

2023 ANNUAL REPORT

# CREATING POWERFUL CONNECTIONS



**MEMBER  
APPRECIATION EVENT**  
Details Inside!



**Calhoun County Electric  
Cooperative Association**

A Touchstone Energy® Cooperative 

# Leadership REPORT

By CEO, Keaton Hildreth and Board President, Jim Miller

For 88 years, Calhoun County Electric Cooperative Association has been **Creating Powerful Connections**. We've been committed to the mission of **providing our member-owners safe, reliable, and responsible electric service at a fair price** from the very beginning. Your cooperative works to power homes, farms, businesses, and schools and we've continued to find ways to improve safety, reliability, and the value of electricity while investing in our communities to improve the lives of our members. 2023 was no exception as we continued to successfully accomplish that mission.

Last year, we distributed over 43.5 million kilowatt-hours of electricity to our 1,168 members and their 1,685 services over 759 miles of power lines. At just 2.2 meters per mile of line, our team of 11 employees cover a lot of ground. We have six of the best linemen around in our operations department, led by Line Superintendent, Bret McAlister and his 29 years of experience. We also have an outstanding group of dedicated office employees, working locally to serve our members needs around the clock.

## System Investment & Reliability

In 2023, we invested over a million dollars in needed infrastructure improvements such as line reconstruction, pole replacements, tree trimming, and equipment maintenance, which helps ensure reliability. Our overall system reliability as a percentage of time was over 99.99% which is exceptional for our industry. On average, members experienced an average of just 1.1 outages in 2023, with an interruption duration per member of 43 minutes. In comparison, the Iowa REC average was 87 minutes and rural investor-owned customers experienced an average of 102 minutes of interruption in 2023. We know you count on us to power your homes, farms, and businesses, and we do our best to provide reliable service to our member-owners.

We saw everything from poles and wire to transformers and trucks maintain their elevated costs. Lead times for basic materials have gotten a bit better, so we're feeling less

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**Keaton Hildreth**  
CEO  
10 years



**Bret McAlister**  
Line Superintendent  
29 years



**Reid Galloway**  
Line Foreman  
18 years



**Richard Hall**  
Manager of Member Services & IT  
5 years



**Charlotte True**  
Office Manager/Accountant  
2 years



**Doug Lemonds**  
Lead Lineman  
17 years



**Jared Kuhlers**  
Journeyman Lineman  
16 years



**Rachel Sedlacek**  
Member Account Manager  
1 year



**Menley Cates**  
Admin Assistant/Communications Specialist  
6 months



**Chad Krukow**  
Journeyman Lineman  
16 years



**Ben Wiederin**  
Journeyman Lineman  
14 years

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stress when placing orders. We continue to see, within the industry, a rapid transition to renewable energy sources such as wind and solar power, along with increased demand for electricity which is setting the electric grid up to be less reliable. As the industry shifts away from traditional, always available resources such as coal, power supply is becoming increasingly dependent of the weather and frequently stretched. At the same time, we've seen a nationwide push for the increased electrification of our homes, businesses, and the transportation sector. Regulatory and market pressures have influenced the type of generation being added to a complex system we call "the grid". Simply put, wind and solar have replaced firm, always available, generation with an intermittent alternative that can be unpredictable. Fortunately, the generation you are served with is comprised of a strategic mix of resources such as coal, natural gas, and renewables, all working together to bring you reliable service.

## Culture of Safety

Safety remains the top priority at CCECA. Last year, our employees worked 23,947 hours safely, bringing our total number of accident-free hours to over 665,000 – an

accomplishment that spans all the way back to 1997. We demonstrate a commitment our employees' safety by training monthly on general and industry specific hazards. CCECA is also an active participant in Commitment to Zero Contacts Phase II, a nationwide safety program focused on ensuring our line workers return home safely each night. From time to time, our employees work in less-than ideal conditions and their continued focus on safety must be recognized, and we applaud the effort they've put forth to work safely!

### The Value of Electricity

One of the most important responsibilities of the cooperative's board and leadership is to maintain financial stability while providing electric service to you, the member, at the lowest cost possible. The average residential member spends about \$5.25 per day for electricity. When you compare that to just about any other daily necessity, the electricity you receive to power almost every aspect of your farm, home, or business remains an incredible value and we work to keep it that way.

### Value of Cooperative Membership

In 2023, the CCECA Board of Directors voted to return over \$188,000 to its members. A combination of Capital Credits from 2006 and 2022 were sent back in August. Having a locally elected board, able to make these kinds of decisions, is a strong example of the cooperative difference and a benefit of being a member of a not-for-profit electric cooperative.

### Commitment to Our Communities

We continue to enhance our communities by investing in projects and people that make a difference, improving all our lives. Our revolving loan fund (RLF) was a source of financing for a hardware store in Manson in 2023. The fund, established using a grant from USDA, has also been used for local medical and emergency response facilities, restaurants, retail, and recreational businesses. We also utilized USDA's Rural Economic Development Loan Program in 2023 to provide a \$1.5 million pass-through loan to Dobson Pipe Organ Builders of Lake City to help rebuild after a devastating fire destroyed their facility. We also continue to invest back into our area students through scholarships, the Washington D.C. Youth Tour program, and through donations to our local County Fair and youth organizations.

We hope to see you at our Member Appreciation Event and Annual Meeting in September and look forward to working on behalf of you, our member-owners into the future. At Calhoun County Electric Cooperative Association, we're **Creating Powerful Connections.**

## BOARD OF DIRECTORS

Guiding the way is our Board of Directors who are democratically voted in by the membership every three years. Like you, these members depend on electricity from the cooperative to power their homes and businesses.

DISTRICT 1



Jim Miller - President

DISTRICT 2



Ron Hanson - Treasurer

DISTRICT 3



Jason McKenney - Secretary

DISTRICT 4



Darcy Maulsby - Director

DISTRICT 5



Steve Boedecker - V.P./Corn Belt Rep

DISTRICT 6



Joe Parker - Director

DISTRICT 7



Duane Beschorner - Director

We thank these leaders for their commitment to the cooperative!

# Corn Belt Power Cooperative REPORT

This year's theme, "Blueprinting for Our Future," encapsulates the essence of progress and growth in a world driven by innovation and constant change. As we navigate the ever-evolving landscape of our industry, it is crucial to proactively prepare for the future while upholding the high service standards our member-cooperatives rely on.

Financially, Corn Belt Power Cooperative remains robust, exemplified by the \$8,777,858 returned to its membership through annual quick rolls and patronage payments in 2023. Achieving an "A" rating from both S&P Global Ratings and Kroll Bond Rating Agency further underscores the cooperative's financial strength.

Corn Belt Power continues to collaborate with policymakers and regulators on state and federal levels advocating for an inclusive "all-of-the-above" generation strategy in response to challenges outlined in the 2023 Summer and Winter Reliability Assessments from the North American Electric Reliability Corporation (NERC). This strategic initiative aims to incorporate all energy sources, ensuring reliability and affordability in the face of operational challenges observed in the Southwest Power Pool system.

Corn Belt Power began to see benefits from its new battery storage facility. Throughout 2023, the system saved

\$277,260 using the battery during times of peak electric demand. When added to the entire load management system, Corn Belt Power saved members more than \$2.3 million in demand charges. Corn Belt Power's vigilance extended to its Wisdom Station power plant and shared coal units on the Missouri River. These units continue to provide vital peak and baseload generation when needed, despite reduced utilization compared to five years ago.

Membership in the SPP regional tariff continue to yield positive economic results, leading to the upgrade or rebuilding of 69.72 miles of transmission line. Simultaneously, electrical maintenance and meter crews undertook significant infrastructure improvements, replacing aging components, upgrading relays and wiring, and installing new radios and fiber connections across the system.

The cooperative also addressed the need for modernized storage facilities, opening a new vehicle storage facility and warehouse in 2023 to accommodate the growth and increased size of equipment over the past 70 years.

In the realm of cybersecurity, Corn Belt Power made notable strides by introducing a new phone system, security update system, disaster recovery procedure and security protocols. A comprehensive

cybersecurity penetration test at the end of 2023 ensures a robust defense against potential threats, reflecting the cooperative's commitment to technological resilience.

In 2023, Corn Belt Power embraced the theme "Blueprinting for Our Future" within the dynamic energy industry landscape. With a dedicated focus on progress and growth, the cooperative proactively prepared for the future while maintaining high service standards. From fortifying transmission infrastructure to safeguarding technology assets, Corn Belt Power persistently strides towards the future, committed to delivering safe, reliable and affordable services.



**Steve Boedecker**  
CCECA Representative  
for Corn Belt



**Jacob Olberding**  
Executive Vice President  
& GM of Corn Belt

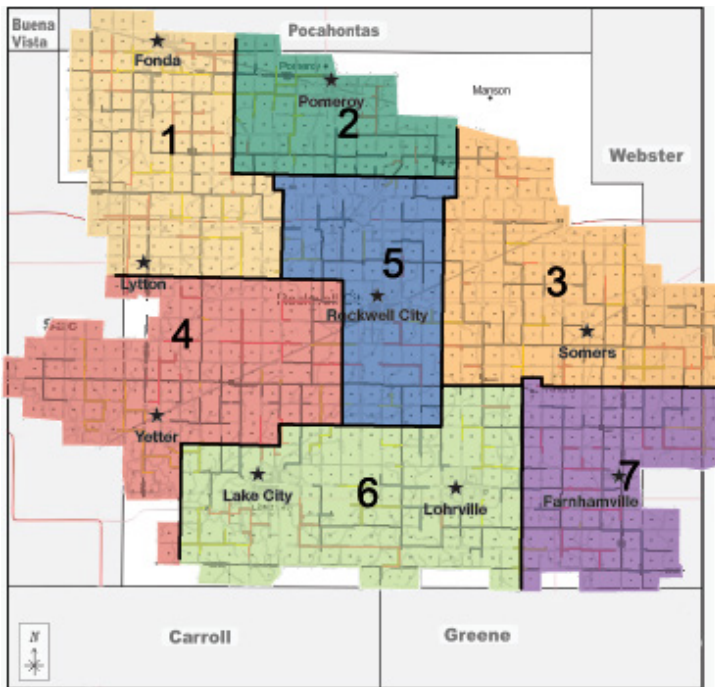


# Report of NOMINATING COMMITTEE

The Nominating Committee met June 19, 2024 at 5:30 PM at the Calhoun County Electric Cooperative Office in Rockwell City. The Nominating Committee of Calhoun County Electric Cooperative Association, duly appointed by Board of Directors, hereby nominated the following members of the Cooperative for the office of Director for a term of three years.



L to R: John Fredrickson, Micheal Peterson, Jason Gerdes, Steve Pelz, & Alan Seil Not pictured: Larry Nolte



## Two Positions on CCECA Board Up for Election

Two Positions on Calhoun County Electric Cooperative's seven-member Board of Directors will be up for election at the annual meeting. This year the terms of Ron Hanson (District 2) and Duane Beschorner (District 7) will expire.

# BOARD CANDIDATES

## DISTRICT 2



**Steve Pelz**

Running Unopposed

- Resides 2 miles west of Manson on Highway 7
- Married to Emily, 1 daughter
- General Manager at Palmer Mutual Telephone Company
- Worked at Webster-Calhoun for 23 years
- Served on Manson Golf Course Board, and the church council
- County trustee for Sherman Township in Calhoun County
- Member of CCECA since 2010

## DISTRICT 7



**Duane Beschorner**

Running Unopposed

- Resides near Lohrville
- Married to Jane, 2 children, 7 grandchildren
- Farmer for 44 years
- Raises corn and soybeans
- Cow/calf operation
- Member of CCECA since 1974
- CCECA Director, 9 years

## DUTIES of a DIRECTOR

A director has the fundamental responsibility to represent prudently the interests of all the members as a group, in directing the business and affairs of the cooperative system, within the law, while ensuring sound fiduciary responsibility cooperative to the system.

**Duty of Diligence:** Prior to making a business decision, a director has an obligation to inform himself/herself of all material information and education reasonably available to him/her.

**Duty of Loyalty:** This duty requires directors to refrain from engaging in personal activities which would injure or take advantage of the system. A director is prohibited from using his/her position of trust and confidence to further his/her own private interest. This duty also requires directors to keep information presented and discussed at Board meetings confidential until there has been a general public disclosure.

**Duty of Obedience:** Under this duty, directors are required to perform their duties in accordance with applicable state and federal statutes as well as the system's bylaws and articles of incorporation.

## District 2 Director Retiring After 12 Years



Thank you to Ron Hanson for your dedicated service on the Board of Directors for the last 12 years. Ron represents District 2 on the Board and is currently serving as Treasurer.

At Calhoun County Electric Cooperative, Directors are elected by the members in their district and serve a three-year term. The Board is made up of one Director from each of the seven districts. Each member has the opportunity to participate in the democratic election process.



# BALLOT FOR DIRECTORS

CALHOUN COUNTY  
ELECTRIC  
COOPERATIVE  
ASSOCIATION

## BALLOT FOR DIRECTORS



**Calhoun County Electric  
Cooperative Association**

A Touchstone Energy® Cooperative 

**ANNUAL MEETING**  
**Sept. 5, 2024**

Thank you for  
being a valued  
member of the  
cooperative.  
Ballots were  
provided to  
those districts  
whose directors  
were up for  
election in 2024.

**District 2**

**District 7**

CANDIDATE BIOS ON PAGE 6

**NO  
BALLOT**



**Calhoun County Electric  
Cooperative Association**

A Touchstone Energy® Cooperative 

**PO Box 312, Rockwell City, IA 50579**

**Telephone: 712-297-7112**

**or 800-821-4879**

**[www.calhounrec.coop](http://www.calhounrec.coop)**



**BALLOT FOR DIRECTORS**



**BALLOT  
FOR  
DIRECTORS**

**CALHOUN COUNTY  
ELECTRIC  
COOPERATIVE  
ASSOCIATION**



# ANNUAL MEETING OF MEMBERS - September 7, 2023

The 87th Annual Meeting of the Members of Calhoun County Electric Cooperative Association was held at the headquarters in Rockwell City, Iowa on the 7th day of September, 2023.

The meeting was called to order by Jim Miller, President of the Cooperative, who presided, and Jason McKenney, acted as Secretary of the meeting and kept the minutes thereof.

The Chairman stated that the members who had registered at the door had been checked, and that a quorum was present for the transaction of business. A motion was duly made, seconded, and carried to accept the registration in lieu of a roll call. A list of members who registered in attendance at the meeting is attached to these minutes and made a part hereof by reference.

The Chairman noted that the Notice of the Annual Meeting of Members was mailed to all members of the Cooperative, and such notice and proof of mailing were ordered to be annexed to the minutes of this meeting.

The Chairman introduced the directors and employees.

The Chairman offered to read the minutes of the Annual Meeting of the Members held September 14, 2022. A motion was made, seconded and carried to waive the reading of the minutes, and the minutes were thereupon declared to be approved and were ordered to be filed in the records of the Cooperative.

The annual report of CEO Keaton Hildreth was presented and ordered to be filed in the records of the Cooperative.

The Chairman stated that the next order of business was the election of three (3) directors for a term of three (3) years each. Attorney Colin C. Smith was introduced at this time.

Attorney Smith reported that the Nominating Committee consisting of District No. 1 - Mike Barrett, Gary Devereaux, Randy Pitstick; District No. 3 - Scott Hansch (Secretary), Adam Johnson, Steve Vosberg; District No. 5 - Kathy Juries, Keith Sexton (Chairman), Joel Wuebker; had nominated the following members for directors.

### Three-Year Term (Three to be Elected)

District No. 1 Jim Miller  
District No. 3 Jason McKenney  
District No. 5 Steve Boedecker  
Michelle Dischler

The Director Candidates were introduced and the Report of the Nominating Committee was ordered to be identified by the Secretary and annexed to the minutes of the meeting. Attorney Smith noted that there were no nominations by Petition.

The ballots were delivered to the inspectors of election, who proceeded to count the same, including those received by mail.

The Certificate of the Inspectors of Election was then presented and read, certifying that the following members, having received the highest number of votes cast in their respective Districts, had been duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

### Three-Year Term

District No. 1 Jim Miller  
District No. 3 Jason McKenney  
District No. 5 Steve Boedecker

The Secretary was directed to annex the Certificate of the Inspectors of Election to the minutes of this meeting, and it was thereupon declared that such members were duly elected directors of the Cooperative to hold office for the term specified, and until their successors shall have been elected and qualified.

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



# FINANCIALS

## BALANCE SHEET

ASSETS	2023	2022
Total Plant in Service	\$20,012,078	\$19,037,520
Less: Accumulated Depreciation	<u>4,676,490</u>	<u>4,204,693</u>
NET VALUE OF UTILITY PLANT	\$15,335,588	\$14,832,827
Cash	\$130,002	\$220,381
Temporary Investments	3,510	102,704
Accounts Receivable	577,370	363,390
Materials and Supplies	396,339	412,272
Other Assets	55,309	61,633
Long Term Investments/ Economic Development Investments in Associated Orgs	3,586,667	3,337,891
Other Property	-	-
TOTAL ASSETS	<u>\$21,920,496</u>	<u>\$19,710,047</u>
<b>LIABILITIES</b>		
Consumer Deposits	\$10,005	\$8,900
Accounts Payable	317,259	476,774
Other Accrued Liabilities	203,294	152,888
Deferred Credits	11,833	3,236
RDUP Mortgage Notes	7,728,056	7,473,905
CFC Mortgage and Notes	2,031,803	2,285,976
Accumulated Operating Provisions	191,827	173,158
Other Notes Payable Econ Dev Grant	<u>1,674,580</u>	<u>225,000</u>
TOTAL LIABILITIES	<u>\$12,168,658</u>	<u>\$10,799,836</u>
<b>NET WORTH</b>		
Memberships	\$5,840	\$5,855
Deferred Patronage	3,238,112	2,965,169
Margins-Current year	1,032,609	889,600
Other Margins & Equities	<u>5,475,277</u>	<u>5,049,587</u>
TOTAL NET WORTH	<u>\$9,715,838</u>	<u>\$8,910,211</u>
TOTAL LIABILITIES & NET WORTH	<u>\$21,920,496</u>	<u>\$19,710,047</u>

## STATEMENT OF REVENUE AND EXPENSES

	2023	2022
<b>OPERATING REVENUES</b>		
Electric Revenue	\$6,208,421	\$5,755,325
Other Electric Revenue	<u>13,818</u>	<u>17,749</u>
TOTAL ELECTRIC REVENUES	<u>\$6,222,239</u>	<u>\$5,773,074</u>
<b>OPERATING EXPENSES</b>		
Cost of Power	\$3,413,974	\$3,335,169
Distribution - Operation	226,156	244,560
Distribution - Maintenance	298,178	349,808
Customer Accounts	113,182	101,522
Customer Service/Informational	155,219	153,346
Administrative and General	627,988	525,069
Depreciation	542,186	498,425
Interest on Long-Term Debt	<u>309,277</u>	<u>292,637</u>
TOTAL OPERATING EXPENSES	<u>\$5,686,160</u>	<u>\$5,505,536</u>
<b>OPERATING MARGIN BEFORE CAPITAL CREDITS</b>	<u>\$536,079</u>	<u>\$267,538</u>
<b>GENERATION/TRANSMISSION/OTHER COOPERATIVE CAPITAL CREDITS</b>	<u>\$481,810</u>	<u>\$603,383</u>
<b>OPERATING MARGIN</b>	<u>\$1,017,889</u>	<u>\$870,921</u>
<b>NONOPERATING MARGIN (LOSS)</b>		
Interest Income	\$15,587	\$16,286
Other Nonoperating Margin (Loss) - Net	<u>867</u>	<u>2,393</u>
TOTAL NONOPERATING MARGIN (LOSS) - NET	<u>\$14,720</u>	<u>\$18,679</u>
<b>NET MARGIN</b>	<u>\$1,032,609</u>	<u>\$889,600</u>

## ELECTRICAL BILL BREAKDOWN

Purchase Wholesale Power -----	\$60.00
Administration/General -----	\$11.00
Depreciation -----	\$10.00
Operations/Maintenance -----	\$9.00
Member Accounts/Services -----	\$5.00
Taxes/Interest/Other -----	\$5.00



BASED ON A \$100 BILL

# MEMBER APPRECIATION EVENT

Thursday, September 5 - 5:00 PM - 6:30 PM

Calhoun County Electric Cooperative Office, Rockwell City

Come for supper (Calhoun County Pork Producers grilling),  
bucket rides, games, gifts, and refreshments!

Short business meeting at 6:30 PM for those interested

## CREATING POWERFUL CONNECTIONS

Bring this registration card to the annual meeting to claim your registration gift!

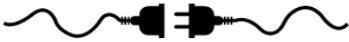


## 7 COOPERATIVE PRINCIPLES

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community



JOIN US FOR OUR  
**MEMBER  
APPRECIATION EVENT**



**DON'T FORGET!** Tear off the top and bring it with to register at the annual meeting.



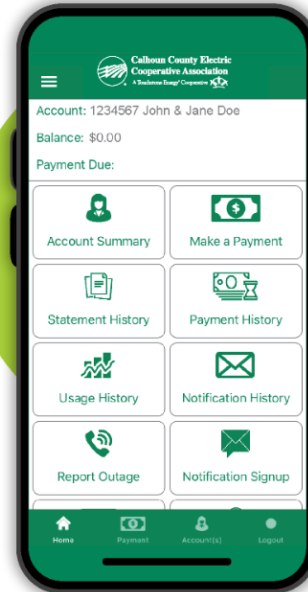
**OFFICE HOURS**

**Regular Office Hours**  
(Labor Day - Memorial Day)  
Monday - Friday  
8:00 AM - 4:00 PM

**Summer Office Hours**  
(Memorial Day - Labor Day)  
Monday - Thursday  
7:30 AM - 4:30 PM  
Friday  
7:30 AM - 11:00 AM

Telephone: 712-297-7112 or  
Toll Free: 800-821-4879  
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[www.calhounrec.coop](http://www.calhounrec.coop)



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