

# 2014 PKM ANNUAL REPORT

## CELEBRATING 75 YEARS



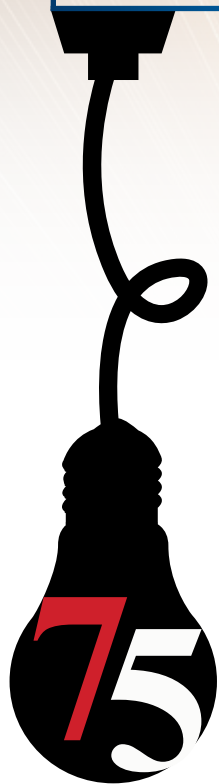
Plan now to attend  
PKM Electric Cooperative's  
**Annual Meeting**

Tuesday, March 31, 2015  
Warren-Alvarado-Oslo High School  
Doors open at 4:30 p.m.

**PKM**  
Electric Cooperative

PKM NEWS PUBLICATION - MARCH/APRIL 2015

# ANNUAL MEETING NOTICE



*Celebrating 75 years  
as your rural electric  
cooperative!*

## TUESDAY, MARCH 31, 2015 Warren-Alvarado-Oslo High School Auditorium

The annual meeting of the members of PKM Electric Cooperative, Inc., will be held in the auditorium of Warren-Alvarado-Oslo High School in the city of Warren, Minn., at 5:40 p.m., Tuesday, March 31, 2015, to take action on the following matters:

1. Reports of officers, directors and committees;
2. The election of three (3) directors for terms of three years each (only one director may be elected from any one county);
3. Such other business as may properly come before the meeting or any adjournments thereof.

March 16, 2015

Gordon Bernstrom, Secretary  
PKM Electric Cooperative, Inc.  
Board of Directors

County	Nominations made by Committee on Nominations 3-year terms	Nominations made by petition
Polk	Blake Owens Warren	NONE
Kittson	Gordon Bernstrom Lancaster	NONE
Marshall	Wayne Malm Argyle	NONE

*Note: Nominations may be made from the floor at the meeting. Candidates will be provided time to address the members prior to voting.*

### Electrical Inspectors

#### Kittson and Marshall Counties

Scott Stenvik  
16409 State Hwy 1 N.W.  
Thief River Falls, MN 56701  
218-689-5406

#### Polk County

Lyon Hegland  
651-262-8679

#### March/April 2015

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**Office hours:** 8 a.m. to 4:30 p.m.

Monday through Friday  
218-745-4711 or 800-552-7366

**Next Board Meeting:** May 26, 2015

#### Officers and Directors

President ..... Ronald Reitmeier  
Vice President ..... Blake Owens  
Secretary-Treasurer .... Gordon Bernstrom  
Directors ..... Mike Beaudry,  
Jeff Folland, Steve Goodwin, Wayne Malm,  
Jerod Hanson and Tom Woinarowicz

Manager ..... Charles Riesen  
Editors ..... Deb Copp, Jeff Rustad  
and Chelsy Davey

#### Electrical after-hours emergencies

218-745-4711 or 800-552-7366

e-mail: [info@pkmcoop.com](mailto:info@pkmcoop.com)

Visit our website at [www.pkmcoop.com](http://www.pkmcoop.com)

# ANNUAL MEETING MINUTES



## ANNUAL MEETING HELD APRIL 1, 2014

The annual meeting of the stockholders (hereinafter referred to as members) of PKM Electric Cooperative, Inc., was held at the High School Auditorium in the city of Warren, Minn., at 5:40 p.m. on April 1, 2014, pursuant to the provisions of the bylaws of the cooperative applying to notice of meeting.

The meeting was called to order by Ronald Reitmeier, president of the cooperative, who presided, and Gordon Bernstrom, secretary of the cooperative, kept the minutes of said meeting.

After calling the meeting to order, the president called on Secretary Bernstrom for the Pledge of Allegiance and invocation.

The president called on the manager, Charles Riesen, to introduce guests and visitors from other organizations in attendance.

The secretary then presented and read a copy of the notice of the meeting, together with the proof of mailing thereof to all members of the cooperative and such statements, ballots and proof were ordered to be annexed to the minutes of the meeting.

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 secretary stated that at least 85 members were present in person and that there were 2,988 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 and the same was, upon motion duly made and seconded and passed, made a part of the minutes.

The minutes of the last meeting of the members held on April 2, 2013, 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.

Michael Schmidt, assistant manager, presented the annual report of the treasurer.

The annual report of the manager was presented.

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

The president called on the manager to read the nominating committee report. Said report disclosed the nominations of the following members for the board of directors:

### **POLK COUNTY**

*(For a 3-year term)*

**Steve Goodwin**

Angus, Minnesota

### **KITTSOON COUNTY**

*(For a 3-year term)*

**Jeff Folland**

Halma, Minnesota

### **MARSHALL COUNTY**

*(For a 3-year term)*

**Mike Beaudry**

Alvarado, Minnesota

The nominating committee consisted of the following eight members:

Chairman Al Lundeen, Karlstad

Jim Sollund, Karlstad

Secretary Russ Steer, Euclid

Shawn Bubb, Alvarado

Glenn Barrett, Warren

Kevin L. Johnson, Alvarado

Charles Hayek, Halma

Brian Kasprick, Angus

The committee finalized its decision during a meeting held at the cooperative headquarters on Wednesday, March 5, 2014.

The report of the Committee on Nominations was ordered to be certified by the secretary and annexed to the minutes of the meeting.

The president called for the election. The president declared that nominations for the directors from the floor would be received by county. There being none, upon motion duly made and seconded and approved, it was ordered that nominations be closed. Those directors nominated and having no opposition were after motion duly made and seconded, declared elected, by virtue of the nominating ballot becoming the elective ballot.

The president stated that microphones have been placed in aisles of the auditorium so that members wishing to speak may be heard by all in attendance.

The president called for any unfinished business. Having determined that there was no unfinished business to be conducted at the annual meeting, he called for new business or discussion. A member-owner addressed the annual meeting of his concern with the wind power surcharge.

The manager responded to his question indicating the reason for the surcharge and reminding the member-owner that it would increase by 1 mill on April 1.

There were no additional questions from members attending the meeting.

The manager thanked the members for their questions and the opportunity to respond.

The president thanked the members for their support of the cooperative and attending the annual meeting. He went on to ask those attending if they had ideas for improving the meeting and if they participated in other meetings held by the cooperative. The results of the informal survey were inconclusive. The president asked if a member advisory committee would be advisable with several member-owners expressing interest to serve if such a committee is formed.

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

# CELEBRATING 75 YEARS



## PRESIDENT & MANAGER'S REPORT



Ronald Reitmeier  
*President*



Charles Riesen  
*Manager*

At this year's 75<sup>th</sup> annual meeting while referencing accomplishments of 2014 and providing a glimpse into 2015, we want to take a moment to acknowledge the foresight and grit of our incorporating directors; Victor Edman, Alvarado; Gust Anderson, Stephen; J. Alfred Anderson, Kennedy; Oscar Thureen, East Grand Forks; Sam Dalen, Oslo; L. A. Anderson, Hallock; Anton Enge, Oslo; Louis Zak, East Grand Forks; and Ruben Dagen, Karlstad. These men, assisted by county extension agents in the counties, held meetings and after a vote it was determined that a rural electric cooperative should be formed and it was nearly 75 years to the date of the 2015 annual meeting. The easy work had been completed. The ensuing years with signing up members, getting easements, applying for loans and getting line built became a test for our early incorporators. PKM today is their legacy.

2014 was an unusual year and ended up being one for the record books. 2014 saw record energy sales and record operating margins. The late spring moved crop drying into the shoulder months that required extra days to dry. That, coupled with the unusual early

winter weather, combined for record energy sales.

It is impossible for your cooperative to plan for such an event. We are glad that your electric system was able to respond to the increased usage without major problems. While small consolation to those who had to pay record electric bills, the late drying did reduce our summer demand by 3,000 kW from the previous year, or in terms more easily understood, nearly \$250,000.

PKM will retire nearly \$400,000 in capital credits to member-owners representing 1992 patronage, taking us closer to the time when we anticipate the retirement of capital on a percentage basis where all member-owners can realize the benefits of patronage capital.

As member-owners of PKM, you can be prideful of a cooperative utility that is well capitalized, expertly maintained and staffed by dedicated professionals who are ready to meet your needs and exceed your expectations.

Look over the official notice of the annual meeting. You will find ideas for conservation, rebates, information on our new website and SmartHub.

We hope to see you at this year's annual meeting.



## 2014 BOARD OF DIRECTORS



Ronald Reitmeier  
*President*  
Fisher, MN  
Term expires April 2016



Blake Owens  
*Vice President*  
Warren, MN  
Term expires March 2015



Gordon Bernstrom  
*Secretary/Treasurer*  
Lancaster, MN  
Term expires March 2015



Mike Beaudry  
*Director*  
Alvarado, MN  
Term expires April 2017



Jeff Folland  
*Director*  
Halma, MN  
Term expires April 2017



Steve Goodwin  
*Director*  
Angus, MN  
Term expires April 2017



Jerod Hanson  
*Director*  
Hallock, MN  
Term expires April 2016



Wayne Malm  
*Director*  
Argyle, MN  
Term expires March 2015



Tom Woinarowicz  
*Director*  
Stephen, MN  
Term expires April 2016

4

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Core Values

- Integrity
- Accountability
- Commitment to Community
- Innovation

# NSS COLORING CONTEST



## SECURITY MAN

HEY, KIDS,  
COLOR ME  
FOR A CHANCE  
TO WIN A  
BICYCLE!



**MAIL ENTRIES TO**  
Northern Safety & Security  
4111 Technology Dr. NW #203  
Bemidji, MN 56601

Name \_\_\_\_\_

Age \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone # \_\_\_\_\_

*Must be 12 or younger to enter ~  
One winner drawn per cooperative*

**ENTRY DEADLINE:**

must be postmarked by **MAY 22, 2015**

Prize Winners to be announced **MAY 29, 2015**

Please check which cooperative you belong to:

- |  |   |
|--|---|
| <input type="checkbox"/> Beltrami Electric       | <input type="checkbox"/> Clearwater-Polk Electric   |
| <input type="checkbox"/> Itasca-Mantrap Electric | <input type="checkbox"/> Paul Bunyan Communications |
| <input type="checkbox"/> PKM Electric            | <input type="checkbox"/> Red River Valley Electric  |
| <input type="checkbox"/> Roseau Electric         | <input type="checkbox"/> Wild Rice Electric         |

# YOU COULD WIN A BIKE!



## NORTHERN SAFETY & SECURITY (NSS) IS HAVING A COLORING CONTEST!



Print out a coloring sheet of Security Man from the website at [www.northss.com](http://www.northss.com), pick up a copy in the PKM Electric Cooperative lobby or cut out the sheet printed to the left. When you are done with your artwork, please mail the sheet to Northern Safety & Security, 4111 Technology Dr. NW #203, Bemidji, MN 56601. All entries must be postmarked by **May 22, 2015**. Winners will be announced **May 29**.



Call 218-444-3902 or 877-751-3902  
On the web at [www.northss.com](http://www.northss.com)

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Our revolutionary security and home automation service, powered by Alarm.com, enables you to always know what's happening at home. With alert notifications and state of the art services like video monitoring, interactive security, thermostat adjustment, customized light control, and wellness services, you'll have the confidence knowing that the people and things you love will stay safe.

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## Marathon®

*Hot water and savings for life!*

PKM Electric Cooperative members can save on their electric bills when they purchase an 85- or a 105-gallon Marathon water heater and hook it up to the off-peak cycled water heater program. Not only will you receive \$150 rebate, but you'll also save a minimum of \$132 per year off your electric bill with our off-peak cycled program.



**For information and pricing, call PKM Electric Cooperative 218-745-4711**

# SUMMER EDUCATION



## Lignite Energy Council

Annual lignite education seminar accepting registrations for this summer

The Lignite Energy Council is a trade association that represents more than 330 companies that are involved in the region's energy industry. Each year, nearly 30 million tons of lignite are produced in North Dakota and converted to electricity, synthetic natural gas, fertilizer and other products. The lignite industry employs more than 27,000 people, has an economic impact of more than \$3.3 billion in North Dakota and generates more than \$100 million in state tax revenue.

## Lignite Education Seminar: *Energy, Economics & Environment*

June 15 - 18, 2015

APPLY TODAY <http://www.lignite.com/teachers>



Registration is open for the Lignite Energy Council's 30<sup>th</sup> annual Teacher Education Seminar: Energy, Economics and Environment. The four-day seminar gives elementary, middle and high school teachers in North Dakota, Minnesota, South Dakota and Montana a firsthand look at North Dakota's fifth largest industry, lignite mining and related energy production. The seminar will be held June 15-18, 2015, at Bismarck State College's National Energy Center of Excellence, Bismarck, N.D.

"Teachers from all grade and subject levels should apply before April 10, 2015, but the earlier the better as the seminar

does fill up fast," said Kay LaCoe, Lignite Energy Council communications and education coordinator. "One of the biggest draws of our seminar is that it offers two graduate credits paid for by the Lignite Energy Council, not to mention the popular tours of lignite facilities such as a lignite mine and power plant."

Teachers who attend and complete a lesson plan can choose from one of three North Dakota institutions from which to receive their graduate credits: University of North Dakota, North Dakota State University and Minot State University.

Minnkota Power Cooperative sponsors 10 teachers from its service

area by reimbursing participants round-trip mileage to the seminar in Bismarck. Rooms are provided at Bismarck State College at no charge.

The seminar provides instruction on these topics and more: history, geology, land reclamation, environmental protection, economics of the lignite industry, the need for more workers, energy conservation and transmission. Besides the classroom instruction and the tours, teachers will take home handouts, videos, coal samples and activities that can be used in the classroom. The online application for all teachers is available at <http://www.lignite.com/teachers>.

## PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal legislators

**President Barack Obama**  
The White House  
1600 Pennsylvania Ave. NW  
Washington, D.C. 20500  
[www.whitehouse.gov](http://www.whitehouse.gov)  
[president@whitehouse.gov](mailto:president@whitehouse.gov)  
202-456-1111

**Senator Al Franken**  
320 Hart Senate Office Building

Washington, D.C. 20510  
[www.franken.senate.gov](http://www.franken.senate.gov)  
202-224-5641  
Fax: 202-224-0044

**Senator Amy Klobuchar**  
302 Hart Senate Office Building  
Washington, D.C. 20510  
[www.klobuchar.senate.gov](http://www.klobuchar.senate.gov)  
202-224-3244  
1-888-224-9043 (Minnesota office)  
Fax: 202-228-2186

**Congressman Collin Peterson**  
2109 Rayburn House Office Building  
Washington, D.C. 20515  
[www.collinpeterson.house.gov](http://www.collinpeterson.house.gov)  
202-225-2165  
Fax: 202-225-1593

### State of Minnesota legislators

**Governor Mark Dayton**  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
Capitol Building, Room 130  
St. Paul, MN 55155-1606

800-657-3717  
[mark.dayton@state.mn.us](mailto:mark.dayton@state.mn.us)

**Senator LeRoy Stumpf**  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
Capitol Building, Room 122  
St. Paul, MN 55155-1606  
651-296-8660  
Email: Use mail form

**Representative Dan Fabian**  
307 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.

St. Paul, MN 55155  
651-296-9635  
888-727-0979  
[rep.dan.fabian@house.mn](mailto:rep.dan.fabian@house.mn)

**Representative Deb Kiel**  
337 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
651-296-5091  
800-339-9041  
[rep.deb.kiel@house.mn](mailto:rep.deb.kiel@house.mn)





## THE MESSAGE IS CLEAR

### *EPA reaffirms approval of ND regional haze plan*

**I**n a victory for Minnkota Power Cooperative and the state of North Dakota, the U.S. Environmental Protection Agency has reaffirmed its approval of North Dakota's regional haze plan.

This rulemaking will allow Minnkota, our wholesale power provider, to continue to significantly reduce emission levels at the coal-based Milton R. Young Station through proven, cost-effective technology. The EPA's reconsideration would have potentially implemented a federal regional haze plan, which would have required a \$500 million investment in technology that has not been proven to work on cyclone-based boilers using North Dakota lignite coal.

The EPA's reconsideration came in response to a petition by environmental law firm Earth Justice challenging the state's best available retrofit technology (BART) controls for nitrogen oxides (NO<sub>x</sub>) emissions at three coal-fired electric generating units, including the two units at the Minnkota-operated Young Station near Center, N.D. The EPA said it has considered all timely significant comments and determined that the State Implementation Plan (SIP) for regional haze meets all necessary environmental requirements for good stewardship.

The state of North Dakota and Minnkota have been in an ongoing dispute with the federal EPA about the appropriate regional haze plan. The dispute centers on how the state plans to improve visibility in Class I areas like Theodore Roosevelt National Park. The regional haze program only addresses visibility; it is not a health-based program.

Minnkota has made major improvements at the Young Station throughout much of the last decade to address environmental concerns, including visibility issues in Class I areas. About \$425 million has already been invested at the Young Station to significantly lower emissions of sulfur dioxide (SO<sub>2</sub>) and NO<sub>x</sub> and mercury. The Young Station provides the majority of the electricity needs for more than 125,000 retail consumers in eastern North Dakota and northwestern Minnesota.

The EPA plan, or Federal Implementation Plan (FIP), would have required an additional \$500 million in emissions control technology. In addition to technical issues, EPA's



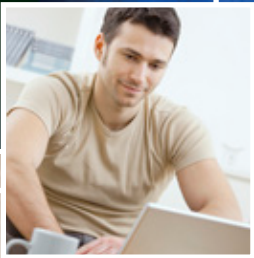
plan, even if it did work, would not provide a perceptible improvement in visibility. In fact, modeling done by the North Dakota Department of Health indicates that even if you shut down all of the power plants in North Dakota, the state still wouldn't be able to meet the FIP.

The regional haze program tasks each state with developing, implementing and administering clean-air rules. The state plan has received strong bipartisan support from elected officials in North Dakota.

"We have worked virtually for years to arrive at this decision, which is good news not only for the state's coal industry and the people who work in it, but for North Dakota," U.S. Sen. John Hoeven said. "It means the industry can continue to provide affordable energy to our state and our region with good environmental stewardship."

U.S. Sen. Heidi Heitkamp has also been pushing the EPA to accept the state's plan rather than forcing a more costly one-size-fits-all federal plan.

"North Dakota set up its own proposal to address the regional haze emitted by our utilities and today, the EPA finally listened and approved the initial plan so our state can determine the policies that make the most sense for us," Heitkamp said. "As we move forward, I'll continue to push on the EPA to fully approve North Dakota's plan so we can support the utilities in the state that turn on our lights and heat our homes."



# LAUNCH OF NEW WEBSITE

www.pkmcoop.com

## New website!



We recognize the ways our members access information change due to technology advances and our lives becoming more mobile. Therefore, PKM Electric would like to communicate information easily and accessibly by updating our website. The website address will remain **pkmcoop.com** but will offer many enhancements/features. Such features include the option to pay online using SmartHub, rebate links, misc. member forms and up-to-date member information. PKM's renovated site launched March 2, along with the official release of SmartHub. We welcome feedback. Contact us at **218-745-4711**.

## Set your thermostat to reliable



Whether you are looking for greater reliability, increased comfort, higher efficiency or more choices, consider the benefits of electric heat.

Electricity from your local electric cooperative is produced by power generators that operate 24-7. That electricity is sent directly to you at the touch of a button, which means there are no outside sources impacting the cost or delivery of your home's heat.

When it comes to warmth and comfort, your cooperative's only goal is to ensure you receive a powerful value for your heating dollar – each and every day.



## PKM's electric heating rebate program!



### Incentives available for installation of an off-peak electric heating system

- Receive \$20/kW rebate for the installation of a qualifying electric heating system that is on off-peak.
- Air-source heat pump incentive is \$100/ton – heating mode must be controlled on off-peak.
- Ground-source heat pump incentive is \$200/ton – heating mode must be controlled on off-peak.
- Equipment must be new and off-peak systems must have a qualified backup.
- Program began May 1, 2014.
- Homeowner will receive a rebate check after a visit from a PKM Electric technician.
- Maximum incentive per off-peak meter is \$600.

Homeowners adding new off-peak heating systems qualify for these rebates.

Contact our Energy Services Department for details at 218-745-4711 or 800-552-7366

# INTRODUCING SMARTHUB



## FEEL THE POWER OF DATA IN YOUR HANDS

smarthub

The Center of Customer Engagement



On March 2, 2015, PKM Electric Cooperative launched SmartHub to our members. This new feature will be available on your mobile device by downloading the FREE app or visiting [pkmcoop.smarthub.coop](http://pkmcoop.smarthub.coop) online. We are excited to offer this service along with an updated website to our members.



[pkmcoop.smarthub.coop](http://pkmcoop.smarthub.coop)



Please contact us at 218.745.4711 with any questions

## You get the credit



Electric cooperatives aren't like other utilities – you, as a consumer and a member, own a portion of the business. And one benefit of that membership

involves the allocation of excess revenue, called margins, in the form of capital credits.

Electric co-ops operate at cost – collecting enough revenue to run and expand the business. The retirement of capital credits – so-called because members provide capital to the cooperative for it to operate and expand – depends on the co-op's financial status. PKM Electric Cooperative holds onto allocated capital credits to cover emergencies, such as a natural disaster, and other unexpected events, and to expand its electric system, all of which may require large-scale construction of poles and wires. This action decreases the need to raise rates or borrow money to pay for the infrastructure. After a number of years, if financial conditions permit, PKM

Electric may decide to retire a set amount of capital credits allocating it back to you and other members.

Over its history, PKM Electric has retired \$5,483,063 in capital credits to its members. This March, we are allocating \$1,100,888.14 to the accounts of our members who purchased electricity during 2014. In addition, to our member-owners who purchased electricity in 1992 – **you get the credit** – as we are retiring \$396,120.23 from that year. Active members will receive the retirement in the form of a credit on your electric bill. Inactive members will receive a check.

Retiring capital credits is just one more benefit of your membership in PKM. Profits stay local instead of going to out-of-state investors. Please contact us at 218-745-4711 if you have questions.



# PKM TREASURER'S REPORT



## STATEMENT OF OPERATIONS



Gordon Bernstrom  
*Secretary/Treasurer*

For the years  
ended  
December 31,  
2014, and 2013.  
Minnesota  
87 Marshall  
PKM Electric  
Cooperative, Inc.  
Warren, Minn.

### OPERATING REVENUE:

Electric	\$ 14,386,488	\$ 12,298,416
Other	43,077	45,358
Total operating revenue	<u>\$ 14,429,565</u>	<u>\$ 12,343,774</u>

### OPERATING EXPENSES:

Cost of power	\$ 9,281,157	\$ 8,858,133
Distribution – operation	378,555	340,064
Distribution – maintenance	707,107	642,346
Customer accounts	257,187	240,500
Customer service and informational	174,846	144,930
Energy conservation (Minn. mandate)	114,124	29,414
Administrative and general	962,361	927,793
Depreciation	849,603	815,593
Interest on long-term debt	598,392	612,748
Tax expense – other	4,489	(859)
Other income deductions	7,595	6,991
Total operating expenses	<u>\$ 13,335,416</u>	<u>\$ 12,617,653</u>
OPERATING MARGIN	<u>\$ 1,094,149</u>	<u>\$ (273,879)</u>

### NONOPERATING MARGIN:

Nonoperating margins – other	\$ 88,869	\$ 38,757
Interest income	104,183	103,781
Other Cooperative capital credits	138,491	154,031
Total nonoperating margin (deficit)	<u>\$ 331,543</u>	<u>\$ 296,569</u>
NET MARGIN	<u>\$ 1,425,692</u>	<u>\$ 22,690</u>

# PKM BALANCE SHEET



## BALANCE SHEET

### Assets

#### ELECTRIC PLANT:

In service	\$ 30,915,882	\$ 29,887,215
Under construction	1,033,076	1,006,821
Total electric plant	<u>31,948,958</u>	<u>30,894,036</u>
Less accumulated depreciation	(11,008,359)	(10,513,865)
Electric plant – net	<u>\$ 20,940,599</u>	<u>\$ 20,380,171</u>

#### OTHER PROPERTY AND INVESTMENTS:

Investments in associated companies	\$ 954,125	\$ 920,193
Other investments	1,206,846	1,164,444
Total other property and investments	<u>\$ 2,160,971</u>	<u>\$ 2,084,637</u>

#### CURRENT ASSETS:

Cash – general	\$ 1,253,663	\$ 776,446
Temporary investments	1,350,000	1,250,000
Accounts receivable	1,688,146	1,867,586
Materials and supplies	469,407	576,140
Prepayments	162,314	118,073
Other current and accrued assets	2,330	1,911
Total current assets	<u>\$ 4,925,860</u>	<u>\$ 4,590,156</u>

DEFERRED DEBITS	\$ 150,818	\$ 160,489
TOTAL ASSETS	<u>\$ 28,178,248</u>	<u>\$ 27,215,453</u>

### Equities and Liabilities

#### EQUITIES:

Memberships	\$ 18,855	\$ 18,695
Patronage capital	6,454,527	6,533,717
Other margins and equities	6,046,485	6,007,420
Current year margins	1,425,692	22,690
Total equities	<u>\$ 13,945,559</u>	<u>\$ 12,582,522</u>

LONG-TERM DEBT	<u>\$ 12,525,455</u>	<u>\$ 12,537,661</u>
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#### CURRENT LIABILITIES:

Accounts payable	\$ 1,161,880	\$ 1,557,052
Customers deposits	14,950	14,850
Other current liabilities	530,404	523,368
Total current liabilities	<u>\$ 1,707,234</u>	<u>\$ 2,095,270</u>

DEFERRED CREDITS (Consumers Energy Prepayments)	\$ 0	\$ 0
TOTAL EQUITIES AND LIABILITIES	<u>\$ 28,178,248</u>	<u>\$ 27,215,453</u>

We invite  
you to  
study the  
financial  
statements  
in this  
report.

# EMPLOYEE & STAFF DIRECTORY



Nolan Buchner  
*Journeyman Lineman*



Rick Bye  
*Operations Manager*



Deb Copp  
*Executive Assistant*



Chelsy Davey  
*Receptionist/Cashier*



Chris Derosier  
*Journeyman Lineman*



Judy Hennessy  
*GL Accountant*



Matt Kazmierczak  
*Apprentice Lineman*



Bob Klinier  
*Line Crew Foreman*



Nolan Knott  
*Apprentice Lineman*



Joe Marcotte  
*Subline Crew Foreman*



Fred Nicholls  
*Custodian/Warehouse*



Jim Norland  
*Journeyman Lineman*



Karen Olson  
*Plant Accountant*



Ben Pahlen  
*Apprentice Lineman*



Jeff Rustad  
*Member Service Manager*



Mike Schmidt  
*Assistant Manager*



Scott Slusar  
*Subline Crew Foreman*



Trevor Snare  
*Apprentice Lineman*



Jeremy Treitline  
*Customer Service Representative*



Randy Vetter  
*Engineer-MEI Engineering Inc.*



Michael Williams  
*Attorney  
Warren, Minn.*

*Celebrating 75 years of providing reliable  
electricity and friendly customer service  
to you, our member-owners!*

# YOU ARE INVITED



## ADD YOUR GREEN TOUCH TO OUR STATE PARKS!

*Help beautify Minnesota and receive a free park sticker!*

**Who:** PKM Electric Cooperative, Inc., members who want to lend a hand (all ages welcome).

**What:** Project GreenTouch is a cooperative program to help spruce up our state parks. (For example: planting trees, cleaning up trails and helping build picnic shelters)

**Where:** Lake Bronson and Old Mill state parks

**When:** Saturday, May 2 – 10 a.m. to 2 p.m.

Help beautify Minnesota. This marks the 15<sup>th</sup> year of a partnership between the Touchstone Energy<sup>®</sup> cooperatives and Minnesota state parks. GreenTouch Day, and the sponsorship of Minnesota State Parks and Trails, fit well with the Touchstone Energy commitment. During the past 14 years, Minnesota's Touchstone Energy cooperatives have organized 8,127 volunteers to donate more than 29,094 hours and provided funds to help publish the Guide to Minnesota State Parks and Trails. "We're very grateful to Minnesota's Touchstone Energy cooperatives for their longstanding commitment to Minnesota state parks," said Erika Rivers, director of Minnesota State Parks and Trails. "All those extra helping hands are much needed and appreciated."

Come join us! Lunch will be served! Each family who volunteers will receive a free park sticker for the year. Bring work gloves and rakes! If you would like to volunteer, call us at **218-745-4711 or 800-552-7366**.



## Save money. Save energy.

**Never before has such a wide array of incentives been available to members to save money and energy at home.**

To receive a rebate, new equipment must be installed and old equipment needs to be removed. Only new products that are exact product types listed in this form are eligible for incentives. More criteria for the heating systems may apply. Forms must be received within 60 days of installation. Mail completed application and a copy of the itemized invoice to PKM Electric Cooperative. Please call member services at **800-552-7366** or go to **www.pkmcoop.com** for more information or to receive the application form. Criteria will be listed on the application form.

*\* If equipped with backup electric heat, the home must be on load control or demand billing per PKM Electric Cooperative offerings and requirements.*

RESIDENTIAL REBATES FOR MEMBERS		
Equipment	Specifications	Rebate
ENERGY STAR <sup>®</sup> CFL Lamps	Replace incandescent bulbs with ENERGY STAR <sup>®</sup> CFLs.	\$2 per bulb. Twelve CFLs max per member.
Clothes Washer	ENERGY STAR <sup>®</sup> -rated	\$50/unit
ENERGY STAR <sup>®</sup> Refrigerator	ENERGY STAR <sup>®</sup> -rated	\$25/unit
ENERGY STAR <sup>®</sup> Refrigerator (with recycling of old refrigerator)	ENERGY STAR <sup>®</sup> -rated	\$50/unit
ENERGY STAR <sup>®</sup> Freezer	ENERGY STAR <sup>®</sup> -rated	\$25/unit
ENERGY STAR <sup>®</sup> Freezer (with recycling of old freezer)	ENERGY STAR <sup>®</sup> -rated	\$50/unit
Electric Water Heater	Must be 80 gallon or larger with an energy factor of at least .91. Must be controlled under load management program.	\$150/unit plus monthly credit for being on load management program.
High Efficiency Furnace with ECM Blower	Furnace with an electronically commutated motor (ECM) on indoor blower.	\$150
Air-Source Heat Pump	14 SEER, 8.2 HSPF	\$400
Mini-split Ductless Air-Source Heat Pump	15 SEER	\$500
*Ground-Source Heat Pump, Open Loop <135,000 BTUH @59F	16.2 EER/3.6 COP	\$200/ton. Maximum incentive of \$2,500/home.
*Ground-Source Heat Pump, Closed Loop <135,000 BTUH @77F	14.1 EER/3.3 COP	\$400/ton. Maximum incentive of \$5,000/home.

# ANNUAL MEETING AGENDA

## TUESDAY, MARCH 31, 2015

### 4:30 p.m.

- Doors open for member registration
- Movies and day care provided by PKM
- Kids entertainment.....Amazing Magic Show  
*Philip & Henry Productions (during meeting)*

### 5 p.m.

- Meal served cafeteria style by PKM directors

### 5:35 p.m.

- Door prizes drawn

## Business Meeting

### 5:40 p.m.

- Meeting Called to Order..... President Ronald Reitmeier
- Invocation .....Sec./Treas. Gordon Bernstrom
- Introduction of Guests.....Manager Charles Riesen

## Business Session

- Notice of Annual Meeting
- Establishment of Quorum
- Reading of 2014 Meeting Minutes ..... Gordon Bernstrom
- President's Report .....Ronald Reitmeier
- Treasurer's Report.....Mike Schmidt
- Manager's Report..... Charles Riesen
- Nominating Committee Report ..... Charles Riesen
- Election of Directors
- Unfinished Business
- New Business
- Reading of Election Results
- Adjournment of Business Meeting
- Speaker .....Steve Porter, Karlstad, Minn.  
*"Trophy Whitetails"*
- Prize Drawings..... Must be present to win



Double XL at three and a half years old from Steve Porter's "Trophy Whitetails."



Remember to pick up your PKM Electric 75<sup>th</sup> anniversary cookbook! Also enter to win the grand prize drawing for an iPad.

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