

2016

PKM ANNUAL REPORT



Plan now to attend
PKM Electric Cooperative's

Annual Meeting

Tuesday, April 4, 2017
Warren-Alvarado-Oslo High School
Doors open at 4:30 p.m.

*Grand Door Prize: 55" TV
Kids: Kindle Fire and two bikes*

PKM

Electric Cooperative

ANNUAL MEETING NOTICE

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, April 4, 2017, 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 7, 2017

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

TUESDAY, APRIL 4, 2017
Warren-Alvarado-Oslo High School Auditorium



County	Nominations made by Committee on Nominations 3-year terms	Nominations made by petition
Polk	Steve Goodwin Angus	NONE
Kittson	Jeff Folland Halma	NONE
Marshall	Mike Beaudry Alvarado	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

Marshall County

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

Kittson County

Wayne Bergstrom
701-520-9771

Polk County

Bryan Holmes
218-686-1413

March/April 2017

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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: March 28, 2017

Officers and Directors

President Tom Woinarowicz
Vice President..... Michael Beaudry
Secretary-Treasurer Gordon Bernstrom
Directors Paul Aakre, Jeff Folland,
Steve Goodwin, Mark Hatton,
Wayne Malm and Blake Owens

Manager..... Charles Riesen
Editors Chelsy Davy, Jeff Rustad

Electrical after-hours emergencies

218-745-4711 or 800-552-7366
e-mail: infopkm@minnkota.com
Visit our website at www.pkmcoop.com

ANNUAL MEETING MINUTES

Annual meeting held April 5, 2016

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 5, 2016, pursuant to the provisions of the bylaws of the cooperative applying to notice of meeting.

The meeting was called to order by Tom Woinarowicz, vice 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 vice president called on Secretary Bernstrom for the Pledge of Allegiance and invocation.

The vice president called on the manager, Charles Riesen, to introduce guests and visitors from other organizations in attendance. The manager introduced guests and told members that an illness has prevented the President Ron Reitmeier from chairing the meeting and subsequently running for another term. When the cooperative counsel conducts the election, he will call for nominations from the floor for Polk County.

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 vice president and secretary of the cooperative. The secretary stated that at least 115 members were present in person and that there were 2,831 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, seconded and passed, was made a part of the minutes.

Since the minutes of the last meeting of the members held on March 31, 2015, 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 by Vice President Tom Woinarowicz. 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 received by the membership.

The vice 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)

Ron Reitmeier

Fisher, Minnesota

KITTSOON COUNTY

(For a 3-year term)

Mark Hatton

Drayton, North Dakota

MARSHALL COUNTY

(For a 3-year term)

Tom Woinarowicz

Stephen, Minnesota

The nominating committee consisted of the following seven members:

Chairman Brian Jensen, *Stephen*

Paul Reitmeier, *Crookston*

Secretary Jonathan Bolduc, *Stephen*

Jason Sobolik, *Drayton, ND*

Leif Aakre, *Stephen*

Mike Tiedeman, *Euclid*

Jason Cadieux, *Hallock*

The committee finalized their decision during a meeting held at the cooperative headquarters on Monday, March 7, 2016.

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

The vice president called on the cooperative's legal counsel to conduct the election. The attorney stated that he would begin with Kittson and Marshall Counties, since the committee has made nominations. He then asked for nominations from the floor. 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.

Counsel then asked for nominations from the floor for Polk County. Paul Aakre was nominated

and addressed the members on his behalf. Tim Kozel was nominated and addressed the members on his behalf. After motion duly made and seconded it was ordered that nominations be closed for Polk County. With their names displayed on the screen, counsel directed the members to vote by writing in the name of their choice on the ballot provided. The ballots were collected and the election committee comprised of Mike Schmidt, Judy Hennessy, members David Larson, Ron Abrahamson and supervised by counsel retired to tabulate the votes.

The vice 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 vice 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 on the wind power surcharge. The manager responded that the wholesale market continues to labor under sub two-cent pricing and that until that changes a wind power surcharge of some sort will be needed.

The manager responded to a two-part question from the question/comment box:

1. Is the power grid protected from EMP?
2. Is solar energy profitable in this area?

The manager enlisted the assistance of the CEO of Minnkota Power Cooperative Robert McLennan to respond to EMP. He stated electromagnetic pulses range from sunspots to nuclear radiation and that work is being done to harden the power grid, however, we cannot afford to protect against all EMP.

The manager responded that solar energy is politically and socially fashionable. Annually, efficiency at our latitude is averaging 14 percent. At that rate a person has to make a determination for themselves if the return on investment is going to work for them. There were no additional questions from members attending the meeting. The manager thanked the members for their questions and the opportunity to respond.

The vice president thanked the members for their support of the Cooperative and attending the annual meeting. He read the results of the election with Paul Aakre being declared elected.

Paul Aakre 64 Tim Kozel 34

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



PRESIDENT AND MANAGER'S REPORT



Tom Woinarowicz
President



Charles Riesen
Manager

First I'd like to thank former Board President Ron Reitmeier for his dedication and years of leadership to PKM. Ron has been doctoring since his retirement and I know you will join me in hoping for his recovery. Charles and I both believe Ron wouldn't want us to dwell on his misfortune. A lifelong co-op man, he would say, "Get on with your business."

With the conclusion of last year's annual meeting and during the reorganization meeting, I was elected president, Mike Beaudry, vice president, and Gordon Bernstrom remains the secretary/treasurer. I owe my election as president to the mere fact that during the meeting the member-owners didn't throw anything at me. Seriously, after 25 years I have a good understanding of cooperatives, and especially PKM. Two new directors were elected to the PKM board at last year's annual meeting: Paul Aakre, from Polk County, and Mark Hatton, from Kittson County. We thank Jarod Hanson, from Kittson County, for his service to PKM.

At the end of 2015, Bob Kliner, line foreman/safety coordinator, retired but planned to return on a contract basis in the spring to do safety work for us. Bob was taken from his family, and his PKM family, in a diving accident while vacationing in Florida. We honor Bob's memory.

Two long-term employees retired recently: Deb Copp, executive assistant, and Jim Norland, lineman on the Hallock crew. We applaud their service and dedication to PKM. At this time, neither employee has been replaced. Given the uncertainty with regulation and power supply costs, every effort to ring out

the last bit of remaining efficiency causes us to be cautious of adding employees.

While the individual happenings at PKM are less important to the member-owners, you really want to know how your cooperative did in 2016 and if you are getting a dividend this year. It's not that you're callous, it's that the annual meeting is a time for business. Is our electric cooperative in good shape financially? Are outages being kept to a minimum? Are our questions and calls promptly returned and the correct information provided? We suspect owners of a business, and rightfully so, have these priorities.

The answers to the forgoing questions are yes, yes and yes. In fact, your electric cooperative enjoys a near "bulletproof" balance sheet and, as witnessed during the major windstorm in early March 2017, a structurally sound electric system. Although wholesale power costs will increase three percent in April 2017, retail rates to you, the member-owner, will not increase because of efficiencies, sound decisions and a bit of luck. There may be a small increase in the "fixed charge" of a buck or two per month, but no increase to the energy charge.

PKM will retire more than \$375,000 this year. On a calendar basis, it represents part of 1993 capital, but the amount is 5 percent of outstanding capital, so we are on a 20-year rotation cycle.

We hope you can find a couple hours to attend your annual meeting. We have great attendance gifts, door prizes and a nice meal. We promise a brief meeting and plenty of time for your questions.

CURRENT

BOARD OF DIRECTORS



Tom Woinarowicz
President
Stephen, MN
Term expires April 2019



Mike Beaudry
Vice President
Alvarado, MN
Term expires April 2017



Gordon Bernstrom
Secretary/Treasurer
Lancaster, MN
Term expires April 2018



Paul Aakre
Director
Angus, MN
Term expires April 2019



Jeff Folland
Director
Halma, MN
Term expires April 2017



Steve Goodwin
Director
Angus, MN
Term expires April 2017



Mark Hatton
Director
Drayton, ND
Term expires April 2019



Wayne Malm
Director
Argyle, MN
Term expires April 2018



Blake Owens
Director
Warren, MN
Term expires April 2018



Charles Riesen
Manager

PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

Federal legislators

President Donald Trump
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500
www.whitehouse.gov
president@whitehouse.gov
202-456-1111

Senator Al Franken
309 Hart Senate Office Building
Washington, D.C. 20510
www.alfranken.com

202-224-5641
Fax: 202-224-0044

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

Congressman Collin Peterson
2204 Rayburn House Office Building
Washington, D.C. 20515

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
800-657-3717
mark.dayton@state.mn.us

Senator Mark Johnson
Minnesota Senate Building,
Room 2105
95 University Avenue W.
St. Paul, MN 55155
651-296-5782

Representative Dan Fabian
359 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

Representative Deb Kiel
537 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



Oliver III wind farm online

*Minnkota receiving energy
from 100 MW addition*

Energy from the new Oliver III wind farm began flowing into the Minnkota Power Cooperative-Northern Municipal Power Agency (NMPA) system in January. PKM Electric Cooperative receives all of its power from Minnkota.

Following several months of construction during fall 2016, approximately 48 GE turbines south of Center, N.D., are now fully operational. Minnkota officially began purchasing wind energy from the facility Jan. 1 following a testing and commissioning phase.

The 100-megawatt (MW) addition to the Oliver Wind Energy Center was developed by NextEra Energy Resources. All production is sold to Minnkota under a 35-year Purchase Power Agreement (PPA). The project was able to fully utilize the federal Production Tax Credit, which is scheduled to phase out over the next few years.

Minnkota and NextEra have a longstanding and mutually beneficial business partnership that has helped to greatly expand wind generation in North Dakota. In addition to the Oliver III project, Minnkota has PPAs in place with affiliates of NextEra for 357 MW of wind power from the Langdon and Ashtabula Wind Energy Centers on the eastern side of the state.

“Wind conditions and available transmission lines made the Oliver III wind

farm an ideal project for Minnkota,” said Todd Sailer, Minnkota senior manager of power supply & resource planning. “It is anticipated that this site will provide diversity to the wind production currently in our portfolio.”

The PPAs ensure Minnkota is well-positioned to maintain long-term compliance with a renewable energy mandate in Minnesota and an objective in North Dakota. The Minnesota Renewable Energy Standard requires a 25 percent renewable energy supply component by 2025, and the North Dakota Renewable Energy Objective has a 10 percent goal, which began in 2015.

The Oliver III wind farm is located near the Minnkota-operated Milton R. Young Station, a coal-based power plant that serves as the cooperative’s primary source of generation. This allows Minnkota to use its recently constructed Center to Grand Forks 345-kilovolt (kV) transmission line to efficiently deliver both coal and wind energy to its members in eastern North Dakota and northwestern Minnesota.

The Oliver III project roughly doubled the size of the Oliver Wind Energy Center. The first two phases of the project were completed by NextEra in 2006 and 2007. All energy produced from those projects is purchased by Minnesota Power of Duluth, Minn.

Readying Roughrider

To accommodate the delivery of energy from the Oliver III wind farm, NextEra and Minnkota crews constructed the Roughrider 230-kV switching station,

which includes three circuit breakers. NextEra built about 5.5 miles of 230-kV transmission line to connect to the site.

The Roughrider station connects Oliver III to the Center to Mandan 230-kV transmission line. Supporting the additional energy required the line to undergo phase-

raising. This process included cutting the wooden H-frame poles at their base and hydraulically lifting them anywhere from 5 to 15 feet. Steel braces are added to stabilize the structure at its new height. The higher structures help support the additional load on the line.



Crews stand near a newly constructed stretch of 230-kV line that transmits power from the wind farm.

“NextEra and Minnkota have developed a very good working relationship over the years that helped contribute to a successful project,” said Wayne Lembke, Minnkota civil engineering manager. “Since this was our third joint wind farm project, both parties had a good understanding of their responsibilities and expectations to complete the interconnect substation.”



Minnkota crews work on the Roughrider substation, which connects the Oliver III wind farm to the electric grid.

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.

Deadline:
April 15, 2017

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

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**



ABOUT

The Seminar is a **NO COST** seminar for K-12 teachers to attend.

This seminar is designed to provide teachers with a broader understanding of the lignite coal industry and the important role it plays in providing electricity to consumers, farmers and businesses in North Dakota, Minnesota, South Dakota, Montana and Iowa.

The seminar includes discussions on how lignite coal is mined and converted into energy, and the economic impact of the industry on the region. It also includes a tour of a lignite mine and a lignite-based power plant.

The seminar is being held in cooperation with Bismarck State College, the Center for Economic Education at the University of North Dakota, Minot State University and North Dakota State University.

Teachers selected to attend the seminar will be required to send a \$60 deposit check to hold their place, which will be returned to them when checking in on the first day of the seminar.

For more information visit
<http://www.lignite.com/teachers>

MEALS, LODGING & TRANSPORTATION

During the Seminar, free lodging will be provided in a Bismarck State College dorm (two people per room). Meals will be provided. Transportation will be provided by the Lignite Energy Council for the "Coal Country" tour.



YOU'RE INVITED!

You are invited to the

2017 Lignite Teachers Education Seminar: Energy, Economics & Environment

at the **National Energy of Excellence** on the campus of **Bismarck State College** Bismarck, ND on

June 12th - 15th, 2017

Applications will be accepted until the Seminar is full or until April 15, 2017, whichever occurs first (please note that the seminar could be full prior to this date). The \$60 deposit check is required to reserve your spot in the Seminar. Your check will be returned to you when you check-in at the Seminar on June 12, 2017.

Should applications outnumber the spots available, preference will be given based on the following criteria:

- 4th grade through 12th grade teachers
- Science, math or social studies as a primary subject matter
- Career counselors

CREDIT INFORMATION



Two Professional Development Graduate credits in economics will be available through University of North Dakota, science through Minot State University, or education through North Dakota State University. To receive the credits, teachers must attend ALL portions of the seminar and prepare a lesson plan demonstrating how they could use the seminar information and materials in the classroom.

APPLY

WWW.LIGNITE.COM/TEACHERS

If you have attended since 2009, please pass along to a colleague

TAKE-HOME MATERIALS

Teachers attending the seminar will receive electronic copies of each presentation, examples of lesson plans, classroom exercises, coal and ash samples, audiovisual materials, and information on the facilities they tour.

If you need to complete a hard-copy application form, please contact:

Kay LaCoe | Lignite Energy Council
PO Box 2277
Bismarck, ND 58502
701.355.2194 | 800.932.7117

PKM Electric offering electric vehicle rebates

Leading the
CHARGE



As part of their Value of Electricity campaign, participating Minnkota member cooperatives, including PKM Electric Cooperative, are offering new rebates to encourage the use of electric vehicles.

A \$50 per kilowatt (kW) incentive is offered following the installation of 240-volt Level 2 chargers on direct load control. The average rebate per member will be \$330, with a

maximum set at \$500 per account. Minnkota provides the electric vehicle program to each participating utility in its system. PKM, in turn, incorporates the rebate with its own members.

Not only does the rebate support the adoption of all-electric and plug-in hybrid cars, it is designed for use with golf carts, motorcycles, forklifts, Zambonis and all other vehicles that require an electric charging station.

In addition to the rebate, having the charger on direct load control qualifies the consumer for the money-saving off-peak rate, which is 40 to 50 percent below the regular electric rate. According to a Department of Energy calculation, the average off-peak rate in the Minnkota system is equivalent to about 65-cent gasoline.

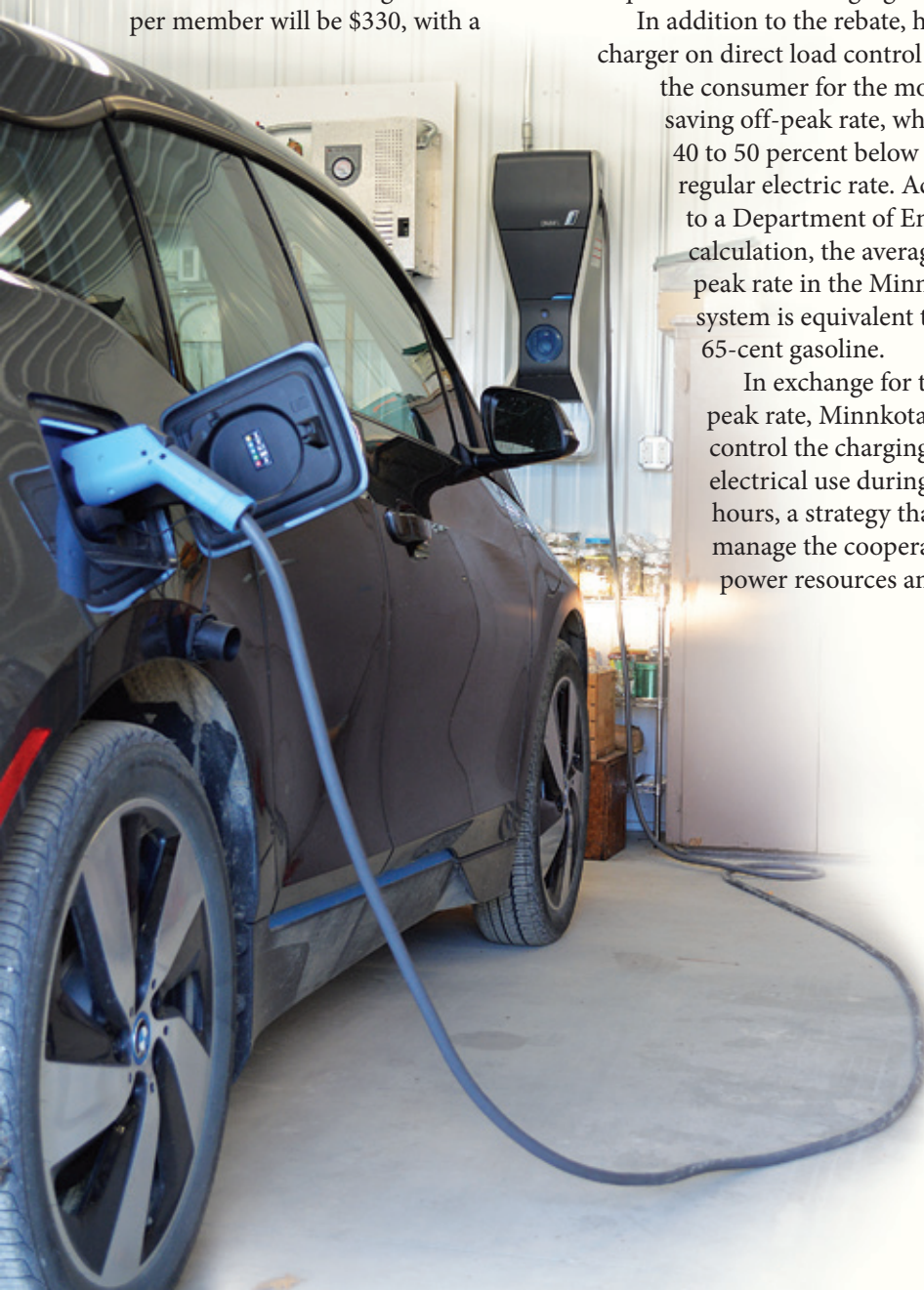
In exchange for the off-peak rate, Minnkota can control the charging station's electrical use during on-peak hours, a strategy that helps manage the cooperative's power resources and

interaction in the wholesale energy market.

There are three basic charging options for most electric vehicles. The charging times vary based on the vehicle and the charger setup.

Charging options:

- **Level 1 – 120 volts**
Charging a vehicle at Level 1 means plugging into a standard 120-volt outlet. All drivers can charge their electric vehicle at Level 1, although it takes significantly longer (10-20 hours) than other charging options.
- **Level 2 – 240 volts**
Using 240-volt service, a dead battery can be fully charged in approximately 2 to 4 hours. Some models can charge in as little as 30 minutes.
- **Direct Current (DC) Quick Charging**
This charging option is typically only available for public charging at gas stations or along major transportation corridors. On average, the DC charger can add 40 miles of range for every 10 minutes of charging.



The first Level 2 electric vehicle charging station on Minnkota's demand response program was installed late last year. (Above) A 240-volt charging station (seen on far right) can fully charge a vehicle's battery in 2 to 4 hours.

Get more value for your energy dollar

Add comfort and energy efficiency to your home through rebate programs

Make your home more comfortable and energy efficient with help from the trusted energy advisors at your local electric cooperative or municipal. Great incentives and rebate programs are available to assist you in the purchase and installation of qualifying heating and cooling systems, water heaters, lighting and other appliances.

Not sure where to start? Check out the options below to see which rebates you qualify for and the appliances and equipment that best fit your lifestyle. Contact PKM Electric Cooperative today to learn more about how you can get the most value out of your energy dollar. *Some restrictions apply. Offers may require inspection and are subject to change at any time.*



Heating and cooling system rebate checklist

Must be on off-peak.

Combined heating and cooling rebate maximum of \$600.

☐ Electric plenum heaters

Easily converts your existing fossil fuel furnace into a dual-fuel heating system. You are able to use the most efficient, cost-effective heating source – fossil fuel or electricity – at any time.

Electric Heat rebate: \$20 per kilowatt (kW), maximum of \$600

PowerSavers rebate: \$500 if installed with ENERGY STAR®-rated air-source heat pump. Must modulate to allow ASHP to operate down to 5 degrees F., and be on off-peak.



☐ Electric thermal storage heaters

Draws electricity during off-peak hours when it is cheaper. Heat is stored in specially designed bricks to provide comfort 24 hours a day.

Electric Heat rebate: \$20 per kW, maximum of \$600

Steffer ETS rebate: \$20 per kW, maximum of \$500

PowerSavers rebate: \$500 if installed with ENERGY STAR®-rated air-source heat pump. Must modulate to allow ASHP to operate down to 5 degrees F., and be on off-peak.



☐ Air-source heat pumps (including mini-split ductless option)

Works just like a central air conditioner in the summer. In the fall and winter, they provide super-efficient supplemental heat.

Electric Heat rebate: \$100 per ton, maximum of \$600

PowerSavers rebate: \$400-500 depending on efficiency ratings



☐ Geothermal heat pumps

Provides the highest efficiency for space heating and cooling available today. The system transfers heat to and from the earth using only small amounts of electricity.

Electric Heat rebate: \$200 per ton, maximum of \$600

PowerSavers rebate: Open loop, \$200 per ton, maximum of \$2,500. Closed loop, \$400 per ton, maximum of \$5,000. Must meet program efficiency requirements.



☐ Underfloor electric heating

A popular off-peak option because the system transfers consistently across the floor to reach people and objects, providing both comfort and efficiency. Applications include electric boiler with hydronic tubing or electric cables or mats.

Electric Heat rebate: \$20 per kW, maximum of \$600



☐ Other electric heating systems

Options include electric baseboard, cove heaters and more.

Electric Heat rebate: \$20 per kW, maximum of \$600



Electric water heater rebate checklist

Must be on off-peak (85 gallon or larger)

New building construction

☐ Free 85 gallon

☐ 100 gallons or greater

See PKM for details.

☐ 55 gallon or less

Water heater rebate: \$100



Existing building

☐ 100 gallons or greater

Water heater rebate: \$200

PowerSavers rebate: \$150

☐ 85 gallon

Water heater rebate: \$150

PowerSavers rebate: \$150

☐ 55 gallon or less

Water heater rebate: \$100

Bonus rebate:
Add \$250 if converting from natural gas or propane



Other ways to save on heating and cooling:

- Install a programmable thermostat. **PowerSavers rebate: \$25 per unit**
- Tune up your central air conditioner or air-source heat pump. **PowerSavers rebate: \$25 per unit**
- Install a furnace air handler with ECM blower. **PowerSavers rebate: \$100 per unit**

Existing homes only:

- Seal air leaks. **PowerSavers rebate: 30% of sealing cost, maximum incentive \$300** (Preblower and postblower tests required)
- Insulate and air seal your attic. **PowerSavers rebate: 30% of sealing cost, max. \$500.** (Must include air sealing. Improved from R-30 or less to R-50. Attic knee walls insulated to a minimum of R-25 up to R-30.)
- Add wall insulation. **PowerSavers rebate: 30% of insulation cost, max. \$500.** (Wall insulation improved from R-5 or less to R-11 or higher. Attic knee walls excluded.)



Thank you for your years of service, Deb!
(Executive assistant for PKM Electric Cooperative)



Congratulations
Deb Copp!

26 years
313 months
1,364 weeks
9,550 days
229,200 hours
13,752,000 minutes

*As you step into the next chapter of your life,
enjoy the freedom your achievement has earned.*

Appliance rebate checklist

Must be ENERGY STAR®-approved

- ☐ Clothes washer
PowerSavers rebate: \$50 per unit
- ☐ Clothes dryer
PowerSavers rebate: \$50 per unit
- ☐ Refrigerator or freezer
PowerSavers rebate: \$25 per unit
Additional rebate for recycling/
disposal of old unit: \$25



CFL and LED light bulb rebate checklist

ENERGY STAR®-
recommended.
Rebate up to dollar amount
listed per bulb
or 75% of the purchase price.



- ☐ Replace incandescent bulb with screw-in CFL
PowerSavers rebate: \$2 per bulb
- ☐ Replace incandescent bulb with screw-in LEDs
PowerSavers rebate: \$4 per bulb (40-60 watts)
PowerSavers rebate: \$8 per bulb (65 watts or greater)
PowerSavers rebate: \$8 per install of fixture/replacement kit
- ☐ Install LED outdoor fixtures (dusk-to-dawn operation required)
PowerSavers rebate: \$20 per fixture (40 watts and under)
PowerSavers rebate: \$40 per fixture (greater than 40 watts)



Thank you for your years of service, Jim!
(Journeyman lineman for PKM Electric Cooperative)



Congratulations
Jim Norland!

37 years
445 months
1,938 weeks
13,567 days
325,608 hours
19,536,480 minutes

*As you step into the next chapter of your life,
enjoy the freedom your achievement has earned.*

STATEMENT OF OPERATIONS



Gordon Bernstrom
Secretary/Treasurer

For the years
ended
December 31,
2016, and 2015.
Minnesota
87 Marshall
PKM Electric
Cooperative, Inc.
Warren, Minn.

OPERATING REVENUE:

Electric
Other
Total operating revenue

OPERATING EXPENSES:

Cost of power
Distribution – operation
Distribution – maintenance
Customer accounts
Customer service and informational
Energy conservation (Minn. mandate)
Administrative and general
Depreciation
Interest on long-term debt
Tax expense – other
Other income deductions
Total operating expenses

OPERATING MARGIN

NONOPERATING MARGIN:

Nonoperating margins – other
Interest income
Other Cooperative capital credits
Total nonoperating margin (deficit)

NET MARGIN

2016

2015

\$ 14,696,942
117,278
\$ 14,814,220

\$ 13,335,112
85,708
\$ 13,420,820

\$ 9,838,436
495,385
724,344
264,197
175,778
101,529
1,029,222
868,212
579,286
(1,840)
15,849
\$ 14,090,398
\$ 723,822

\$ 9,398,327
502,990
713,211
251,423
192,501
61,547
1,253,228
877,640
583,174
629
6,775
\$ 13,841,445
\$ (420,625)

\$ 170,114
124,111
55,774
\$ 349,999
\$ 1,073,821

\$ 235,070
108,415
90,033
\$ 433,518
\$ 12,893

BALANCE SHEET

Assets

ELECTRIC PLANT:

In service	\$ 33,159,229	\$ 32,330,961
Under construction	373,277	305,048
Total electric plant	33,532,506	32,636,009
Less accumulated depreciation	(12,067,773)	(11,410,608)
Electric plant – net	\$ 21,464,733	\$ 21,225,401

OTHER PROPERTY AND INVESTMENTS:

Investments in associated companies	\$ 976,239	\$ 968,972
Other investments	1,245,263	1,275,658
Total other property and investments	\$ 2,221,502	\$ 2,244,630

CURRENT ASSETS:

Cash – general	\$ 1,420,880	\$ 733,989
Temporary investments	1,000,000	1,000,000
Accounts receivable	1,791,680	1,487,768
Materials and supplies	786,134	691,143
Prepayments	31,399	69,308
Other current and accrued assets	8,402	4,944
Total current assets	\$ 5,038,495	\$ 3,987,152

DEFERRED DEBITS

TOTAL ASSETS	\$ 28,824,333	\$ 27,600,224
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Equities and Liabilities

EQUITIES:

Memberships	\$ 19,055	\$ 18,950
Patronage capital	7,754,305	7,869,520
Other margins and equities	5,638,346	5,598,812
Current year margins	1,073,821	12,893
Total equities	\$ 14,485,527	\$ 13,500,175

LONG-TERM DEBT

	\$ 12,539,401	\$ 11,679,413
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CURRENT LIABILITIES:

Accounts payable	\$ 1,273,625	\$ 1,208,871
Customers deposits	14,750	15,250
Other current liabilities	511,030	1,196,515
Total current liabilities	\$ 1,799,405	\$ 2,420,636

DEFERRED CREDITS (Consumers Energy Prepayments)

	\$ 0	\$ 0
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TOTAL EQUITIES AND LIABILITIES

	\$ 28,824,333	\$ 27,600,224
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We invite
you to
study the
financial
statements
in this
report.

EMPLOYEE AND STAFF DIRECTORY



Nolan Buchner
Journeyman Lineman



Rick Bye
Operations Manager



Chelsy Davey
*Executive Assistant/
Receptionist*



Chris Derosier
Journeyman Lineman



Judy Hennessy
GL Accountant



Matt Kazmierczak
Apprentice Lineman



Nolan Knott
Journeyman Lineman



Joe Marcotte
Subline Crew Foreman



Fred Nicholls
Custodian/Warehouse



Karen Olson
Plant Accountant



Ben Pahlen
Journeyman Lineman



Jeff Rustad
Member Service Manager



Mike Schmidt
Assistant Manager



Scott Slusar
Subline Crew Foreman



Trevor Snare
Journeyman Lineman



Jeremy Treitline
*Customer Service
Representative*

PKM Electric's advisors

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

Brian Rokke
Attorney
Rokke, Aandal & Associates, PLLC
Warren, Minn.



PROJECT GREENTOUCH

Help add your Green Touch to our state parks!

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 6 – 10 a.m. to 3 p.m.

Help beautify Minnesota. This marks the 17th year of a partnership between the Touchstone Energy® cooperatives and Minnesota state parks. GreenTouch Day, and the sponsorship of Minnesota State Parks and Trails, fits well with the Touchstone Energy commitment. During the past 16 years, Minnesota's Touchstone Energy cooperatives have organized 8,543 volunteers to donate more than 30,600 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**.



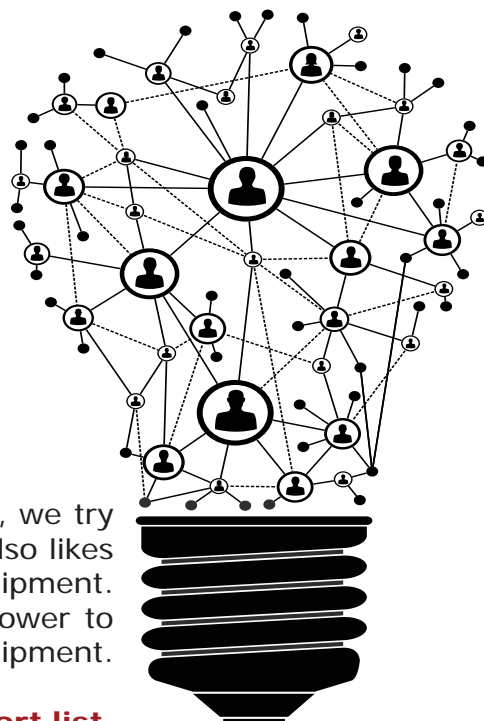
Stay *connected* to your cooperative

Name _____
Address _____
City _____
State | Zip _____
Primary Ph. # _____
Email _____

This information is maintained in case of a planned outage, 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 from the cooperative's life support list.**



ANNUAL MEETING AGENDA

TUESDAY, APRIL 4, 2017

4:30 p.m.

- Doors open for member registration
- Movies and day care provided by PKM
- Kids entertainment.....Jeffrey Salvesson
Magician and Balloon Art

5 p.m.

- Meal served cafeteria style by PKM directors

5:35 p.m.

- Door prizes drawn

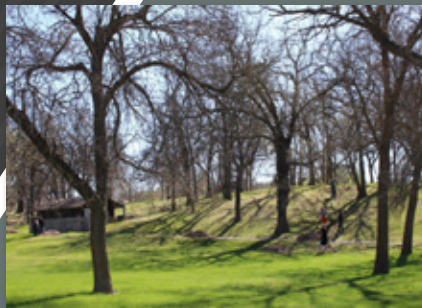
BUSINESS MEETING

5:40 p.m.

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

BUSINESS SESSION

- Notice of Annual Meeting
- Establishment of Quorum
- Reading of 2016 Meeting Minutes Gordon Bernstrom
- President's Report Tom Woinarowicz
- 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
- Prize Drawings..... Must be present to win



Grand Door Prize:
55" TV

Kids: Kindle Fire
and two bikes



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