

HIGHLINES

NEWS FOR THE MEMBERS OF PELLA COOPERATIVE ELECTRIC

2023
ANNUAL
REPORT

Official Notice of Annual Meeting

The Annual Meeting for members of Pella Cooperative Electric Association will be held April 2, 2024, 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 2 and an 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:

At-Large

Carroll Hoksbergen
Roy Jahner

District 2

Darrell Boot - 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 22 to be counted.

Dated at Pella, Iowa this 1st day of March 2024.



Bryce Arkema, PCEA Secretary

Pella Cooperative Electric

Your Touchstone Energy® Cooperative 

2615 Washington St.
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

Asst. Secretary/Treasurer
Darrell Boot

Vice President
Steve Inskeep

Director
Carroll Hoksbergen

Secretary
Bryce Arkema

Director
Jon Van Woerkom

Treasurer
Bob Van Soelen

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 22nd!
Look for more info in your mailbox soon.





PRESIDENT & CEO



Plans are underway for the 2024 Annual Meeting of the Pella Cooperative Electric Association. 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. The meeting is scheduled for Tuesday, April 2 at Pella Christian High School.



The cooperative ended 2023 in a financially sound and fiscally responsible position. Net margins for the year were \$809,239, 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 \$134,926 in capital credits during 2023. Through the years, the cooperative has returned more than \$5 million in capital credits to our members.

Reliability is always a top priority for the cooperative. Our reliability factor was 99.97% for 2023, and the average member experienced 160 minutes of outage time for the entire year. The majority of our outage time during 2023 was the direct result of transmission line failures along Hwy 163 between Pella and Monroe. If you have driven Hwy 163 recently, you have likely noticed that MidAmerican Energy is rebuilding that transmission line. It is a much-needed improvement and will boost reliability for our members who receive power from the Otley and West Pella substations. We appreciate MidAmerican Energy's efforts to work with the cooperative to enhance reliability for our members. Whether it is partnering with other utilities or performing maintenance on our own power lines, our line crew works diligently 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. It is important that we continue to use a diverse energy mix that includes adequate baseload generation. Innovations in renewable energy have led to decreases in costs, making renewable energy more feasible, accessible, and scalable. The value of renewable energy remains limited, however, because it is not always dispatchable. The sun does not always shine, and the wind does not always blow. Our responsibility is to provide electricity 24/7 to our membership. Iowa's electric cooperatives must rely on an "all of the above" energy strategy that includes natural gas, coal, hydropower, wind, and solar resources to meet the demands of an increasingly electrified society. Your cooperative leaders along with our power supplier, Central Iowa Power Cooperative, continue to work with regulators and policymakers to stress the importance of a diverse energy mix.

Pella Cooperative Electric Association functions most effectively with committed and informed leadership. 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 two directors located in District 2 and At-Large positions. Be looking for your ballot to arrive by mail soon, and please return it by March 22. It's important to note that there will be no in-person voting at the Annual Meeting.

Please make plans to join us at your 2024 Annual Meeting on Tuesday, April 2 to hear more about these topics and other important issues facing your cooperative. 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.

2023 HIGHLIGHTS

\$1.5 Million USDA Loan Presented to LDJ

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

Tim Ver Meer Retired After 44 Years of Service

Tim Ver Meer, former Line Superintendent retired from the Cooperative after a 44-year career.

2023 Annual Meeting Cancelled Due to Weather

The 2023 Annual Meeting was scheduled to be held on Tuesday, April 4 at Pella Christian High School. The Cooperative was able to hold the annual dinner but cancelled the business meeting due to tornadic activity in the area. CEO and President's reports were recorded and posted to our website and social media pages along with the prize drawing.

Four Scholarships Awarded to High School Seniors

Students Alyssa Basset, Lynnville-Sully High School, Aidan Van Maanen, Pella High School, Elizabeth Vink, Pella Christian High School, and Jonah Schumacher, Pleasantville High School, each received a \$1,000 scholarship from PCEA.

PCEA Hosts Presidential Candidate Asa Hutchinson

Former Arkansas Governor and 2024 Presidential Candidate Asa Hutchinson made an appearance at the Cooperative on June 2 for an energy policy roundtable.

Thomas Tangen Selected for Youth Tour

Pella High School Junior Thomas Tangen was selected and attended the National Rural Electric Cooperative Youth Tour to Washington, D.C. in June 2023.

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 16th.

The Cooperative Welcomes New Apprentice Lineman

Grady Kurfman started at the Cooperative on October 16 as an apprentice lineman. Grady has hit the ground running and we're excited to have him a part of the team!

Board Approved Capital Credit Retirements

The Board of Directors approved capital credit retirements for \$134,967.92 in December. Learn more about capital credits at www.pella-cea.org/capital-credits.

Annual Meeting Agenda

- Welcome
- Invocation
- Secretary's Report
- 2023 Youth Tour Experience
- Report of the Nominating Committee
- President Report
- CEO Report
- Results of the Election
- New Business
- 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: Joel Gritters, Angie Arkema, Steve Crozier, Dennis Goad, Stuart De Haan, Ruth De Bruin, and Rob Vos.



FINANCIAL REPORT



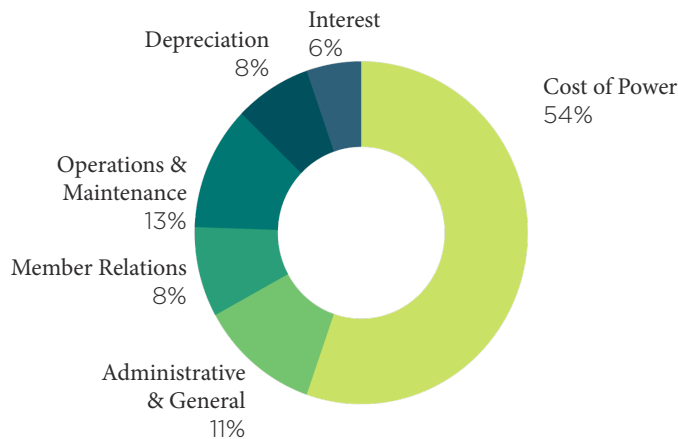
BALANCE SHEETS

	2023	2022
Assets		
Net Utility Plant	\$ 22,627,082	21,883,460
Other Assets and Investments	5,853,656	6,249,215
Current Assets	2,721,875	2,625,141
Deferred Debits	30,077	44,694
Total Assets	\$ 31,232,690	30,802,510
Equity		
Margins and Equity	\$ 16,172,411	15,513,099
Liabilities		
Long-Term Debt	13,334,286	13,537,955
Current Liabilities	1,725,993	1,751,456
Total Liabilities and Equity	\$ 31,232,690	30,802,510

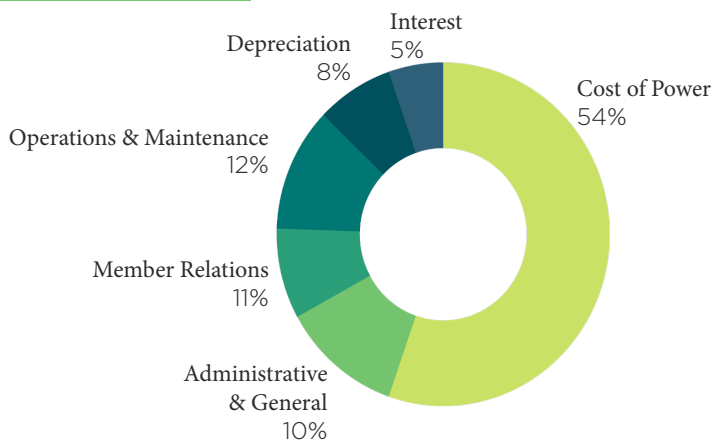
INCOME STATEMENTS

	2023	2022
Operating Revenues	\$ 7,860,710	7,970,040
Operating Expenses		
Cost of Power	\$ 4,055,519	4,100,968
Operations and Maintenance Expense	1,003,021	930,362
Member Relations Expense	570,770	797,710
Administrative and General Expense	814,283	738,381
Depreciation Expense	595,721	567,394
Interest Expense	462,886	415,224
Operating Margins Before Capital Credits	\$ 358,510	420,001
Capital Credits	384,043	145,771
Net Operating Margins	\$ 742,553	565,772
Non-Operating Income	66,686	73,936
Net Margins	\$ 809,239	639,708

2023 EXPENSES



2022 EXPENSES



2023 STATS

37 new services added

3,187 homes and businesses in the co-op membership

642 miles of line

2.34 average number of outages each member experienced in 2023

43 energy efficiency rebates paid out to members