



→ 2022

PKM ANNUAL REPORT ←

PKM ANNUAL MEETING

Tuesday, April 4, 2023

WARREN-ALVARADO-OSLO HIGH SCHOOL
DOORS OPEN AT 5:15 P.M. | WARREN, MINN.

PKM

Electric Cooperative

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MARCH-APRIL 2023 PKM NEWS / PKMCOOP.COM



NOTICE OF ANNUAL MEETING

The annual meeting of the members of PKM Electric Cooperative will be held in the auditorium of Warren-Alvarado-Oslo High School in the city of Warren, Minn., at 6:30 p.m., on **Tuesday, April 4, 2023**, for the following purposes:

1. **To pass upon reports of officers, directors and committees.**
2. **To elect three directors of the Cooperative.** Elections will be held for a three-year term for one director in each of the following counties:

POLK
Steve Goodwin
Angus

KITTSON
C.J. Peterson
Lancaster

MARSHALL
Jerred Copp
Warren

Per the Cooperative Bylaws, nominees for open director seats must submit a petition at least twenty (20) days before the Annual Meeting. Please note that the Bylaws mandate that no nominations for director can be made from the floor at the Annual Meeting nor are write-in nominations accepted. Given that there is only one nominee who properly petitioned for each open director position, the Board has determined not to incur the costs associated with issuing mail ballots for the three uncontested elections. In accordance with the Bylaws, the election of the three candidates to their respective open director seats will be moved upon at the Annual Meeting.

3. **All other matters, which may properly come before the annual meeting, or any adjournment or adjournments thereof.**

Wayne Malm, Secretary
March 7, 2023

MARCH/APRIL 2023 (VOL. 77, NO. 2)

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OFFICERS AND DIRECTORS

PresidentMark Hatton
Vice President.....Michael Beaudry
Secretary-Treasurer.....Wayne Malm
Directors..... Paul Aakre, Steve Goodwin, Chris Mortenson,
Blake Owens, C.J. Peterson and Tom Woinarowicz
CEO.....Jeff Rustad
EditorsDanny Schmidt, Megan Dagoberg

OFFICE HOURS:

8 a.m. to 4:30 p.m.,
Monday through Friday
Phone: 218-745-4711
or 800-552-7366

ELECTRICAL AFTER-HOURS EMERGENCIES:

800-552-7366
E-mail: info@pkmcoop.com
Website: pkmcoop.com

NEXT BOARD MEETING:

Last Tuesday of the
month

*This institution is an equal
opportunity provider and
employer.*

PKM ELECTRICAL INSPECTORS

Marshall and
Kitson Counties

Ronald Ditsch
218-779-6758

Polk
County

Todd Knaack
763-516-0344

ANNUAL MEETING MINUTES



The annual meeting of the stockholders (hereinafter referred to as members) of PKM Electric Cooperative, Inc., was held at the Sky-Vu Drive In in the city of Warren, Minn., at 7 p.m. on Tuesday, July 12, 2022, pursuant to the provisions of the bylaws of the cooperative applying to notice of meeting.

The 82nd annual meeting was called to order by Mark Hatton, president of the cooperative, who presided, and Wayne Malm, secretary of the cooperative, kept the minutes of said meeting.

CEO Michael Schmidt introduced guests and visitors from other organizations in attendance.

The president read the annual meeting rules. The attendance of a sufficient number of members to constitute a quorum was established by a register showing the members present at said meeting and verified by the president and secretary of the cooperative. The president stated that at least 97 members were present in person and that there were 2,875 accepted members in the cooperative, which established a quorum under Article II, Section 5 of the Bylaws of the cooperative. The secretary was directed to file a registration for the establishment of a quorum a part of the minutes.

The president called for a motion to waive the reading of the Notice of Meeting and Affidavit of Mailing. A motion was duly made, seconded and passed unanimously.

Since the minutes of the last meeting of the members held on July 13, 2021, were included as a part of the annual report mailed to members prior to the meeting and distributed to members registering at the annual meeting, a motion was duly made, seconded and passed that the reading of said minutes be dispensed with and that they be approved as distributed.

The annual report of the president was presented.

The treasurer's report was presented in the annual report.

The annual report of the CEO was presented.

Upon conclusion thereof, all reports heretofore presented were upon motion duly made, seconded, carried and received by the membership.

The president called on the CEO, acting secretary to the Nominating Committee, to read the nominating committee report.

The CEO called for a motion to waive the reading of the Nominating Committee report. A motion was duly made, seconded and passed unanimously.

Said report disclosed the nominations of the following members for the board of directors:

POLK COUNTY (For a three-year term)

Paul Aakre – Angus, Minn.

KITTSON COUNTY (For a three-year term)

Mark Hatton – Drayton, N.D.

MARSHALL COUNTY (For a three-year term)

Tom Woinarowicz – Stephen, Minn.

The nominating committee consisted of the nine following members:

Chairman Jason Sobolik - *Drayton, N.D.*

Secretary Jared Woinarowicz - *Stephen, Minn.*

Tom Stinar - *Warren, Minn.*

Wayne Hamrick - *Warren, Minn.*

Carey Mortenson - *Kennedy, Minn.*

Bob Wimpfheimer - *Warren, Minn.*

John Kowalski - *Stephen, Minn.*

Gary Jensen - *Drayton, N.D.*

James Widner - *Strandquist, Minn.*

The committee finalized their decision during a meeting held at the cooperative headquarters on Tuesday, May 17, 2022, at 7 a.m. The report of the Committee on Nominations was ordered to be certified by the secretary and annexed to the minutes of the meeting.

The CEO called on the cooperative's legal counsel to conduct the election. The attorney stated there are three vacancies on the board, one from each county, for a three-year term. He introduced all candidates starting with Polk, Kittson and Marshall counties. The attorney called for a motion to accept nominations. A motion was duly made, seconded and passed unanimously.

There were no additional questions from members attending the meeting.

The president thanked the members for their support of the cooperative and attending the annual meeting.

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

PRESIDENT & CEO'S REPORT



Mark Hatton
President

We want to invite everyone to come and participate in your cooperative's annual meeting, have some food, visit a little and possibly win a prize. We have a few new faces working for PKM now, and it would be good for you to meet them face-to-face.

2022 was one of the busiest years I have experienced since I have been at PKM. We added 51 new services in 2022. This is still a large number for PKM compared to some of our neighboring co-ops. With your PKM board of directors and PKM employees' commitment to safety, we have had another year of no lost time. This is something we work on every year and we can always find ways to improve.



Jeff Rustad
CEO

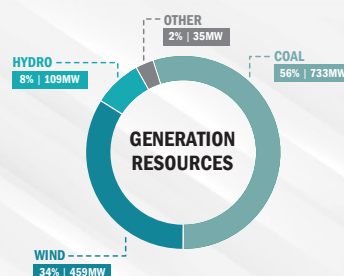
PKM has been working on getting our RUS loan approved for two years now and they finally approved it. The delays are still from COVID and changes at RUS. This is not the norm but with these types of loans, the problem is the interest rate is higher now than what it would have been when it should have been finalized. We also had our seventh year in a row with a margin higher than \$800,000. With that, the board has approved a capital credit payout for the years 1997 and 1998 for approximately \$380,000 to the member-owners. PKM has not raised rates since 2015 and we still have been able to add over \$1 million a year to our utility plant, replace and maintain equipment, maintain a positive margin and pay capital credits back to the members.

With our current political environment in Minnesota, the 100% carbon-free mandate and a possible battery storage mandate, our wholesale power provider Minnkota Power Cooperative is working to figure out what this will mean for our future power supply. At the same time, the MISO grid we are all connected to is restructuring how they look at capacity available and the energy supplied to the market. With all these changes, Minnkota has a big job ahead of them and they also have three members they serve in North Dakota that this does not apply to. We will have Todd Sailer, Vice President of Power Supply from Minnkota Power Cooperative, at this

year's annual meeting to talk about what has happened in the energy market and what he is seeing in the energy market currently.

Another legislative issue we are watching is the Paid Family and Medical Leave bill that will be paid for by the businesses including farmers and the employees both.

WHERE YOUR POWER COMES FROM



PKM Electric Cooperative provides its membership with reliable, resilient and responsible energy. A strong generation portfolio of coal, wind, hydro and other resources from Minnkota Power Cooperative, PKM Electric's wholesale energy provider, helps meet your 24/7 needs.

We have heard that they will need to hire 300 employees at the state level to administer it. By the time you read this, it may already be passed.

We still have two contractors going around updating yard lights to LED. Snow has been an issue, so they may have not done yours yet because they could not get to it. We still want to remind everyone that the off-peak rate is comparable to \$1.40 propane. With propane around \$2 or more, off-peak is still a great option.

We also have a current board member, Mike Beaudry, who has decided to retire off the board. We want to thank Mike for his dedicated service to PKM and its member-owners. He has helped keep PKM in the financial position it is in and make sure we keep the lights on for the members.

As always, our commitment to safety, reliability and affordability will never change, and our local legislators that represent us know the challenges we face in this current environment.

17

employees

2,873

members

2,311

miles of distribution line

\$14.7M

2022 revenues

\$35.1M

total assets

7.98¢

average kWh rate

CURRENT BOARD OF DIRECTORS



Mark Hatton
President
Drayton, ND
Term expires 2025



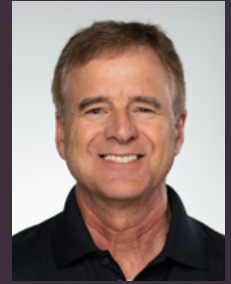
Mike Beaudry
Vice President
Alvarado, MN
RETIRING



Wayne Malm
Secretary/Treasurer
Argyle, MN
Term expires 2024



Paul Aakre
Director
Angus, MN
Term expires 2025



Steve Goodwin
Director
Angus, MN
Term expires 2023



Chris Mortenson
Director
Kennedy, MN
Term expires 2024



Blake Owens
Director
Warren, MN
Term expires 2024



C.J. Peterson
Director
Lancaster, MN
Term expires 2023



Tom Woinarowicz
Director
Stephen, MN
Term expires 2025



Jeff Rustad
CEO

PKM POLITICAL LEADERS

Federal Legislators

President Joe Biden
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500
www.whitehouse.gov
Phone: 202-456-1111

Senator Tina Smith
720 Hart Senate Office Building
Washington, D.C. 20510
www.smith.senate.gov
Phone: 202-224-5641

Senator Amy Klobuchar
425 Dirksen Senate Building
Washington, D.C. 20510
www.klobuchar.senate.gov
Phone: 202-224-3244 or 1-888-224-9043 (Minnesota office)
Fax: 202-228-2186



Congresswoman Michelle Fischbach, U.S. House (7th District)
1004 Longworth House Office Building
Washington, D.C. 20515
www.fischbach.house.gov
Phone: 202-225-2165
Fax: 202-225-1593

MN State Legislators

Governor Tim Walz
Capitol Building, Room 130
75 Rev. Dr. Martin Luther King Jr. Boulevard
St. Paul, MN 55155
Phone: 651-201-3400 or 800-657-3717
www.mn.gov/governor

Minority Leader

Senator Mark Johnson (01, R)
95 University Ave W., Minnesota
Senate Building, Room 2401
St. Paul, MN 55155
Phone: 651-296-5782
sen.mark.johnson@senate.mn
www.senate.mn/members

Representative John Burkell (01A, R)

309 State Office Building
St. Paul, MN 55155
Phone: 651-296-9635
rep.john.burkel@house.mn.gov

Representative Deb Kiel (01B, R)

203 State Office Building
St. Paul, MN 55155
Phone: 651-296-5091 or 800-339-9041
rep.deb.kiel@house.mn.gov

BOARD OF DIRECTORS CANDIDATES

Polk County



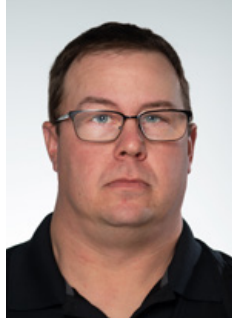
Steve Goodwin

Three-year term

Steve Goodwin represents the Polk County district of PKM. Director Goodwin and his wife, Marie, live in the Angus, Minn., area where they farm with two of their three sons. The Goodwin farm was first homesteaded in 1894 by his great-grandfather and continues with the fifth generation today. They grow wheat, soybeans, corn, edible beans and sugar beets. Steve has had the privilege of serving on the PKM board for 16 years.

Over those 16 years, he says has been part of a board and management team that is proactive, informed and embodies the cooperative values of honesty, integrity and looking out for the best interests of the member-owners. He adds they strive and work to be efficient, cost-effective and enhance productivity, but have stressed and supported safety measures for the crew, staff and patrons. Steve has had the honor to work with a dedicated group of fellow board members and staff that work diligently on behalf of their member-owners. He would appreciate your support as they continue to remain financially strong and provide members safe, reliable and innovative power solutions.

Kittson County



C.J. Peterson

Three-year term

C.J. Peterson represents Kittson County on the PKM board of directors and has served one term as director.

C.J. raises small grains and row crops near Lancaster, Minn. His farm is located in Granville Township and has been in operation since 2001.

Director Peterson has served on a number of boards including Kittson Soil & Water, Township of Granville, Hallock Co-op Elevator and Kittson County Crop Improvement. He considers affordable energy and a safe working environment for PKM employees as key cooperative topics. C.J. appreciates your support for the Kittson County director seat.

Marshall County



Jerred Copp

Three-year term

Jerred Copp is looking forward to an opportunity to represent Marshall County on the PKM board of directors.

Jerred and his wife, Tara, live on a four generation family farm west of Warren, Minn., with their two children. Jerred owns and operates Ash Grove Ag, an agricultural seed supplier and distributor, since 2015. He also farms with his father and they grow corn, soybeans and wheat.

Director nominee Copp is currently serving on the Warren Riverside Golf Course board and was a member of the Warren Jaycees for 13 years.

He is a regional partner with multiple seed companies and works closely with the sales team and agronomists.

He considers a safe working environment for the PKM crew, affordable energy and innovative power solutions as key cooperative topics.

Jerred would appreciate your consideration and support for the Marshall County director seat.

NATIONAL LINEWORKER APPRECIATION DAY

APRIL 10, 2023 | #ThankALineworker

10 things you may not know about lineworkers

*There is a lot to be thankful for during spring. Warmer weather, blooming flowers and the celebration of **National Lineworker Appreciation Day on April 10**. To applaud the resiliency and dedication of our lineworkers, we are sharing 10 things you may not know about this important profession! #ThankALineworker*

#1

Linework began in the 1840s with the invention of the telegraph. Strings were hung on trees, and later poles, to increase long-distance communication.

#2

Lineworkers climb electrical poles that range in height from 35 to 120 feet tall. They can carry around 50 pounds of protective gear with them up the pole.

#3

Lineworker duties include installing, repairing and maintaining distribution and transmission lines. They often encounter utility poles and transmission lines damaged by wildlife.

#4

The U.S. Bureau of Labor Statistics ranks lineworker as one of the most dangerous jobs in the country.

#5

Lineworkers often travel for work. On top of traveling throughout PKM Electric Cooperative's entire service area, they can also provide additional support to surrounding electric cooperatives in need.

#6

Lineworkers start their careers with an apprenticeship program. After about 6,000-8,000 hours, they graduate to journeyman lineworker status. PKM Electric Cooperative has employed lineworkers since it first started operation in 1940.

#7

While on the job, lineworkers wear special clothing that is fire-resistant/arc flash protective. They have specialized rubber gloves/sleeves when working around energized lines and wear boots with spikes or gaffs strapped to the sides to help make climbing safer and more efficient.

#8

Lineworkers use equipment belts around their waists to carry any tools or pieces of equipment they may need when repairing a pole. A few tools you can almost always find in a lineworker tool belt include hammers, screwdrivers, pliers, crimping tools, wire stripping tools, bolt cutters, and so much more!

#9

Lineworkers work in some of the harshest conditions Mother Nature has to offer. Snow, rain or shine, lineworkers do their best to keep the lights on all year long. Lineworkers are also some of the first to respond after major storms.

#10

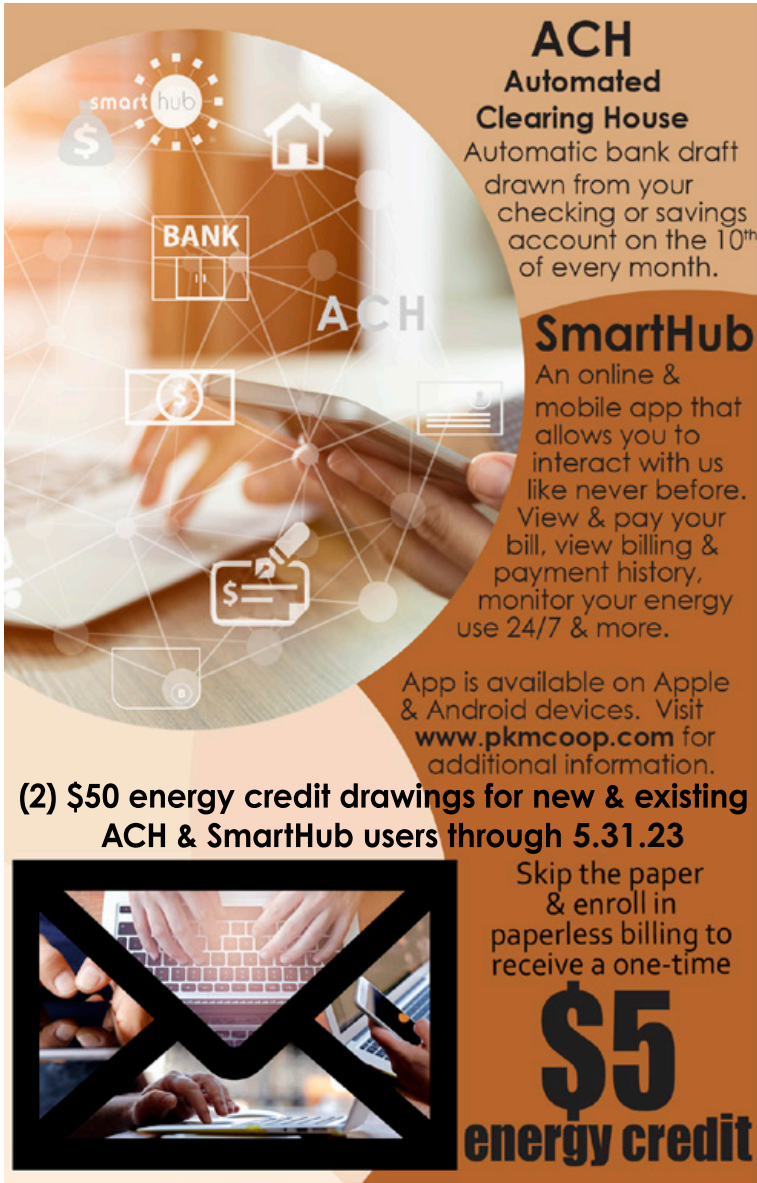
PKM Electric wouldn't be able to deliver safe, reliable and affordable energy to our members without dedicated lineworkers!



ACH/SMARTHUB

Members Currently Enrolled in ACH, SmartHub
and Paperless Billing Through February 2023

| **ACH:** 1,112 | **SmartHub:** 1,201 | **Paperless:** 207 |



ACH
Automated Clearing House
Automatic bank draft drawn from your checking or savings account on the 10th of every month.

SmartHub
An online & mobile app that allows you to interact with us like never before. View & pay your bill, view billing & payment history, monitor your energy use 24/7 & more.

App is available on Apple & Android devices. Visit www.pkmcoop.com for additional information.

(2) \$50 energy credit drawings for new & existing ACH & SmartHub users through 5.31.23

Skip the paper & enroll in paperless billing to receive a one-time
\$5 energy credit

The average home in our area can be powered for about **\$200 per month** – the price of a two-night stay in a hotel.



VALUING EVERYTHING THAT POWERS YOUR MONTH.

THAT'S THE VALUE OF ELECTRICITY.

VALUE OF ELECTRICITY

BE PREPARED BEFORE A STORM STRIKES

In the event of a power outage, be prepared by keeping the following items in an easy-to-find emergency supply kit.

■ WATER

Three-day supply, one gallon per person per day.

■ TOOLS

Flashlight, extra batteries, manual can opener, battery-powered or hand-crank radio, NOAA Weather Radio with tone alert.

■ FIRST AID KIT AND PRESCRIPTIONS

First aid supplies, hand sanitizer and at least one week's supply of prescriptions and medications for the family.



Learn more at www.ready.gov

Source: American Red Cross, Federal Emergency Management Agency.

Apply now for a PKM Scholarship!

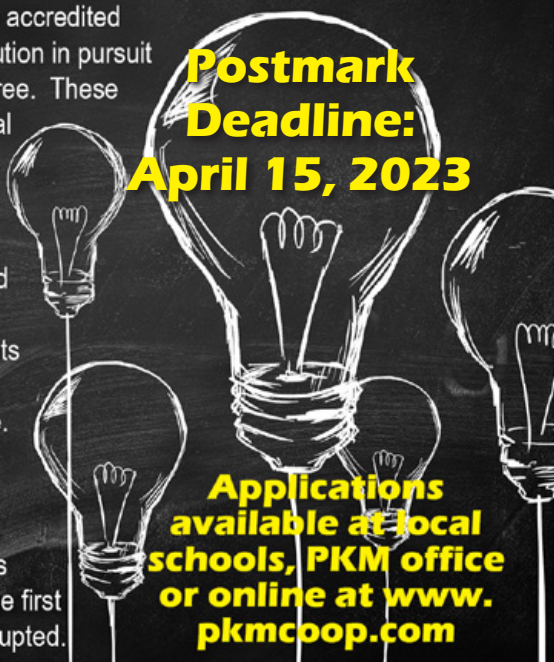
Individuals in PKM's service area who are members of the cooperative, their spouses or children.

- Applicants planning to attend an accredited postsecondary educational institution in pursuit of their initial postsecondary degree. These institutions could include technical colleges, universities or colleges.

- Eligible applicants include high school seniors, active college students enrolled in an accredited institution in pursuit of their initial degree and nontraditional students who are initiating or resuming their initial postsecondary degree. Nontraditional students include "older than average students" or individuals who did not begin a program after high school. This could also include students whose first postsecondary degree was interrupted.

**Postmark
Deadline:
April 15, 2023**

**Applications
available at local
schools, PKM office
or online at www.pkmcoop.com**



Keep your **FAMILY SAFE**,
know what's below!

One free, easy call gets your utility lines marked AND helps protect you from injury and expense. Safe digging is no accident: always call 811 before you dig. Visit www.call811.com for more information.



Know what's below.
Call before you dig.

Stay *connected* to your cooperative

Name

Address

City

State | Zip

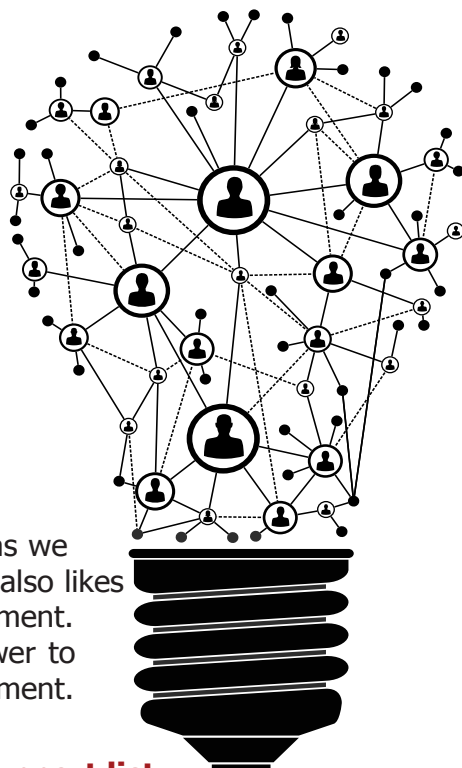
Primary Ph. #

Email

This information is maintained in case of a planned outage, as we try to inform members beforehand. Your electric cooperative also likes to know about any members who are on life-support equipment. During an unplanned outage, priority is given to restore power to these members as electricity is a lifeline for their medical equipment.

☐ **Yes, I'm on life-support equipment.**

☐ **Please remove me from the cooperative's life support list.**





MINNESOTA ADOPTS CARBON-FREE MANDATE

New law raises concerns about grid reliability and affordability

By **Ben Fladhammer** /// Photography **Michael Hoefft**

Minnesota has adopted a mandate that requires 100% carbon-free electricity in the state by 2040. The rule, signed into law on Feb. 7, sets an aggressive timeline that creates the potential for electric grid reliability and affordability issues that would be extraordinarily difficult to reverse.

Under the mandate, the members of Minnkota Power Cooperative, your wholesale power provider, and Northern Municipal Power Agency (NMPA) participants in Minnesota will be required to reach the following targets:

- 60% carbon-free energy by 2030
- 90% carbon-free energy by 2035
- 100% carbon-free energy by 2040
- Additionally, 55% of the electricity used in the state must come from wind, solar or hydro by 2030.

While the Minnkota-NMPA Joint System supports efforts to decarbonize the electric sector, the transition must be completed in a safe and responsible manner. Unfortunately, this mandate accelerates the transformation of the electric grid in a way that may create long-term instability. That's something Minnesotans can't afford. They need reliable electricity to keep homes, farms, schools, hospitals and businesses operating whether it's a 110-degree summer day or a 40-below-zero winter night.

Minnesota is not immune to the rolling blackouts and energy emergencies that have taken place in other parts of the country, like Texas and California. Grid regulators, including the North American Electric Reliability Corporation (NERC), anticipate significant electricity shortfalls over the next 10 years as coal, nuclear and natural gas generation retire faster than adequate replacement resources are connected.

Building infrastructure to accommodate this massive grid transformation will come with a cost. In a cooperative structure, the only way to pay for these items is through the rates charged to members. The timelines for compliance will require utilities to make costly investment and infrastructure decisions in the near future – at a time when inflation and supply chain challenges are still looming.

Already a clean energy leader

Minnkota is already on a path toward a commonsense clean energy transition. The cooperative has even been recognized by the U.S. Department of Energy as a leader in wind energy development. Approximately 42% of the power generation capacity provided to the Minnkota members in Minnesota and North Dakota is generated by carbon-free resources, including wind (34%) and hydro (8%).

Minnkota is also evaluating Project Tundra, which would equip a reliable North Dakota power plant with one of the largest carbon capture systems in the world. If the project moves forward (a decision is anticipated within the next year), Minnkota would be one of the fastest decarbonizing utilities in the U.S. Both carbon capture and nuclear energy are expected to qualify under Minnesota's carbon-free requirements.

As society looks to advance electric vehicles and electrify many other parts of the economy, it will need a reliable, affordable electric grid. This will require an all-of-the-above energy strategy that embraces all electric generation sources to meet the demand.


Perhaps the most important component of a successful energy transition is time. Developing new technology that is sustainable and reliable takes time. Building and updating transmission lines to transport energy takes time. Transitioning to new energy generation resources without jeopardizing the reliability of the grid will take time. Sudden, extreme change to our energy systems without proper planning has the potential for severe consequences.


Minnkota will continue to work closely with its members to maintain reliable, affordable and sustainable electricity – now and in the future.


STATEMENT OF OPERATIONS


	2022	2021
OPERATING REVENUE:		
Electric	\$ 14,579,089	\$ 13,614,068
Other	187,675	143,279
Total operating revenue	\$ 14,766,764	\$ 13,757,347
OPERATING EXPENSES:		
Cost of power	\$ 9,507,193	\$ 9,107,133
Distribution – operation	523,558	443,239
Distribution – maintenance	840,893	620,504
Customer accounts	285,444	287,920
Customer service and informational	171,368	224,714
Administrative and general	856,315	796,440
Depreciation	1,085,337	1,035,356
Interest on long-term debt	584,004	584,960
Tax expense – other	-	-
Other income deductions	6,548	4,519
Total operating expenses	\$ 13,860,660	\$ 13,104,784
OPERATING MARGIN	\$ 906,104	\$ 652,563
NONOPERATING MARGIN:		
Nonoperating margins – other	\$ (84,703)	\$ 1,102,788
Interest income	67,060	140,370
Generation & transmission capital credits	209,700	461,300
Other cooperative capital credits	47,282	44,618
Total nonoperating margin	\$ 239,339	\$ 1,749,076
NET MARGIN	\$ 1,145,443	\$ 2,401,639

For the years ended December 31, 2022 and 2021. Minnesota 87 Marshall
PKM Electric Cooperative, Inc. Warren, Minn.

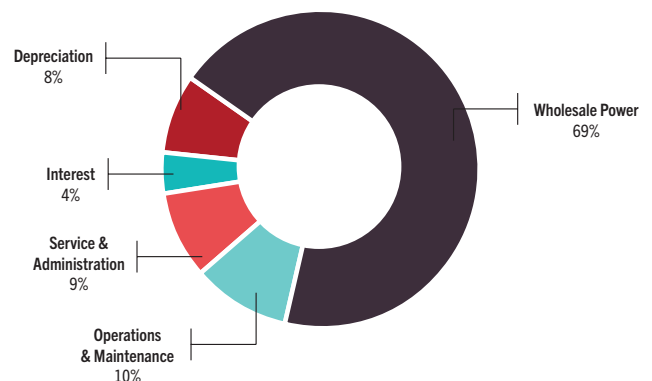
	LED LIGHTS INSTALLED	
	2022	2021
	173	191

	SCHOLARSHIPS AWARDED	
	2022	TO DATE
	10	439

	POLE REPLACEMENTS	
	2022	2021
	44	124

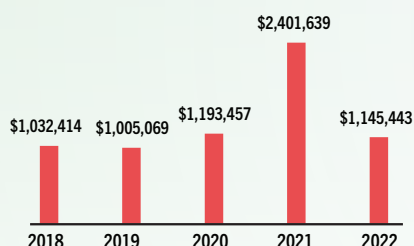
	WIND ENERGY SURCHARGE	
	2022	2021
	357,223	384,506

Operating Expenses

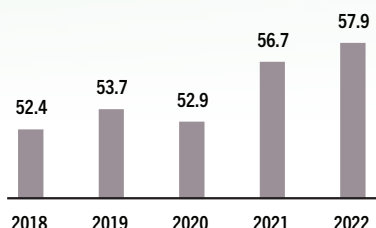


PKM BALANCE SHEET

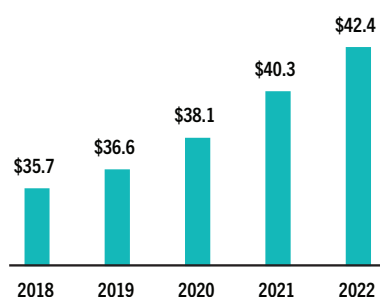
Margins



Equity (Percent)

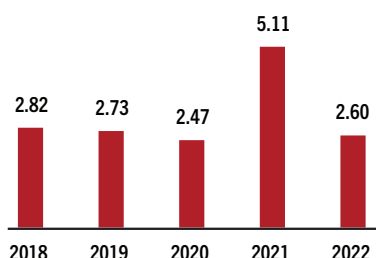


Electric Plant Investments (Millions of Dollars)



TIER

(Times Interest Earned Ratio)



Assets

2022

2021

ELECTRIC PLANT:

In service	\$ 42,279,786	\$ 39,657,997
Under construction	96,088	609,863
Total electric plant	42,375,874	40,267,860
Less accumulated depreciation	14,940,484	(14,718,340)
Electric plant – net	\$ 27,435,390	\$ 25,549,520

OTHER PROPERTY AND INVESTMENTS:

Investments in associated companies	\$ 1,880,707	\$ 1,665,199
Other investments	1,881,646	2,061,421
Total other property and investments	\$ 3,762,353	\$ 3,726,620

CURRENT ASSETS:

Cash – general	\$ 429,219	\$ 1,344,452
Temporary investments	1,000,000	1,350,000
Accounts receivable	1,532,641	1,431,398
Materials and supplies	893,417	835,821
Prepayments, other current & accrued assets	86,239	77,712
Total current assets	\$ 3,941,516	\$ 5,039,383

DEFERRED DEBITS

	\$ 31,519	\$ 46,459
TOTAL ASSETS	\$ 35,170,778	\$ 34,361,982

Equities and Liabilities

EQUITIES:

Memberships	\$ 20,175	\$ 20,015
Patronage capital	9,669,285	9,426,432
Other margins and equities	9,613,522	7,849,182
Current year margins	1,145,443	2,401,639
Total equities	\$ 20,448,425	\$ 19,697,268

LONG-TERM DEBT

	\$ 13,185,907	\$ 12,845,389
--	---------------	---------------

CURRENT LIABILITIES:

Accounts payable	\$ 1,122,287	\$ 1,379,278
Consumers deposits	17,750	16,200
Other current liabilities	396,409	423,847
Total current liabilities	\$ 1,536,446	\$ 1,819,325

TOTAL EQUITIES AND LIABILITIES

	\$ 35,170,778	\$ 34,361,982
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We invite you to study the financial statements in this report.

EMPLOYEE & STAFF DIRECTORY



Nolan Buchner
Journeyman Lineman



Megan Dagoberg
Administrative Assistant



Chelsy Davey
Billing Coordinator



Chris Derosier
Line Foreman



Matt Kazmierczak
Operations Assistant



Bret Klopp
Journeyman Lineman



Nolan Knott
Journeyman Lineman



Joe Marcotte
Operations Manager



Caleb Novak
Journeyman Lineman



Karen Olson
CFO



Ben Pahlen
Sub-Line Foreman



Riley Pahlen
Apprentice Lineman



Danny Schmidt
Member Service Manager



Scott Slusar
Line Crew Foreman



Josh Tutt
Journeyman Lineman



Sara Wurtzel
Billing Clerk

PKM Electric's advisors




Randy Vetter
Engineer
MEI Engineering Inc.
Fargo, N.D.

Minnkota Power Cooperative
Legal Counsel
Grand Forks, N.D.

“ We are here to
serve you, our
member-owners. ”

SAVE MONEY & ENERGY

PKM Electric Cooperative members who volunteer to participate in our load management, also known as off-peak, programs are able to take advantage of reduced rates for their electric heat in exchange for allowing our power supplier, Minnkota Power Cooperative, to control their energy use during peak demand times. Working together, Minnkota and PKM are able to strategically use the program to shield members from price volatility from the energy market during peak demand periods. Participating members are eligible for cash rebates when installing or converting existing equipment. PKM works together with our members to identify programs that best fit you and your family's needs. Please contact our Member Services Department for more information and program details at **218-745-4711** or visit our website at **www.pkmcoop.com**.

REBATES	Equipment	PKM Rebate Only
  	ELECTRIC HEATING EQUIPMENT <i>(must be part of PKM's off-peak load management program)</i>	
	Baseboard/cove heater, plenum heater, hanging unit heater, radiant underfloor heat	\$50/kW
	ELECTRIC THERMAL STORAGE HEATING <i>(must be part of PKM's off-peak load management program)</i>	
	Electric boiler, brick storage room unit, brick storage electric furnace/boiler, slab storage electric cable	\$80/kW
	HEAT PUMPS	
	Air-source heat pump (ASHP) <17 SEER	\$300/ton
	Air-source heat pump (ASHP) >17 SEER	\$500/ton
	Supplemental heating source ASHP	\$500/unit
	Ground-source heat pump	\$500/ton
	WATER HEATERS	
	55 gallon or less	\$300/unit
	56-99 gallon	\$500/unit
	100 gallon or greater	\$600/unit
	New construction (50-gallon)	FREE unit
	Conversion from gas/propane	\$250/unit

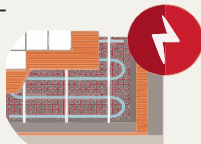
FEEL THE HEAT BENEATH YOUR FEET

Off-peak electric floor heat brings comfort and savings to your home.

What are my options for electric floor heat?

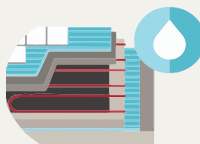
SLAB STORAGE - ELECTRIC CABLES

Heating elements
buried beneath
concrete slabs.



HYDRONIC FLOOR HEAT

Circulating
heated water
through
flexible piping.



What are the benefits?

- Heat beneath your feet
- No dust
- No annoying vents
- Effective and efficient
- Great new rebates
[In addition to the low off-peak electric rate, PKM Electric Cooperative offers rebates to offset the cost of your heating system]

ANNUAL MEETING SCHEDULE **TUESDAY, APRIL 4, 2023** ←

AGENDA

5:15 p.m.

- Doors open for member registration
- Kids entertainment..... Ashley Masloski
Color & Fun Facepainting

5:30 p.m.

- Meal served cafeteria style by PKM directors

BUSINESS MEETING

6:30 p.m.

- Meeting Called to Order..... President Mark Hatton
- Invocation Paul Aakre
- Introduction of Guests..... CEO Jeff Rustad

BUSINESS SESSION

- Notice of Annual Meeting
- Establishment of Quorum
- 2022 Meeting Minutes..... Mark Hatton
- President's Report Mark Hatton
- Treasurer's Report Included in Report
- CEO's Report Jeff Rustad
- Nominating Committee Report..... Jeff Rustad
- Approval of Nominated Sam Schmitz, Minnkota
Director Candidates *Power Cooperative Counsel*

- New Business
- Adjournment of Business Meeting
- Guest Speaker Todd Sailer, Vice President of
Power Supply, Minnkota Power Cooperative
- Prize Drawings (*must be present to win*)

GRAND DOOR PRIZE: \$500 energy credit

KIDS' PRIZES: (1) \$200 Visa gift card and (1) \$100 Visa gift card



Color & Fun
Facepainting with
Ashley Masloski!

Registration, meeting and dinner will be at the Warren-Alvarado-Oslo High School auditorium and cafeteria located near the west entrance.