

# 84<sup>th</sup> Annual Meeting

April 7, 2020

Pella Cooperative Electric

A Touchstone Energy® Partner



# Meeting **Agenda**

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**7:00 p.m.**

**Welcome**

*Duane Ver Ploeg, Board President*

**Invocation**

*Bryce Arkema, At Large Director*

**Pledge of Allegiance**

*Lance Freml, Lineman*

**Secretary's Report**

*Bryce Arkema, At Large Director*

**Introductions**

*Duane Ver Ploeg, Board President*

**Report of the Nominating Committee**

*Kim Vande Voort*

**Election of Directors**

*Fred Dorr, Attorney (Wasker, Dorr, Wimmer & Marcouiller, P.C.)*

**Panel Discussion**

*Duane Ver Ploeg, Jon Miles,*

*Doug Stewart, Bill Cherrier*

**Youth Tour Report**

*Chloe Inskeep and Will Rasmussen*

**Results of the Election**

**Unfinished Business**

**Adjournment**

**7:45 p.m.**

**Door Prize Drawing**

*2- 2 Iowa State Fair Tickets,*

*1- Flat Screen TV,*

*6- Gift Certificates towards your Pella Cooperative Electric Bill,*

*1- Bruxvoort's Decorating Center Gift Certificate*

As you leave, please turn in your registration stub and receive a free gift in appreciation for your attendance. Please, limit one gift per membership.

# Meet the Candidates



## **Brad Flory, Dirtrict 1 Candidate**

Brad and his wife of 45 years, Julie, have been members of PCEA since 2010. Their son Luke is married to Jodi Steenhoek and daughter Jennifer is married to Travis Van Wyk. Their children each have 3 children and are self-employed in the Pella area. Brad retired in 2019 after almost 34 years at Pella Corporation, the last 25 years as department manager in Logistics. Prior to this he worked as a herdsman for Flying Dutchman Ranch and farmed.

*Why are you interested in running for the director position?* PCEA is currently a very strong organization. I would like to help continue this tradition. Our challenge is to continue to offer our customers/members outstanding service and keep expenses minimal. *What do you believe is the biggest challenge facing the cooperative today?* We need to anticipate the changing needs of our community while delivering service at the lowest cost for residential and commercial. *If elected, what strengths would you bring to the Pella Cooperative Electric board?* Safety is the top priority in manufacturing and I will encourage this priority for our team. I've had 30 years of experience in continuous improvement, leadership and management of teams. I've been chairman of deacons and trustees at church, was award winner for the first Spirit Award (philanthropy and volunteerism) at Pella Corporation. I understand the needs and challenges of rural residents, commercial business and homeowners in the subdivisions in our communities.



## **Brian Hauser, District 1 Candidate**

Brian and wife, Charmin, have been PCEA members since 2004. They have two sons, Grant and Jacob. Brian is the Vice President of Ag and Commercial Lending at Marion County Bank.

*Why are you interested in running for the director position?* I think it's a great way to use my financial services experience to serve the public in an industry that is vital to our daily lives. *What do you believe is the biggest challenge facing the cooperative today?* Continuing to provide electricity to its members in a safe, sustainable and cost-effective manner. Now more than ever, our lives are heavily reliant on electricity. *If elected, what strengths would you bring to the Pella Cooperative Electric board?* My Iowa farm boy background and 22 years of rural Iowa banking experience have helped me develop common sense solutions to the daily issues faced by business. My goal would be to apply this experience to the situations encountered by the Cooperative in the years to come.





### **Dale Lensing, District 1 Candidate**

Dale and his wife of 33 years, Lisa, have been PCEA members since 2002. They have four children, Jonathan and wife Alexa, Jacob, Joseph Samuel, and daughter Jacqueline. Dale is an obstetrician-gynecologist and currently practicing gynecology at Pella Regional Health Center since 2003. He was previously a partner and co-owner of Ottumwa Obstetrics and Gynecology from 1997 to 2010, until they sold the practice to Ottumwa Regional Health Center.

*Why are you interested in running for the director position?* My wife and I recently served on Pella Christian Boosters for three years. I enjoyed serving as chairperson for one of those years and serving the people of the Pella Christian High School community. This would allow me to serve in a similar fashion, but without all the concession stand shifts! *What do you believe is the biggest challenge facing the cooperative today?* I believe the biggest challenge is finding sources of affordable, reliable, safe power in an era of increasingly burdensome regulation. As we become increasingly dependent on electricity to power high-tech industries and our high-tech society, whether that is home computers or EV charging of autos, we need to be sure we can deliver reliable and consistent service. Our power grid needs to be up to this challenge as well. *If elected, what strengths would you bring to the Pella Cooperative Electric board?* I am a very organized, reliable individual that people trust to make good decisions with regard to their welfare and safety. Having run my own business, I learned the importance of balancing the needs of my customers with keeping the business efficient and viable. I have also learned how to navigate my own profession, one that is highly regulated by the government. As a lifelong Iowan, growing up on an Iowa hog farm and remodeling houses in several Iowa counties as a pastime, I have learned firsthand the importance of a reliable electric co-op!



### **Mike Lubberden, District 1 Candidate**

Mike and his wife, Sheryl, have been members of PCEA since 1987. They have two grown kids and three grandkids. Mike retired from Central College as Director of Facilities Planning and Management. He currently operates a small service business, mainly performing work for Pella Regional Health.

*Why are you interested in running for the director position?* I'm passionate to learn about PCEA's challenges for supporting solar. I would like to seek ways in which members can embrace customer owned solar technologies while building financial strength and stability within the association. I will advocate for a member-owned community solar garden similar to other Touchstone Energy Cooperatives like Midland Power in Jefferson. <http://www.midlandpower.coop/community-solar> *What do you believe is the biggest challenge facing the cooperative today?* Supporting efforts to reduce the utilities' impact on climate. I'm saddened how this issue has been politicized to the point of creating confusion and inaction. I believe it's possible to address the problem on a higher moral plane which transcends political discourse. *If elected, what strengths would you bring to the Pella Cooperative Electric board?* I realize there will be a steep learning curve before becoming an effective board member, however I enjoy learning and now have the time to devote to that process. I believe I can bring a diverse perspective to the table, while doing my best to represent the wants and needs of the members in District 1.



### Dwain Russell, District 1 Candidate

Dwain and his wife of 35 years, Linda, have been PCEA members since 1993. They have two sons, Derek and Dustin, daughter-in-law, Jill Russell, and two grandchildren, Rylan and Haisley. Dwain is an electrical engineer at John Deere Ottumwa Works. He has been in engineering and management for 35 years.

*Why are you interested in running for the director position?* I've been a member of the PCEA for 26+ years. I would like to represent the members of our district. I recently completed a three-year term on the Executive Board of Directors for the Community 1st Credit Union and I would like to share these experiences with the PCEA Board. *What do you believe is the biggest challenge facing the cooperative today?* I want to ensure we continue to provide safe, reliable and affordable energy that we as members use each and every day. *If elected, what strengths would you bring to the Pella Cooperative Electric board?* Recent experiences and leadership provided as an executive board member for the last three years for the Community 1st Credit Union.



### Jon Van Woerkom, District 1 Candidate

Jon and his wife, Glenda, have been PCEA members since 1986. He owned and operated Pella Glass & Home Improvement Inc. for 24 years. On January 1, 2020, he sold the business and he now enjoys working for the new owners. Jon has been a volunteer fireman in Pella for 34 years.

*Why are you interested in running for the director position?* I enjoy being part of the community and can relate to people well. I enjoy serving others when opportunities arise while working or leisure. *What do you believe is the biggest challenge facing the cooperative today?* Being competitive in a market that small cooperatives can still serve their population. *If elected, what strengths would you bring to the Pella Cooperative Electric board?* I can bring an open mind and would love to be the voice for the people in my district.



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### **Duane Ver Ploeg District 4 Incumbent**

Duane and his wife, Kathy, have been PCEA members since 1973. They have a son, Jason, and a daughter, Jill, along with 4 grandchildren. Duane has been a grain and livestock farmer since 1973 at the family farm four miles south of Pella. Duane has served several terms as Deacon at church, Marion County Board of Adjustment and as the Marion Country Fair Swine Superintendent. Duane enjoys watching his grandsons' sporting events and watching them show livestock at the county and state fair.

*Why are you interested in being re-elected as a director?* I enjoy and feel the need to be involved in any organization I am a part of and consider it an honor to be nominated to serve the membership.

*What are your short-term goals on the PCEA Board?* My goals are to listen to the needs of our members and help them understand the importance of the cooperative and their ownership in our organization.



### **Bryce Arkema, At-Large Incumbent**

Bryce and his wife, Donna, have been PCEA members since 1982 and live northeast of Pella where Bryce farms. They have four children. Bryce is currently serving on his church board and council. He is also serving as the Secretary on the PCEA Board, the Key Co-op Board of Directors, and on the Hawkeye Pension Board for Iowa Association of Electric Cooperatives.

*Why are you interested in being re-elected as a director?* I believe in the cooperative system of members owning the business and being able to have a voice in the business by serving on the board of directors, who is responsible to hire the CEO and set policy for the cooperative.

*What are your short-term goals on the PCEA Board?* As a board, we are always concerned for the safety of our employees. To offer dependable and affordable energy for our member owners in an ever-changing business of generating power along with consumer's needs having to be supplied each hour of each day. Also protecting our system from cyber-attacks with cyber security.

# Financial Report

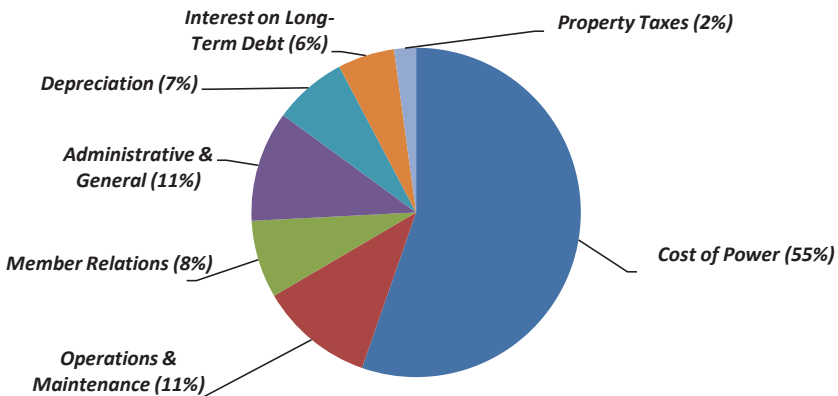
## Balance Sheets at December 31, 2019 and 2018

	2019	2018
<b>Assets</b>		
Net Utility Plant	\$ 17,819,410	\$ 17,219,139
Other Assets and Investments	3,866,617	3,881,214
Current Assets	1,913,169	2,517,609
Deferred Debits	80,166	86,652
<b>Total Assets</b>	<b>\$ 23,679,362</b>	<b>\$ 23,704,614</b>
<b>Liabilities</b>		
Long-Term Debt	\$ 8,045,882	\$ 8,604,292
Current Liabilities	1,405,889	1,377,674
<b>Equity</b>		
Margins and Equity	14,227,591	13,722,648
<b>Total Liabilities and Equity</b>	<b>\$ 23,679,362</b>	<b>\$ 23,704,614</b>

## Income Statements for the Years Ended December 31, 2019 and 2018

	2019	2018
<b>Operating Revenues</b>	\$ 7,089,657	\$ 7,249,518
<b>Operating Expenses</b>		
Cost of Power	3,685,145	3,791,811
Operations and Maintenance Expense	794,771	800,224
Member Relations Expense	579,671	575,519
Administrative and General Expense	747,449	609,555
Depreciation Expense	481,151	460,525
Interest Expense	371,573	387,768
<b>Operating Margins Before Capital Credits</b>	<b>\$ 429,897</b>	<b>\$ 624,116</b>
Capital Credits	323,034	287,065
<b>Net Operating Margins</b>	<b>\$ 752,931</b>	<b>\$ 911,181</b>
Non-Operating Income	98,554	188,996
<b>Net Margins</b>	<b>\$ 851,485</b>	<b>\$ 1,100,177</b>

## Total Cost of Electric Service for the Year Ended December 31, 2019



Total Cost of Electric Service: \$6,659,760

# Pella Cooperative Electric



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[pella-cea.org](http://pella-cea.org)

628-1040

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