

HIGHLINES

NEWS FOR THE MEMBERS OF PELLA COOPERATIVE ELECTRIC

2025
ANNUAL
REPORT

Official Notice of Annual Meeting

The Annual Meeting for members of Pella Cooperative Electric Association will be held April 7, 2026, 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 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 Nominating Committee of Pella Cooperative Electric, pursuant to the Bylaws:

District 1 Jon Van Woerkom	District 4 Duane Ver Ploeg Dave Willemsen	At-Large Bryce Arkema
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You are urged to complete and return the ballot for directors that you will be receiving in the mail. Ballots received must be post marked no later than March 27 to be counted.

Dated at Pella, Iowa this 1st day of March 2026.

Bryce Arkema, PCEA Secretary

Pella Cooperative Electric

Your Touchstone Energy® Cooperative

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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 Jon Van Woerkom
Secretary Bryce Arkema	Director Roy Jahner
Treasurer Carroll Hoksbergen	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 27th!
Look for more info in your mailbox soon.





2026 JOINT PRESID



Duane Ver Ploeg
Board President

As Pella Cooperative Electric Association begins its 90th year of service, we are reminded that the strength of this organization has always depended on steady leadership and responsible planning. That responsibility continues today. Many families and businesses are feeling pressure in their own budgets, and we understand that no one wants higher electric bills. Clear communication matters, especially when change is involved.



Doug Stewart
CEO

After careful review, your board of directors has approved a rate increase effective May 1, 2026. This increase represents an overall revenue increase of approximately 7 percent across all rate classes, though the impact will vary depending on rate structure and individual usage.

An overall revenue increase means the cooperative must collect about 7 percent

more in total to cover the rising cost of operating and maintaining the electric system. That figure reflects system-wide revenue needs rather than a flat percentage applied equally to every bill. Individual impacts will differ based on service type and usage patterns. A formal rate notice will be mailed in late March, well before the effective date of May 1, outlining details specific to each rate class.

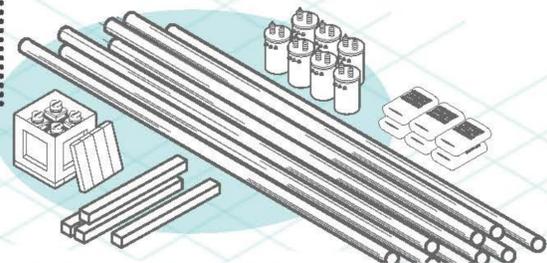
This decision was approached thoughtfully and with long-term stability in mind. The cost of operating and maintaining an electric distribution system has risen steadily in recent years. Materials, equipment, contracted services, technology, and infrastructure investments all carry higher costs than they did even a few years ago. Core distribution components such as poles, transformers, wire, and related construction inputs have increased substantially in price over several years. *The accompanying graphic illustrates the broader industry trend behind those sustained cost increases.*

Responsible planning means addressing those realities while the cooperative remains financially stable rather than waiting until budgets are stretched and options are limited. Strong performance in any single year does not remove the need for timely increases when costs change. Waiting until reserves are reduced or system maintenance is delayed, which can ultimately affect reliability, would create greater disruption over time. While no increase feels small, addressing cost changes now helps protect members from more corrections later.

Infrastructure Costs

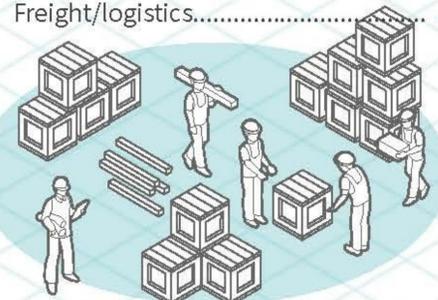
Infrastructure

Utility poles (wood, steel, composite)	+25-40%
Crossarms & braces (steel/wood).....	+20-35%
Conductor wire (aluminum/copper).....	+30-50%
Transformers.....	+70-100%
Grain-oriented electrical steel.....	+80-100%
Oil/dielectric fluids.....	+25-40%
Copper wiring.....	+50%
Concrete.....	+25-35%
Smart meters.....	+20-35%
Pad-mounted switchgear.....	+25-40%
Circuit breakers/reclosers.....	+20-35%



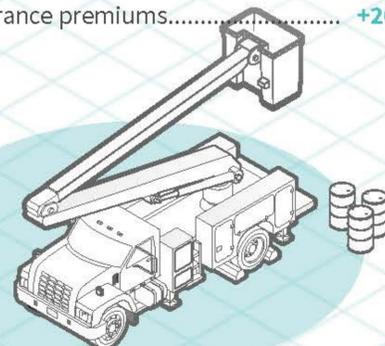
Build-outs

Utility construction labor.....	+20-40%
Freight/logistics.....	+30-60%



Fleets

Light trucks.....	+25-40%
Bucket trucks, digger derricks.....	+20-50%
Fuel costs (especially diesel).....	+20-30%
Maintenance.....	+15-25%
Insurance premiums.....	+20%



BOARD & CEO REPORT

Rate decisions are guided by fairness and by the principle that charges should reflect how the system is used while maintaining stability for the cooperative as a whole. Different types of members place different demands on the system. Infrastructure sizing, capacity requirements, and usage patterns vary across homes, farms, and businesses.

Even as rates increase, careful cost management remains constant. The board and management continue to evaluate major projects, review long-term capital plans, and seek competitive pricing for materials and services. Capital improvements are examined closely to ensure projects are necessary and appropriately timed. Equipment replacement decisions are based on safety, reliability, and long-term cost impact. Mitigation efforts continue where outside funding is available to strengthen infrastructure while limiting financial impact on members. These disciplines are part of ongoing oversight, not reactive measures.

Stewardship also means accountability. Directors regularly review financial results, operating plans, and future forecasts to ensure the cooperative remains prepared for both expected needs and unexpected events. The goal is not simply to balance this year's budget, but to maintain a system strong enough to serve members reliably for decades to come.

The financial report for 2025 is printed in this issue of the newsletter. Transparency remains an important part of cooperative governance, and we encourage members to review that information.

This year marks the 90th Annual Meeting of Pella Cooperative Electric Association. Ninety years ago, members formed this cooperative to ensure dependable electric service when no one else would provide it. That same responsibility to plan for the long term continues today. We invite members to attend on Tuesday, April 7, at Pella Christian High School. The meal will begin at 5:30 p.m., followed by the business meeting at 7:00 p.m. For nine decades, this cooperative has operated on the principle of responsible stewardship. That responsibility continues in 2026. We remain focused on disciplined management, thoughtful planning, and protecting the long-term strength of the electric system you own.

Annual Meeting Agenda

Welcome
Invocation
Secretary's Report
Report of the Nominating Committee
President Report
CEO Report
Results of the Election
New Business
Adjournment
Prize Drawings

Get Your Energy Savings in 2026!

With a new year, we're kicking off another year of providing energy efficiency rebates for members!

Residential rebates include:

- Electric vehicle chargers
- Ground source heat-pumps
- Air source heat-pump
- Outdoor lighting
- Air conditioners
- Water heaters

For commercial and ag rebates, visit our website at pella-cea.org/rebates.

FINANCIAL REPORT



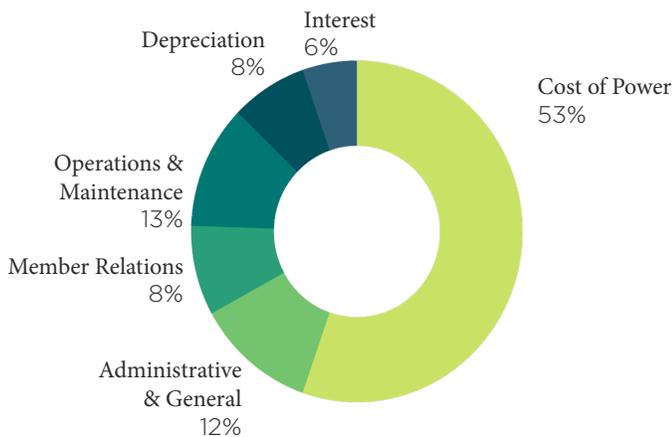
BALANCE SHEETS

	2025	2024
Assets		
Net Utility Plant	\$ 24,172,910	22,942,228
Other Assets and Investments	5,772,768	6,095,275
Current Assets	2,659,576	2,563,895
Deferred Debits	62,957	24,179
Total Assets	\$ 32,668,211	31,625,577
Equity		
Margins and Equity	\$ 17,876,547	17,033,816
Liabilities		
Long-Term Debt	13,027,834	12,960,450
Current Liabilities	1,674,317	1,631,311
Deferred Credits	89,513	-
Total Liabilities and Equity	\$ 32,668,211	31,625,577

INCOME STATEMENTS

	2025	2024
Operating Revenues	\$ 8,887,256	8,422,680
Operating Expenses		
Cost of Power	\$ 4,423,784	4,151,392
Operations and Maintenance Expense	1,091,459	1,075,642
Member Relations Expense	644,773	634,063
Administrative and General Expense	998,480	905,443
Depreciation Expense	638,311	614,046
Interest Expense	496,503	469,036
Operating Margins Before Capital Credits	\$ 593,946	573,058
Capital Credits	375,427	402,464
Net Operating Margins	\$ 969,373	975,522
Non-Operating Income	110,711	71,255
Net Margins	\$ 1,080,084	1,046,777

2025 EXPENSES



2025 STATS

30	new services added
3,234	homes and businesses in the co-op membership
645	miles of line
1.25	average number of outages each member experienced in 2024
21	energy efficiency rebates paid out to members