

ENERGIZED FOR THE FUTURE

LYON-LINCOLN ELECTRIC COOPERATIVE
82nd Annual Report

Due to the ongoing Covid-19 regulations, there will be NO in-person attended annual meeting. Recommended bylaw changes and director elections will occur via mail balloting.

Lyon-Lincoln Electric Cooperative's board directors and candidates will meet on June 2, 2021 to accept the election results and adjourn the meeting.



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

A Touchstone Energy® Cooperative 

Official Notice of Annual Meeting

Lyon-Lincoln Electric Cooperative, Inc.

Tyler, Minnesota

The Annual Meeting of the members of Lyon-Lincoln Electric Cooperative, Inc. is scheduled to be held at 7:00 p.m. on June 2, 2021 to take action on the following:

1. The election of one (1) director to be elected from District 1
2. The election of one (1) director to be elected from District 2
3. The election of one (1) director to be elected from District 3

In connection with the election of one (1) director from each District, the following members have been nominated at the District Meetings pursuant to the Bylaws:

District 1 Mary Gunnink Josh Osland	Term Date of election until the successor to the director is elected and qualified in the year 2024.
District 2 Joel Buyck Sandy Ludeman	Term Date of election until the successor to the director is elected and qualified in the year 2024.
District 3 Jared Dritz Donna Stone	Term Date of election until the successor to the director is elected and qualified in the year 2024.

There will also be action taken to vote on a Resolution recommended by the Board amending the Bylaws.

Due to continued Covid-19 restrictions there will be no in person attendance Annual Meeting and consistent with the Bylaws, mail ballots will be counted toward a member quorum to allow voting on director elections and recommended bylaw changes. A ballot will be distributed to each member of Lyon-Lincoln Electric Cooperative, Inc. to have members vote for a Director from District 1, District 2 and District 3 and recommended by-law changes. There will be no other business conducted for the 2021 Annual Meeting.

Dated this 9th day of April, 2021

Donna Stone
Secretary/Treasurer

PRESIDENT AND GENERAL MANAGER REPORT

Co-op marks progress on several fronts

When looking back at 2020, it was a year of changes for everyone, and everyone was affected differently by the global pandemic and economic difficulties. Throughout this past year, one thing has remained the same and that is your electric cooperative's focus its mission of providing reliable electric and services to enhance the quality of life in our rural communities.

One of the many difficulties that we experienced in 2020 was the loss of past cooperative leaders. We would like to recognize two former directors that recently passed away. Don Hammer served on the cooperative's board of directors from 1989 to 2006.

In addition to serving on our board and being the Secretary-Treasurer, Don represented our member-owners on the East River board of directors. Eugene "Buzzy" Olson served on the board from 2001 to 2016 and became the Secretary-Treasurer after Don left the board. We were also saddened by the loss of Barb Olson, Buzzy's wife. We were very thankful for the time we spent with Don, Buzzy and Barb, and our condolences go out to their families.

Due to the uncertainty with Covid-19 restrictions in the State of MN, we will not be having a in person meeting Annual Meeting in 2021. The board of directors and the candidates for this year's election will be meeting the evening of June 2nd to hear the results of the mail in ballot election and bylaw results. The board will accept the results and then adjourn the meeting. Please review this year's annual meeting booklet and let us know if you have any questions and we will be happy to answer them.

Below you will find a condensed report on some of the activities that happened at your electric cooperative in 2020.

BYLAW UPDATES

Over the last few months, we have been providing information on changes to the current bylaws that the board of directors are asking the membership to support by voting for the changes when voting this year. The review started in 2019 and continued throughout last year as the pandemic brought up additional changes. The changes can be found in this annual meeting booklet and will be included with your mail ballot information.



Tim O'Leary
General Manager



Sandy Ludeman
Board President

MAIL BALLOTS

The cooperative will be using Survey and Ballot Systems for this year's director election and bylaw vote due to continued Covid restrictions from the state of Minnesota. During last year's mail ballot election, 644 members participated in the election process which is three times more than a normal election. This year's ballots will be mailed out to the membership on April 30th and ballots will need to be returned by May 26th. Each mail ballot returned will count toward quorum requirements for the annual meeting.

CONSTRUCTION SEASON

The 2020 construction season was one of the most productive in the recent history of the cooperative. We were able to catch up from 2019 and complete a 7-mile underground project on the east side of the system. In total, nearly \$2M and 210 work orders were completed in 2020. The Cooperative received reimbursement from FEMA for the April 2019 winter storm. Crews completed their annual system inspections and then completed 2,144 service orders to maintain the distribution system.

COVID CHANGES AND SAFETY

The cooperative experienced a number of changes in 2020 dealing with the Covid-19 pandemic and state requirements. We ended up limiting access to the building, adding hand sanitizer locations within the building, added plexiglass and asked members to wear masks when they visited

the office. We believe that some of these changes will remain as we look forward to our members returning to the office and to our local meetings.

CAPITAL CREDIT RETIREMENTS

The board of directors approved two capital credit retirements in 2020. The first retirement happened in June and it returned \$366,836 from the 2019 allocation of margins. The board felt that by retiring the 2019 allocation, it would help the current membership. In December, the second retirement of \$331,981 showed up as a credit on the electric bills at the beginning of the month. The cooperative has retired 50.8% of all allocated capital credits and it ranks #24 out of 708 cooperatives nationwide in the total percentage retired. The average nationwide is 27.99%. With payments to estates, the total amount retired in 2020 was \$788,610.

We would like to thank all of the cooperative's employees for another year of service to the member-owners of Lyon-Lincoln Electric Cooperative. Our employee group continues to shine in their daily activities supporting the membership. We are also grateful for your support and we remain committed to meeting your needs by delivering safe and affordable electric service. We are here to enhance the quality of life in our rural communities by being your trusted energy advisor as we continue to be "Owned by those We Serve."

YOUR BOARD OF DIRECTORS



Mary Gunnick
District 1



Kathy Schreurs
District 1



Scott Johnson
District 1



Galen Grant
District 2
Vice President



Jim Rokeh
District 2



Sandy Ludeman
District 2
President



Donna Stone
District 3
Secretary-Treasurer



Dale Fier
District 3



Merv Anderson
District 3



Mike Cable
Board Attorney

ANNUAL MEETING OF STOCKHOLDERS

Lyon-Lincoln Electric Cooperative, Inc.

Sandy Ludeman, President, called the Annual Meeting of Stockholders to order and there was in attendance President, Sandy Ludeman, Vice-President, Galen Grant, Secretary-Treasurer, Donna Stone, Directors: James Rokeh, Kathy Schreurs, Scott Johnson, Mary Gunnink, Dale Fier, and Merv Anderson. Attorney, Michael W. Cable, General Manager, Timothy O'Leary, and Member, Jared Drietz, were also in attendance.

President Ludeman, then asked that those in attendance stand and give the Pledge of Allegiance.

President Ludeman indicated that due to Covid-19 restrictions there will be no members in attendance at the Annual Meeting other than the persons described who were in attendance at the beginning of the meeting. He indicated that consistent with the Bylaws mailed ballots are to be counted toward a member quorum to allow director elections. Mr. Ludeman indicated that a ballot was distributed to each member so that they could vote for the directors from each District. Survey & Ballot Systems conducted the ballot voting and reported to the Board that there were a total of 642 ballots returned to Survey & Ballot Systems. Because of that return and those in attendance at the meeting as previously described there was a quorum to hold the Annual Meeting

to allow director elections.

President Ludeman asked that Secretary-Treasurer, Donna Stone, read the Notice of the Annual Meeting and Secretary-Treasurer, Donna Stone, read the Notice of the Annual Meeting and indicated that the notice had been mailed and published pursuant to Minnesota law and the rules of the Cooperative.

Attorney, Michael W. Cable, then reviewed with the Board the results of the 2020 Director Elections that had been handled by Survey & Ballot Systems.

Those in attendance at the Annual Meeting were advised that the following individuals were nominated as candidates for the Board of Directors to serve for a three year term and to be elected at the Annual Meeting. Those individuals were as follows:

DISTRICTS	CANDIDATES
DISTRICT ONE For Three Year Term	Scott Johnson
DISTRICT TWO For Three Year Term	Galen Grant
DISTRICT THREE For Three Year Term	Dale Fier Jared Dritz

The Board was advised that the bal-

loting conducted by Survey & Ballot Systems indicated that Scott Johnson was elected as Director for District One, having received 555 votes; Galen Grant was elected as Director for District Two, having received 567 votes; and Dale Fier was elected as Director for District Three, having received 353 votes. President Ludeman indicated that Jared Drietz had received 236 votes. President Ludeman congratulated Scott Johnson, Galen Grant and Dale Fier being elected as Directors. President Ludeman also thanked Jared Drietz for running for Director for District Three and thanked him for attending this Annual Meeting.

There being no further business to come before the Annual Meeting a motion was made by Vice-President, Galen Grant, and seconded by Secretary-Treasurer, Donna Stone, to adjourn at 9:43 o'clock A.M.

Secretary/Treasurer

Approved:

President



NOTICE OF PROPOSED AMENDMENTS TO THE BY-LAWS OF LYON-LINCOLN ELECTRIC COOPERATIVE, INC.

The Board of Directors is recommending the following changes to the membership to update the bylaws of the cooperative after a two-year review of the current bylaws. The last bylaw changes were done in 2012.

ARTICLE I

MEMBERS

SECTION 1. QUALIFICATIONS AND OBLIGATIONS.

- (a) Any person, persons, corporation, partnership, trust, cooperative, or body politic may become a member in the Cooperative by:
- (4) Two ~~or more~~ persons may hold a membership as joint tenants with right of survivorship in accordance with the terms of their application, these bylaws, and any rules of the board of directors applicable thereto. ~~The provisions of subsection b(1) and b(2) of this section shall apply to a membership held by joint membership where the holders thereof are not husband and wife.~~
 - (5) Each member shall furnish to the Cooperative reasonable access to and grants of easement under, on, or over the lands owned (including any right or interest) by the member to be used for furnishing electric service to the member and for the construction, operation and maintenance of the electric distribution lines of the Cooperative. All such easements shall run with the land and shall be binding on and shall inure to the benefit of the Cooperative and the member's heirs, successors, and assigns. These easements shall be in accordance with such reasonable terms and conditions as the Cooperative shall require. The Cooperative may cut, trim, and control growth on the member's property by machinery, by chemicals, or otherwise of trees, shrubbery, and other vegetation to the extent necessary to keep the right-of-way clear for the Cooperative's lines or system, and the Cooperative may cut down from time to time all dead, weak, leaning or dangerous trees that are tall enough to strike the wires in falling
- (b) ~~Husband and Wife~~ Joint Membership.
- (1) The term "member" as used in these bylaws shall be deemed to include ~~any two natural persons, each of whom qualifies to be a member, may hold a joint membership in the Cooperative for a location to which the Cooperative provides electric service by completing the application for joint membership~~ ~~a husband and wife holding a joint membership~~ and any provisions relating to the rights and liabilities of membership, including, without limitation the following:

ARTICLE II

SECTION 1. ANNUAL MEETING. The annual meeting of the members shall be held ~~beginning with the year 1966~~ at such time as may be determined by the board of directors of this Association, at the principal place of business of the Association, or at any other place conveniently located within the area served by it, for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. ~~The Board of Directors may, from time to time in its sole discretion, determine that it is in the best interest of members to allow or require members to participate in an annual meeting by telephonic or electronic media which permits members not physically present at the meeting to hear, be heard, and participate in the business brought before the members during the course of the meeting.~~ If the election of directors shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 6. ESTABLISHMENT OF A QUORUM. The attendance or voting of members, as authorized in Section 8 of this Article, of a sufficient number of members to constitute a quorum at any meeting of the members shall be established by registration of the members present at such meeting or voting, as authorized in Section 8 of this Article, which registration including members voting, as authorized in Section 8 of this Article, ~~shall be verified by the President and Secretary/Treasurer and shall be reported in the Minutes of such meeting.~~ ~~or by members participating in a virtual meeting providing that members are able to directly participate and be identified.~~ Establishment of a quorum be verified by the President and Secretary/Treasurer and shall be reported in the minutes of such meeting. In the event a quorum is not established, a majority of members in attendance may adjourn the meeting from time to time without further notice.

SECTION 7. VOTING. Each member shall be entitled to One (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members for which there is a quorum, all questions shall be decided by a vote of the majority of the members voting thereon at such meeting in person, by mail, ~~or~~ electronic ballot, ~~or participating in a virtual meeting~~, except as otherwise provided by law, the Articles of Incorporation of the Cooperative or these Bylaws. ~~If a husband and wife two natural persons~~ hold a joint membership, they shall jointly be entitled to One (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

SECTION 8. MEMBER VOTING BY MAIL, ~~OR~~ ELECTRONIC BALLOT, OR PARTICIPATING IN A VIRTUAL MEETING. Except as otherwise provided in these Bylaws or by the Board, a Member may vote or act by mail or electronic transmission ~~or participating in a virtual meeting~~ only as provided in this Bylaw and in a manner authorized and determined by the Board.

MAIL, ~~OR~~ ELECTRONIC BALLOT, OR PARTICIPATING IN A VIRTUAL MEETING. WITH MEMBER MEETING. A member may vote or act by mail or Electronic transmission ~~or participate in a virtual meeting~~, only as authorized by the Board, and only on an action that may be taken at the Member Meeting in conjunction with a Member Meeting by the Cooperative delivering or providing access to a written or Electronic mail ballot ("Mail Ballot With Member Meeting")

to each Member entitled to vote on the matter or participating in a virtual meeting. to each Member entitled to vote on the matter and from whom the Cooperative received a written request for a Mail Ballot With Member Meeting at least 10 days before the Member Meeting. A Member submitting a completed Mail Ballot With Member Meeting may not vote at the Member Meeting regarding a matter described in the Mail Ballot With Member Meeting. The Cooperative may count completed Mail Ballots With Member Meeting received before the Member Meeting in determining whether a Member Quorum exists at the Member Meeting. The Cooperative must count as Member's vote a properly completed Mail Ballot With Member Meeting received on, or before, the time and date stated in the Mail Ballot With Member Meeting. As determined by the Board, the Cooperative may require that all votes be cast, or action be taken, by completed Mail Ballot With Member Meeting submitted before the Member Meeting.

ARTICLE III

DIRECTORS

SECTION 2. TENURE AND QUALIFICATIONS.

b) **QUALIFICATIONS.** No member who is a person, joint tenant, trustee of a member trust, or partner of a member partnership shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who is not a bona fide resident in the area served by the Cooperative, or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative. No person shall take or hold office as a director within three years of being an employee of the Cooperative or an entity wherein the Cooperative has an ownership interest. When a membership is held jointly by a husband and wife, or other person, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this Section contained shall, or shall be construed to affect in any manner whatsoever, the validity of any action taken at any meeting of the board of directors.

No member who is a person, joint tenant, trustee of a member trust, or partner of a member partnership shall be eligible to become or remain a director or hold any position of trust in the Cooperative who:

- 1) is not a bona fide member and resident of the district from which he or she is elected or for which he or she is a candidate; ("bona fide resident" shall be defined as residing at and continuously and materially purchasing electric service at a location within any director district from which the director is elected or for which he or she is a candidate for at least nine (9) months each calendar year);
- 2) is in any way employed by or substantially financially interested in an enterprise substantially competing with the Cooperative or any Cooperative-affiliated business;
- 3) within three (3) years was a full-time or part-time employee of the Cooperative or an entity wherein the Cooperative has an ownership interest;
- 4) does not have the legal capacity to enter into a binding contract;

When membership is held jointly by two natural persons, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth.

If a corporation is a member then a duly appointed representative of said corporation can be a director if said representative is a bona fide permanent resident of the district for which he/she meets the qualification requirements listed in this section. A member that is an authorized farm corporation or family farm corporation may select an individual member residing on or actively operating the farm to be eligible for election to the board.

Upon establishment of the fact that a director is holding the office in violation of any of the foregoing provision, the Board of Directors shall remove such director from the office.

Nothing in this Section contained shall, or shall be construed to affect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors.

SECTION 3. NOMINATION AND ELECTION OF DIRECTORS.

a) **Nomination at District Meetings.** The Board of Directors shall, not less than One Hundred Twenty (120) days before the date of the meeting of the members at which Directors are to be elected, appoint a committee on nomination, which said committee for each said District shall consist of three members who reside in their respective districts. No officer or member of the Board of Directors shall be appointed a member of any such District Nominating Committee. Each such nominating committee shall, not less than Ninety (90) days before the meeting of the members at which Directors are to be elected, nominate one or more candidates for the Board of Directors from such District served by such committee, and shall by the time stated prepare and post at the principal office of the Cooperative a list of nominations for the Directors to be chosen from such District. There may be additional names for nominations for the Directors to be chosen from such District presented at the District Meeting by Petition of ten or more members residing in such District. The Board of Directors shall not less than One Hundred Twenty (120) days before the date of the meeting of the members at which Directors are to be elected, appoint a committee on nomination, which said committee shall consist of not less than three nor more than nine members who shall be selected from the three districts so as to insure equitable representation. No officer or member of the Board of Directors shall be appointed a member of the District Nominating Committee. The nominating committee shall, not less than Ninety (90) days before the meeting of the members at which directors are to be elected, nominate one or more candidates for the Board of Directors from such District, and shall by the time stated prepare and post at the principal office of the Cooperative a list of nominations for the Directors to be chosen from such District. There may be additional names for nominations for the Directors to be chosen from such District presented at the District Meeting by Petition of ten or more members residing in such District.

Not less than Thirty (30) days nor more than Sixty (60) days before any meeting at which directors are to be elected, the board of directors shall call a separate meeting of the members of each district at a suitable place in such district for the purpose of selecting two persons as candidates for director to represent the members located within such district. The notice of such meeting shall be given to each member located in such district as provided in Section 4 of Article II and shall indicate the district to which such member belongs. The notice shall describe the person or persons nominated by the District Nominating Committee as candidates for director to be made at the meeting. Said notice shall indicate that there may be additional names for nomination as candidates for director to be chosen from the District presented at the District Meeting by petition of ten or more members residing in said District but said additional name or names as candidates for director may only be made by said petition. The meeting shall, however, be open for discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, and recommendations with respect thereto may be submitted

ANNUAL MEETING REPORT CONTINUED.....

to the board of directors or the entire membership.

The district meeting shall be called to order by a director representing the district or by another designated representative of the board of directors, or in his absence, by any member residing within the district. The members shall then proceed to elect a chairman, who shall be someone other than a director, and who shall appoint a secretary to act for the duration of the meeting. ~~Fifteen (15)~~ **Ten (10)** members residing in the district present at such duly called district meeting shall constitute a quorum. Members of other districts present at the meeting may be heard but shall have no vote. The candidates for director nominated by the committee and by petition shall be nominated at the meeting. Candidates must be members residing in the district and must possess the qualifications for director specified in Section 2 of Article III of these Bylaws.

Voting shall be by ballot and proxy voting shall not be permitted at any district meeting. Each member may vote for one candidate. The two candidates receiving the highest number of votes shall be declared the official candidates of the district. The minutes of such district meeting shall set forth, among other matters, the name of each person nominated at the meeting and the number of votes received by each, and shall specify the two official candidates of the district. A certified copy of the minutes, signed by the Secretary and the Chairman of the district meeting, shall be delivered to the Secretary-Treasurer of the Cooperative within five days after such district meeting.

b) Election of Directors. At all meetings at which directors are to be elected, the Secretary-Treasurer of the Cooperative shall place in nomination the names of the official candidates of each district from which a director is to be elected. Additional nominations for director may not be made from the floor. Election of directors shall be by printed, photocopied, or electronic ballot. The ballots shall list the candidates selected at the district meetings, the names to be arranged by districts and in the order of preference indicated by the respective district vote. Each member of the Cooperative shall be entitled to vote for one candidate from each district from which a director is to be elected. The candidate from each such district receiving the highest number of votes at the meeting shall be declared as the director to represent such district. Voting may include voting by mail or electronic ballot as set out in Article II, Section 8. **In case of a tie vote for election of the nominees to the Board, at the Member Meeting, the designated Chairperson of the Member Meeting, for the Election of Directors, shall determine the tie by lot.**

If for any election there is only one nominee for each of the three board positions so that each district nominee is running unopposed, ballots need not be provided by mail or electronically to the members and the election shall be made by the designated Chairperson of the Member Meeting, for the Election of Directors, entertaining a motion to elect the single candidates by a voice vote.

The members may at any meeting at which a director or directors shall be removed as hereinbefore provided elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations provided, however, that the director or directors so chosen must reside in the same district as the director or directors in respect of whom the vacancy occurs. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

ARTICLE IV

MEETINGS OF DIRECTORS

SECTION 6. MEETING ATTENDANCE BY REMOTE COMMUNICATIONS. A director may participate in a board meeting or any lawfully constituted committee meeting by any means of conference telephone or, if authorized by the Board, by such other means of remote communication by which all persons participating in the meeting can simultaneously hear each other and participate in the meeting. Participation in a meeting pursuant to this section constitutes presence in person at such meeting.

ARTICLE XIV

~~AMENDMENTS~~ **ARBITRATION**

Any and all disputes, claims or controversies arising from or related in any way to the Cooperative's provision of electricity or other services, or in its furnishing of any goods, or in the conduct of its operations, other than disputes or claims relating to the payment for electrical energy and/or other services provided by the Co-op, that are not resolved by agreement of the parties, shall, at the request of either party, be resolved by binding arbitration. In the event the arbitration involves a sum in excess of \$100,000.00, there shall be three (3) arbitrators, one picked by each party and a third selected by the two (2) arbitrators selected by the parties. In the event the dispute involves less than \$100,000.00, there shall be one (1) arbitrator. If the parties cannot agree on an arbitrator, the determination shall be made by the Minnesota District Court in Lyon County, Minnesota for disputes in Lyon County and by the Minnesota District Court in Lincoln County, Minnesota for all other disputes. The arbitration shall take place in Tyler, Minnesota, or as close to this location as possible, under and pursuant to the rules contained in chapter 572B of Minnesota Statutes, the

Uniform Arbitration Act. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota. The cost of the arbitrators and the filing fees shall be shared equally by the parties. All disputes between the parties must be arbitrated individually, and not through a Class Action. Each member of the Cooperative, by virtue of their membership, agrees to arbitrate any and all claims or controversies according to these Bylaws and the regulations and policies prescribed by the Board of Directors. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a Member's membership in the Cooperative.

ARTICLE XV

AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal."

OPERATION ROUND UP

“A Little Change Can Truly Make a Big Difference”

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 non-profit corporation governed by a nine-person Board of Trustees that is selected from the cooperative’s member-owners. The current board of trustees include: President Heidi Fier, Vice-President Mike Longtin, Secretary/Treasurer Elizabeth Taylor, Diana Nielsen, Jerry Hubner, Pam Wiering, Kayla Werkman, Judy Hayes and Katy Vos. The trustees meet quarterly to review and approve qualifying grant applications.

Highlights for 2020 include the approval of grants for a total of \$16,800.00 and awarding \$3,500.00 in scholarships. A list of 2020 grant recipients can be found in your annual meeting booklet. Since September 1998, the Trust Board has disbursed scholarships and grants totaling \$465,937.00. The Operation RoundUp® program has helped countless people in the cooperative’s service area.

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. In 2004, the Operation RoundUp® Fund was awarded the East River Cooperative Service Award. The award recognizes the Operation RoundUp® Program for its commitment to the community.

On behalf of the Operation RoundUp board and the numerous grant recipients, I would like to thank the membership for their continued support of this program.

Grants Made Amount in 2020

Tyler Area Food Shelf	1,000
Pioneer PBS	1,000
RTR After Prom Committee	100
Junior Achievement of Lincoln County	1,000
Tyler Safe Walkable Task Force	100
Marshall Area YMCA.....	500
Minneota Post Prom Committee	100
True Friends	1,000
United Way of SW MN.....	1,000
Tyler Pool Fundraising Committee	500
Lutheran Social Services of MN/LLS Meals ...	1,000
Women’s Rural Advocacy Programs Inc.	1,000
The Salvation Army Northern Division	1,000
Wheels Across the Prairie Museum Building ..	1,000
Garvin Fire Department	1,000
Lutheran Social Services of MN/LSS Meals ...	1,500
The Salvation Army of Lincoln County	1,500
Tracy Ambulance.....	1,000
SWWC Service Cooperative	1,000
Balaton Area Community Foundation	500

Total Grants Made\$16,800.00

Year 2020 Operation RoundUp®

Scholarship Winners

David Rabaey – Marshall High School
 Jackson Jeremiason – Minneota High School
 Cody Gifford – RTR High School
 Malinda Lemburg – Tracy Area High School
 Aubrey Wirth – Elkton High School
 Kyle Fischer – RTR High School
 Bryson Sik – Elkton High School
 Brenna Alexander – RTR High School
 Alexandria Sanderson – Elkton High School

LYON-LINCOLN ELECTRIC TRUST, INC.

Board of Directors

HEIDI FIER	PRESIDENT
MIKE LONGTIN.....	VICE-PRESIDENT
ELIZABETH TAYLOR.....	SEC./TREAS.
DIANA NIELSEN.....	DIRECTOR
PAM WIERING	DIRECTOR
KATY VOS	DIRECTOR
JERRY HUBNER.....	DIRECTOR
JUDY HAYES	DIRECTOR
KAYLA WERKMAN	DIRECTOR



DIRECTOR CANDIDATES

Mary Gunnink - District 1

Mary Gunnink is a 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. Their daughter Jennifer also raises sheep on their farm. Mary enjoys helping her daughter with her flock of sheep. In addition to working on the farm, Mary also works at Kinner & Company in Lake Benton and helps out at the Lake Benton Elementary School.

Mary also keeps busy enjoying her three 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 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.



Josh Osland - District 1

Josh Osland and his wife Priscilla, live on the family farm northwest of Lake Benton with their 4 children, Wyatt (12), Addison (10), Lucas (7), and Brayden (4).

Josh has lived on the family farm for 34 years and raises both grain and cattle. Josh also works part time as a crop adjuster and raises heifers for a local dairy.

Josh has also served as a Drammen Township supervisor and keeps active in

the community by assisting Priscilla with her Relay for Life team.

As a new board member, Josh would come in with an open mind and a willingness to learn all aspects of this position. His main focus will be on the fellow consumer/owners of the cooperative.



Joel Buyck - District 2

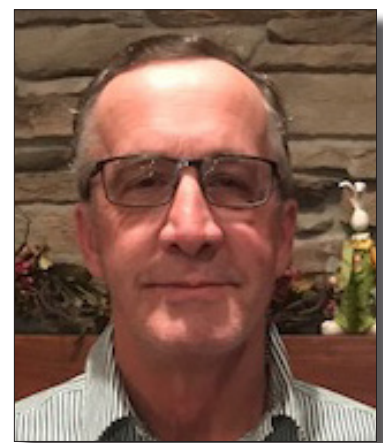
Joel Buyck and his wife Lynn live on the family farm in rural Garvin. They have 1 child, Bobbi Jo, who is married and lives in rural Marshall with her husband Ryan and two children. She is employed at Avera Marshall Regional Medical Center.

Joe farmed for 30 years on the family farm. In the beginning in a partnership feeding cattle with his dad in the early 80's then after his dad's retirement Joe changed to finishing hogs and still operates a contract feeding operation today and rents his land out to his daughter and son-in-law. For the last 17 years Joe has worked full time with the Postal Service as a rural carrier and will be retiring at the end of the year. Joe's wife Lynn is the office manager at ADO Practice Solutions a billing and marketing service for Optometrists across the U.S. in Tracy where she has worked for 36 years. Her days are filled with work, walks, camping, working in her yard and spending as much time as she can with her two grandchildren.

Joe has been involved in the church for many

years filling positions on every board in their church of which has been very educational. Joe was also a member of the Lyon County Fair board. Joe and Lynn have been involved with Special Olympics for many years. Joe is an active member of the Tracy Lions Club taking the lead on projects like Soles for Souls shoe drive, Kids Sight Screening and the opening of the Lions Recovery room at the Tracy Hospital. They also started the free book giveaway - when children come in for their early screenings and vaccinations at the hospital they get a free book. Joel was also on the Lyon-Lincoln Operation Roundup board for 2 terms.

The reason I am submitting my name for the board is that I believe that electricity is the energy of the future and would like to be a part of that continuing. I believe that working with others, not against them, and listening is something I have seen Sandy Ludeman do and I hope I can also bring that to the board.



DIRECTOR CANDIDATES

Sander Ludeman - District 2

Sandy Ludeman and his wife Peggy, live outside of Tracy on the family farm Sandy has called home for over 50 years. They have two adult children, Sander VI and Dayna Bassett as well as four grandchildren.

Sandy is senior manager for SanMarBo Farms, Inc. and has served on the MN Rural Finance Board (having been appointed by both Republican and Democrat governors). Sandy has also served as past board chairman of MARL, Lyon County Zoning and Planning, MN Farm Bureau Foundation, Southwest Initiative Foundation, as well as various positions with Tracy Lutheran Church, and currently serves on the Minnesota Rural Electric Board and is the current Board Chairman for Lyon-Lincoln Electric.

LLEC has changed in the 12 years I have served on the board to meet an ever changing energy world. Once upon a time, our power supply was almost 100% coal with a little hydropower, but now wind and solar are playing a larger part of that energy mix as more renewable energy comes online. While we as a distribution cooperative still deal with poles, wire, underground wire, substations, state

and national policies have an ever increasing say as it relates to green or clean energy. Climate change has now become the norm in how we measure emissions from power plants and how businesses operate. It is driving an almost constant barrage of new or changing regulation that eventually feed down to us as member-owners.

Our goal as a cooperative is still the same; to deliver safe, reliable, and affordable electricity to our member-owners' homes, farms, and businesses. Our management, staff, and line workers are dedicated to doing that in a safe manner in all types of weather and circumstances. I've appreciated the opportunity to work with them and you in accomplishing this in the past and would appreciate your consideration again for another term.



Jared Dritz - District 3

Jared Dritz, from rural Porter, is a 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 10 years ago and he operates the service station in Porter.

He thinks his experience running a business would be a benefit to the board and to members of District 3. Jared is interested in becoming a board member to help our

co-op remain a sustainable business in a changing market.



Donna Stone - District 3

Donna Stone and her husband, Leonard, live on a farm and rent their 320 acres out. To keep busy since retiring from their jobs, Donna and Leonard own and operate Stone Creek Antiques in downtown Porter, Minnesota. Donna served on the Lyon-Lincoln Electric Operation Round-Up board 1998 to 2004. Donna worked at a Community Action Agency for 21 years and served on a State Food Shelf board. Donna enjoys knitting,

reading, antiques but most of all spending time with family.

As a current board member, Donna feels she has learned a lot and continues to learn the electric business. The business is changing from how we the members use it and how electricity is produced. We are fortunate to have great employees, which make being a director a good experience. Donna would appreciate your continued support.

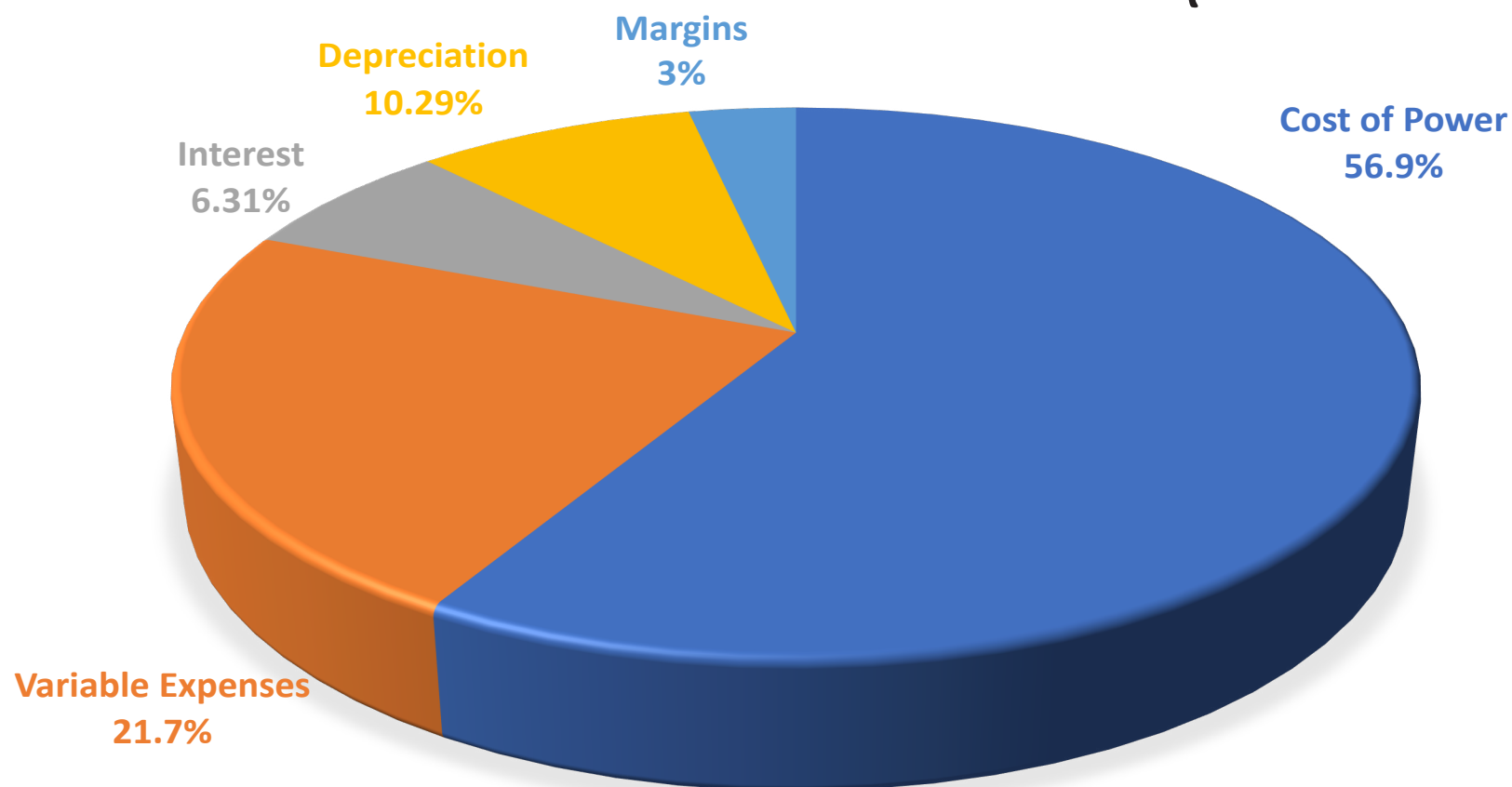


STATEMENT OF REVENUE AND EXPENSES

December 31, 2020 (Unaudited)

	2019	2020
REVENUE		
OPERATING REVENUE	\$10,930,075.00	\$10,556,811.00
OPERATING EXPENSES		
Cost of Purchased Power	\$6,408,129.00	\$5,997,903.00
Operations Expense	\$391,468.00	\$361,328.00
Maintenance Expense	\$572,721.00	\$512,349.00
Customer Accounts Expense	\$197,694.00	\$159,155.00
Customer Service & Information	\$234,635.00	\$199,223.00
Administrative & General Expense	\$1,108,574.00	\$1,056,031.00
Depreciation Expense	\$950,808.00	\$1,084,452.00
Interest on Long-Term Debt	\$662,041.00	\$655,070.00
Other Deductions	\$39,386.00	\$24,963.00
TOTAL OPERATING EXPENSES	\$10,565,456.00	\$10,050,474.00
MARGINS		
Net Operating Margins	\$364,619.00	\$506,337.00
Non-Operating Margins	\$203,413.00	\$132,951.00
East River Capital Credits	\$418,321.00	\$445,581.00
Other Capital Credits	\$45,495.00	\$47,952.00
TOTAL MARGINS	\$1,031,848.00	\$1,132,821.00

Where Your Dollar Was Spent



COMPARATIVE BALANCE SHEET

December 31, 2020 (Unaudited)

ASSETS	2019	2020
Utility Plant in Service -----	\$34,607,291	\$35,959,620
Less: Reserve for Depreciation -----	\$11,565,350	\$11,848,030
NET UTILITY PLANT -----	\$23,041,941	\$24,111,590
Investments in Subsidiary Companies -----	\$143,134	\$142,151
Investments in Assoc. Organizations -----	\$7,565,285	\$7,841,826
Investments in Economic Development Projects ---	\$75,010	\$75,010
Other Investments -----	\$5,904	\$6,464
Special Funds -----	\$300,000	\$300,000
TOTAL OTHER PROPERTY & INVESTMENTS -----	\$8,089,333	\$8,365,451
Cash - General Funds -----	\$133,062	\$550
Temporary Investments -----	\$2,079,973	\$2,462,991
Accounts Receivable - Energy -----	\$1,005,681	\$927,174
Accounts Receivable - Other -----	\$81,632	\$64,081
Materials & Supplies -----	\$817,776	\$460,578
Interest Receivable -----	\$4,590	\$4,590
TOTAL CURRENT & ACCRUED ASSETS -----	\$4,122,714	\$3,919,964
Deferred Debits -----	\$405,021	\$325,102
TOTAL ASSETS AND OTHER DEBITS -----	\$35,659,009	\$36,722,107
LIABILITIES		
Membership Fees -----	\$19,690	\$19,755
Patronage Capital -----	\$14,705,305	\$15,049,517
Other Equities -----	\$740,326	\$790,957
TOTAL MARGINS & EQUITIES -----	\$15,465,321	\$15,860,229
Long-Term Debt, RUS -----	\$13,384,763	\$14,374,172
Long-Term Debt, CFC -----	\$5,190,018	\$4,797,676
Long-Term Debt, RUS, Econ Development -----	\$0	\$0
TOTAL LONG TERM DEBT -----	\$18,574,781	\$19,171,848
Accumulated Operating Provisions-----	\$95,306	\$113,830
TOTAL OTHER NONCURRENT LIABILITES -----	\$95,306	\$113,830
Notes & Accounts Payable -----	\$760,501	\$805,418
Consumers Deposits -----	\$32,910	\$31,710
Other Current and Accrued Liabilities -----	\$429,054	\$437,937
TOTAL CURRENT & ACCRUED LIABILITIES -----	\$1,222,465	\$1,275,065
Deferred Credits -----	\$301,136	\$301,135
TOTAL LIABILITIES -----	\$35,659,009	\$36,722,107

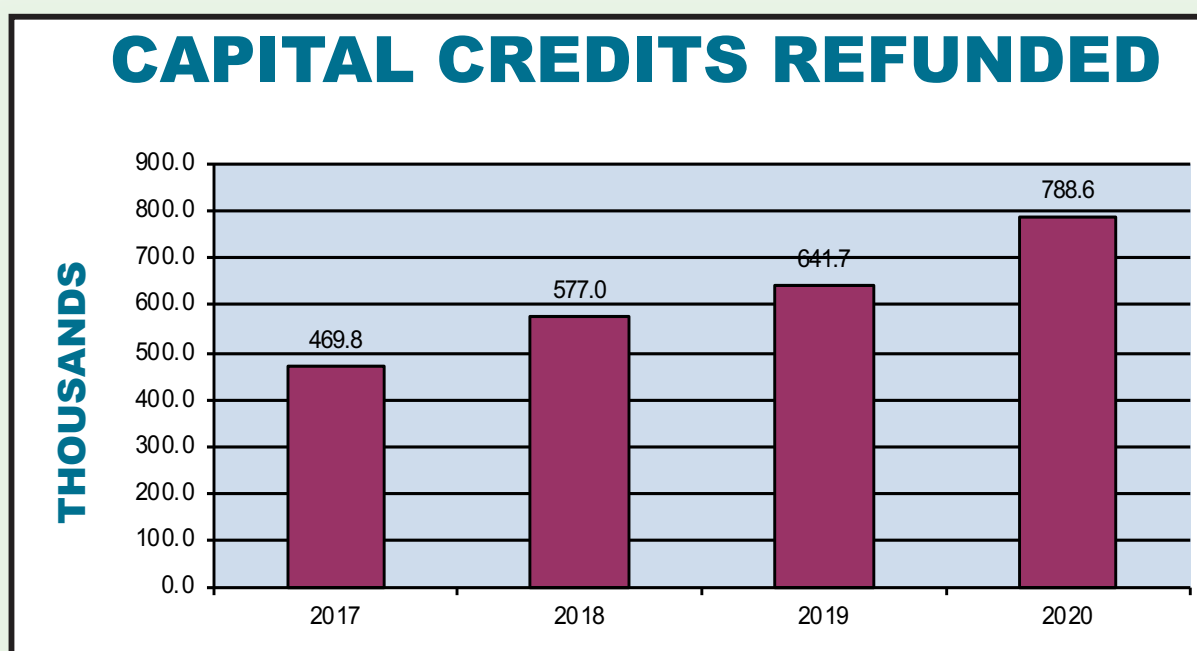
POWER SALES

Kilowatt sales and revenue by year

Year	Kwh's Sold	% Change	Rev. from Elec. Sales	Other Elec. Rev	Total Revenue
1995	65,590,670		\$4,605,524.00	\$58,119.00	\$4,663,643.00
1996	68,238,620	4.04	\$4,809,833.00	\$62,665.00	\$4,872,498.00
1997	68,210,910	(0.04)	\$4,887,954.00	\$70,019.00	\$4,957,973.00
1998	73,276,460	7.43	\$5,001,730.00	\$50,502.00	\$5,052,232.00
1999	70,174,540	(4.23)	\$4,876,166.00	\$54,192.00	\$4,930,358.00
2000	71,211,980	1.48	\$5,164,011.00	\$54,812.00	\$5,218,823.00
2001	74,976,810	5.29	\$5,212,536.00	\$61,136.00	\$5,273,672.00
2002	77,079,970	2.81	\$5,558,335.00	\$62,448.00	\$5,620,783.00
2003	76,490,120	(0.77)	\$5,326,129.00	\$57,433.00	\$5,383,562.00
2004	77,896,500	1.84	\$5,624,983.00	\$59,369.00	\$5,684,352.00
2005	80,449,240	3.28	\$5,792,329.00	\$59,235.00	\$5,851,564.00
2006	81,610,970	1.44	\$5,863,199.00	\$75,614.00	\$5,938,813.00
2007	87,088,870	6.71	\$6,322,279.00	\$81,874.00	\$6,404,153.00
2008	88,953,380	2.14	\$6,756,761.00	\$65,699.00	\$6,822,460.00
2009	88,258,070	(0.78)	\$7,489,602.00	\$62,028.00	\$7,551,630.00
2010	87,807,010	(0.51)	\$7,931,927.00	\$70,533.00	\$8,002,460.00
2011	88,492,440	0.78	\$8,342,314.00	-\$100,526.00	\$8,241,788.00
2012	84,689,520	(4.30)	\$8,701,001.00	\$156,436.00	\$8,857,437.00
2013	95,354,800	12.59	\$9,938,356.00	-\$57,886.00	\$9,880,470.00
2014	96,732,530	1.44	\$10,167,676.00	\$148,978.00	\$10,316,654.00
2015	89,642,050	(7.33)	\$9,611,435.00	\$29,821.00	\$9,641,256.00
2016	91,304,740	1.85	\$9,786,446.00	\$207,365.00	\$9,993,811.00
2017	91,766,240	0.51	\$10,328,738.00	\$237,537.00	\$10,566,275.00
2018	99,462,710	8.39	\$10,992,840.75	\$46,067.82	\$11,038,908.57
2019	98,549,310	(0.92)	\$10,868,278.00	\$61,797.00	\$10,930,075.00
2020	93,865,710	(4.75)	\$10,521,475.00	\$35,336.00	\$10,556,811.00

COMPARATIVE OPERATING STATISTICS

COMPARATIVE OPERATING STATISTICS		
	2019	2020
Average Number of Members Per Month	3,912	3,923
Average Bill Per Member Per Month	\$231.52	\$223.50
Average Number of KWH Used Per Month	2,099	1,994
Average KWH Price Paid By Member	\$0.1103	\$0.1121
Kilowatt-hours Sold	98,549,310	93,865,710
Kilowatt-hours Purchased	104,086,202	99,444,800
Capital Credits Average Per Member	\$263.77	\$288.76
Investment In Plant Per Service	\$8,846.44	\$9,166.36
Miles of Distribution Line	1,668	1,670
Members per Mile of Line	2.35	2.35



RENEWABLE ENERGY CREDIT (REC) PROGRAM



SHOWCASE YOUR SUPPORT FOR RENEWABLE ENERGY

Sign up for Lyon-Lincoln Electric's REC program and showcase your support for renewable energy.

Contact us to learn more!

507.247.5505

email@llec.coop

FREQUENTLY ASKED QUESTIONS

What is a Renewable Energy Credit (REC)? 1 megawatt hour produced by a renewable energy source equals 1 REC. RECs are also called Green Tags and they represent the valuable renewable attributes of wind energy.

Do I need to purchase any special equipment? No special equipment is needed. Lyon-Lincoln Electric will fulfill all your electric needs while you enjoy the benefits of powering with renewable energy.

Where do RECs come from? Our RECs come from several wind farms in our region that supply renewable energy to our cooperative.

How much does it cost to power my home or business on 100% renewable energy? \$1 per MWh. Example: If you use 1200 kWh per month, participating in the REC program would add \$1.20 + tax to your monthly bill.

POWER YOUR HOME OR BUSINESS ON 100% RENEWABLE ENERGY

We're excited to help you reach your renewable energy goals! After signing up for our REC program, you'll receive a REC certificate and other promotional materials that you can showcase your commitment.



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

A Touchstone Energy® Cooperative 

Lyon-Lincoln Electric is an equal opportunity provider & employer.