 4:00PM
- 9:00PM — 7:00AM

\*Billed at 32.5 cents per kWh. via sub-meter between the hours of:

- 7:00AM – 10:00AM
- 4:00PM and 9:00PM



**Lyon-Lincoln Electric Cooperative, Inc.**

Your Touchstone Energy® Cooperative



Rebate Form

