

HIGHLINES

NEWS FOR THE MEMBERS OF PELLA COOPERATIVE ELECTRIC

2022
ANNUAL
REPORT

Official Notice of Annual Meeting

The Annual Meeting for members of Pella Cooperative Electric Association will be held April 4, 2023, at Pella Christian High School. Dinner will start at 5:30 p.m. with the meeting following at 7:00 p.m. to take action upon the following matters:

1. The report of officers, directors and committees.
2. Receive the results of the election of the Board of Directors of the Cooperative for a term of three years for District 1, District 4, and, At-large position.
3. All other business which may legally come before the meeting or any adjournment thereof.

In conjunction with the election of directors scheduled for this meeting, the following members have been appointed as director candidates by the Board by Pella Cooperative Electric, pursuant to the Bylaws:

District 1

Mike Dugger
Jon Van Woerkom

District 4

Duane Ver Ploeg
Dave Willemsen

At-Large

Bryce Arkema - unopposed

You are urged to complete and return the ballot for directors that you will be receiving in the mail. Ballots received in the Pella Cooperative Office must be post marked no later than March 24 to be counted.

Dated at Pella, Iowa this 8th day of March 2023.

Bryce Arkema, PCEA Secretary

Pella Cooperative Electric

Your Touchstone Energy® Cooperative

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PO Box 106
Pella, IA 50219

641-628-1040
www.pella-cea.org
service@pella-cea.org



Open weekdays: 7:30 am - 4:30 pm;
excluding holidays



Board of Directors

President
Duane Ver Ploeg

Vice President
Steve Inskeep

Secretary
Bryce Arkema

Treasurer
Bob Van Soelen

Asst. Secretary/Treasurer
Darrell Boot

Director
Carroll Hoksbergen

Director
Jon Van Woerkom

CEO
Doug Stewart

Pella Cooperative Electric is a not-for-profit, member-owned electric cooperative, governed by an elected Board of Directors. This institution is an equal opportunity provider and employer. See pella-cea.org > Nondiscrimination Statement for more information.



Return your ballot by March 24th!
Look for more info in your mailbox soon.



PRESIDENT & CEO



Duane Ver Ploeg
Board President



Doug Stewart
CEO

The year 2022 was filled with many changes at Pella Cooperative Electric Association. We said goodbye to several retirees who provided decades of steadfast leadership, and we welcomed the next generation of cooperative leaders who are eager to make their mark on the industry. As always, the directors and employees of the cooperative are on the job to provide a critical service that improves the quality of life for our members. The Annual Meeting is a great place to meet the folks who work on your behalf, and we hope you will join us. Plans are underway for the 2023 Annual Meeting

of the Pella Cooperative Electric Association. The meeting is scheduled for Tuesday, April 4 at Pella Christian High School.

Pella Cooperative Electric Association exists to provide reliable service at an affordable price to our members. Your board of directors is democratically elected to represent your interests and provide long-term vision while staying true to our guiding cooperative principles. One of the most important things you can do as a member is participate in the election of your board of directors. This year members will vote for three directors located in District 1, District 4, and At-Large. Be looking for your ballot to arrive by mail soon, and please return it by March 24. **It's important to note that there will be no in-person voting at the Annual Meeting on April 4.**

Despite rising prices for material and purchased power, the cooperative ended 2022 in a financially sound and fiscally responsible position. Net margins for the year were \$639,708 which were sufficient to meet all the financial requirements specified within our loan covenants. One of our seven cooperative principles is members' economic participation. Members contribute equitably to, and democratically control, the capital of the cooperative. One of the responsibilities of your board of directors is to determine when it is financially appropriate to return

that capital back to the members. We're pleased to report that the board of directors returned \$129,560 in capital credits during 2022.

Even while facing significant supply chain disruptions, the operations department at the cooperative work to provide members with safe and reliable energy. Our reliability factor was 99.985% for 2022. The average member experienced only eighty minutes of outage time for the entire year. Our line crew follows a comprehensive maintenance and inspection program to ensure your cooperative is providing a high level of service reliability.

Maintaining the poles, wires and equipment is only part of the equation to providing reliable service, however. We also need an affordable and reliable source of energy from our power supplier. Central Iowa Power Cooperative (CIPCO) has been a dependable partner since 1972. The cooperative and CIPCO recently signed a new wholesale power contract that will extend our relationship for many years into the future. The energy market in our nation is filled with volatility and challenges, and it's important that the cooperative has secured a dependable source of energy well into the future through CIPCO.

Your cooperative does more than sell energy. Another important cooperative principle is helping to enrich our communities by supporting education programs that invest in the next generation of community leaders. Each year, the cooperative sponsors one area student to participate in the Iowa Youth Tour to Washington D.C. The participating students then select one person to represent the entire state of Iowa on the National Youth Leadership Council. For the first time in cooperative history, our local student, Maddie Schmitz of Pella, was selected to represent the state of Iowa. We're extremely proud of Maddie and her accomplishments, and we're excited that Maddie will give a presentation at the Annual Meeting to share her experience.

Please make plans to join us at your 2023 Annual Meeting on Tuesday, April 4. The meal starts at 5:30 in the evening with a business meeting to follow at 7:00. Once again this year, we will give away some great door prizes at the conclusion of the meeting. We look forward to seeing you there.

2022 HIGHLIGHTS



Annual Meeting Held In Person

After three years of virtual Annual Meetings due to the COVID-19 pandemic, PCEA was able to return to in-person annual meetings. Voting was continued though mail-in ballots.

Eight Scholarships Awarded to High School Seniors

Students Luke Thompson from Grinnell High School, Benjamin VandeKamp from Knoxville High School, Sydney Jansen from Lynnville-Sully High School, Gage Huyser from Pella Community High School, Carter Vos from Pella Christian High School, Cody Metcalf from Pleasantville High School, Ali Mockenhaupt from Twin Cedars High School, and Braden Arends as a homeschooler each received a \$1,000 scholarship from PCEA.

PCEA Celebrated Three Retirements

Terry Fraker, Cost Accountant, retired from the Cooperative on June 29th after a 23-year career. Sue Warrick, Office Manager, retired from the Cooperative on December 30th, after a 44-year career and Stan Eysink, Member Relations Manager, also retired from the Cooperative after a 44-year career on December 30th.

Member Appreciation Day Held as a Drive-Thru Event

Because of the previous success, Member Appreciation Day was held as a drive-thru event once again. PCEA served over 800 members on September 17th.

PCEA Welcomes Two New Employees

Brandon Stone, Plant Accountant, joined the Cooperative in May and Lindsey Pickerell, Billing

Specialist also joined the Cooperative in October.

Maddie Schmitz Selected for National YLC

PCEA's Youth Tour Winner was selected as Iowa's YLC Delegate during her trip to Washington, D.C in June! Schmitz will serve as Iowa's representative from June 2022 through March 2023.

\$1.5 Million USDA Loan Secured with LDJ

PCEA and member, LDJ Manufacturing Inc., secured a \$1.5 million loan through the USDA REDLG to assist with a building expansion project.

Board Approved Capital Credit Retirements

The Board of Directors approved capital credit retirements for \$129,560.50 in December. Learn more about capital credits at www.pella-cea.org/capital-credits.

Annual Meeting Agenda

- Welcome
- Invocation
- Secretary's Report
- 2022 Youth Tour Experience
- Report of the Nominating Committee
- President Report
- CEO Report
- Results of the Election
- Adjournment
- Prize Drawings

Your Nominating Committee

Each year the Board of Directors appoints a nominating committee to select candidates for the Cooperative's Board of Directors. Each member on the committee spends time and effort finding candidates for the upcoming election. Pella Cooperative Electric would like to extend our thanks to this year's committee.

From left to right: Wade Puyear, Stuart De Haan, David Way, Ruth De Bruin, Vaughn Newendorp, Angie Arkema, Ryan Kelderman, Joel Braafhart, and Michael Montgomery.



FINANCIAL REPORT



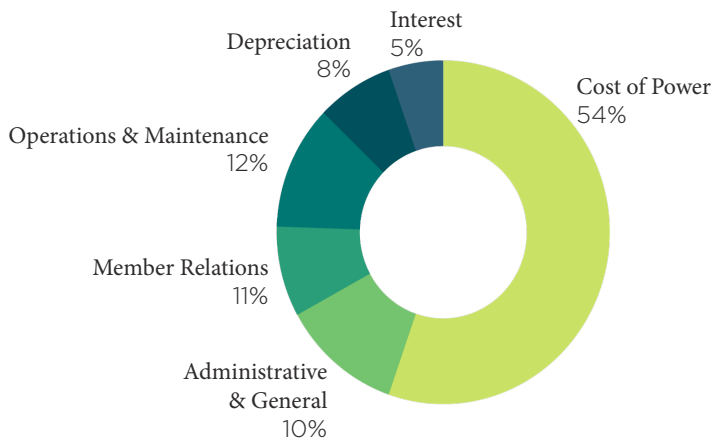
BALANCE SHEETS

	2022	2021
Assets		
Net Utility Plant	\$ 21,883,460	20,748,569
Other Assets and Investments	6,249,215	5,138,171
Current Assets	2,625,141	2,095,735
Deferred Debits	44,694	63,659
Total Assets	\$ 30,802,510	28,046,134
Equity		
Margins and Equity	\$ 15,513,099	15,009,039
Liabilities		
Long-Term Debt	13,537,955	11,338,005
Current Liabilities	1,751,456	1,699,090
Total Liabilities and Equity	\$ 30,802,510	28,046,134

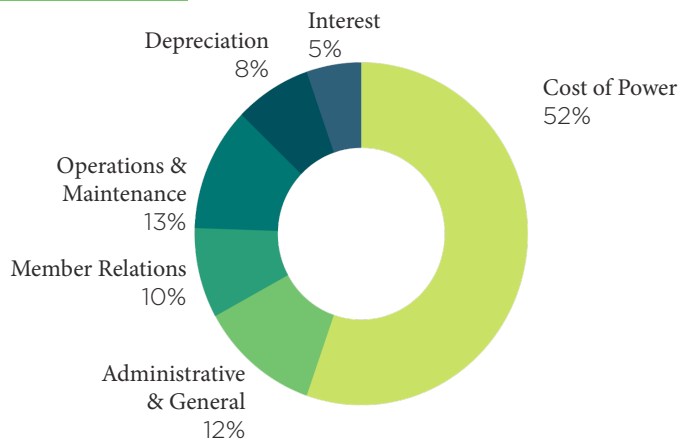
INCOME STATEMENTS

	2022	2021
Operating Revenues	\$ 7,970,040	7,006,522
Operating Expenses		
Cost of Power	\$ 4,100,968	3,588,164
Operations and Maintenance Expense	930,362	885,579
Member Relations Expense	797,710	677,030
Administrative and General Expense	738,381	812,471
Depreciation Expense	567,394	523,775
Interest Expense	415,224	381,753
Operating Margins Before Capital Credits	\$ 420,001	137,750
Capital Credits	145,771	247,080
Net Operating Margins	\$ 565,772	384,830
Non-Operating Income	73,936	66,760
Net Margins	\$ 639,708	451,590

2022 EXPENSES



2021 EXPENSES



2022 STATS

42 new services added

3,164 homes and businesses in the co-op membership

641 miles of line

1.17 average number of outages each member experienced in 2022

121 energy efficiency rebates paid out to members