

## WHY ARE ELECTRIC RATES RISING?

**LEARN MORE  
ON PAGE 4**





# CEO Report

**JEFF RUSTAD**  
CEO  
PKM Electric Co-op

I want to wish all our members a Happy New Year. I hope 2026 goes as well for your cooperative as 2025. We ended 2025 with the most kilowatt-hours (kWh) ever purchased in one year, selling almost 6.3 million more kWh in 2025 than 2024. In the month of December alone, we purchased 45% more kWh than 2023 and 18.8% more than 2024. Overall, we experienced about 6% to 7% higher kWh purchases than in previous years. Much of this growth is agriculture related. With your cooperative absorbing a few months of Minnkota's rate increase, PKM ended the year with a good non-operating and operating margin. The more kWh we sell, the lower our average kWh price will be, which is good for the whole membership.

At the January board meeting, your board approved the retirement of capital credits for the years 2004, 2005 and part of 2006, totaling \$399,830.86. This will be applied to your April 1 billing. We ended the year with total utility plant at \$49.5 million and 56.9% equity, which is very good for a cooperative our size. Your board has approved the capital and operating

budgets for 2026, and we are ordering materials for the year to complete planned projects.

In 2025, PKM employees completed a record amount of work again. We were lucky to follow along with Wikstrom as they installed fiber in areas where we could eliminate highway, river and pipeline crossings. I want to thank Wikstrom for working with us and all employees for the commitment it takes to complete this amount of work every year.

On another note, long-time employee and lineman Scott Slusar has announced his retirement. Scott has been with PKM for 32 years as a lineman out of the Hallock outpost. He also served as our safety coordinator, something for which he has a real passion. We will miss his experience, knowledge and willingness to always help others when needed. I would think he holds the record for the most overtime. We wish him all the best in his retirement – if you see him, thank him for the great service he has provided the membership.

As you know, we spend many hours on safety training every year. PKM has partnered with Minnkota on a Watch the Wires campaign to create awareness around power line safety. We've visited some larger farms

and given out stickers for trucks and equipment that explain what to do if you contact power lines. If you haven't received these stickers, or would like more information, please give our office a call. I also want to thank all the members for a year with very few issues with equipment in the lines – it was much better than the previous year. Thank you for being aware of your cooperative's infrastructure and keeping damage and outages to a minimum.

Something new for PKM this year is that Carr's Tree Service will be spraying some right-of-way corridors in our northern area this summer. These are areas we previously brushed out with our Bobcat, totaling 25 miles of overhead line. Carr's will contact affected landowners before work is performed. Some of you may not know that your cooperative is one of nine owners of Carr's Tree Service. Carr's operates out of Ottertail, Minnesota, and has just over 300 employees with multiple outposts in Minnesota and one by Harwood, North Dakota. They also have certified arborists on staff. You can check them out at [www.carrstreeservice.com](http://www.carrstreeservice.com).

Thank you again for your patience with any outages we may have. As always, my door is open, or give me a call if you have any questions.

## Electrical Inspectors

### Marshall County

Nick Boman  
651-627-2696

### Kittson County

Ronald Ditsch  
218-779-6758

### Polk County

Todd Knaack  
763-516-0344

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218-745-4711 or 800-552-7366

#### Electrical after-hours emergencies

800-552-7366  
e-mail: [info@pkmcoop.com](mailto:info@pkmcoop.com)  
website: [www.pkmcoop.com](http://www.pkmcoop.com)

#### Next board meeting

Board meeting to be held the last  
Tuesday of the month.

#### Officers and Directors

President ..... Mark Hatton  
Vice President ..... C.J. Peterson  
Secretary-Treasurer ..... Wayne Malm  
Directors ..... Paul Aakre, Jerred Copp, Steve Goodwin,  
Chris Mortenson, Blake Owens, and Tom Woinarowicz  
CEO ..... Jeff Rustad  
Editors ..... Danny Schmidt, Megan Dagoberg

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



## ELECTRIC COOPERATIVES TO BE ACTIVE DURING MINNESOTA'S 2026 LEGISLATIVE SESSION

The 2026 Minnesota legislative session convenes Feb. 17 and must adjourn by May 18. With the state budget passed in 2025, lawmakers are expected to focus primarily on policy issues and the state's capital investment bill, which funds public infrastructure projects. A tied House and a one-vote DFL majority in the Senate mean compromise will be essential. Adding to the dynamics, all 201 legislative seats, statewide offices and the governorship will be on the ballot in November.

During the session, PKM Electric Cooperative will be actively advocating for policies that ensure reliable, affordable and sustainable electricity for its members. While the political environment may be challenging, there are opportunities to advance solutions that benefit local communities, strengthen the grid and support responsible energy innovation.

Two priorities will guide these efforts: reforming outdated net metering policies and lifting Minnesota's moratorium on nuclear energy.

### Reforming net metering

Reforming Minnesota's outdated net metering law is one of the most important energy issues this session.

Net metering was created decades ago to encourage rooftop solar and other small-scale generation. While it helped spur early adoption, the policy has not kept pace with today's electric system. Under the current framework, the costs of maintaining power lines, substations and other systems are increasingly shifted to members who do not generate their own power – often those who can least afford higher bills.

Electric cooperatives support renewable energy, but policies must be fair and equitable for all members. Updating net metering to better reflect the true costs of distributed energy resources helps ensure everyone pays their fair share for the grid we all rely on.

### Lifting Minnesota's nuclear energy moratorium

Minnesota's longstanding moratorium on new nuclear energy projects limits the state's ability to consider reliable, carbon-free power options. As electricity demand grows, advanced nuclear technologies offer the potential for dependable, around-the-clock baseload power. Unlike wind and solar, nuclear energy produces electricity regardless of weather or time of day.

Lifting the moratorium does not commit Minnesota to building nuclear facilities today. It simply allows for informed discussion and long-term planning to ensure a balanced and resilient energy mix. Learn more at [mnnuclearenergyalliance.org](https://mnnuclearenergyalliance.org).

### Additional areas of focus

Electric cooperatives are also engaged on other issues that affect members and rural communities, including:

- **Wildfire mitigation:** Working with partners to reduce wildfire risk and protect critical electric infrastructure.
- **Data centers and carbon-free energy policy:** Monitoring proposals related to data center development, electricity demand growth and compliance with Minnesota's carbon-free and renewable energy standards.

### A trusted voice for rural energy

PKM Electric Cooperative is committed to advocating for policies that protect affordability, reliability and local control. Through testimony, outreach and collaboration, we will ensure the cooperative perspective remains front and center at the Capitol.

To stay informed, visit: [voicesforcooperativpower.com/minnesota](https://voicesforcooperativpower.com/minnesota).

# WHY ARE ELECTRIC RATES RISING?

Electric cooperatives are not-for-profit organizations. When rates increase, it's because they must, in order to maintain the reliability, safety and service our members have come to expect. In April 2026, our wholesale power provider, Minnkota Power Cooperative, will increase its rate for member co-ops (including PKM Electric Cooperative) by 4.1%. Under this new rate, PKM will also need to consider a rate increase for our members.

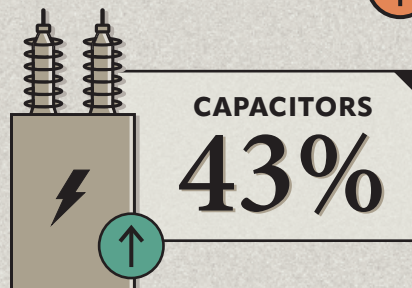
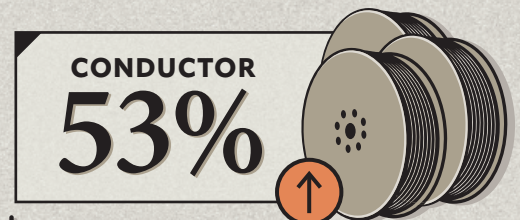
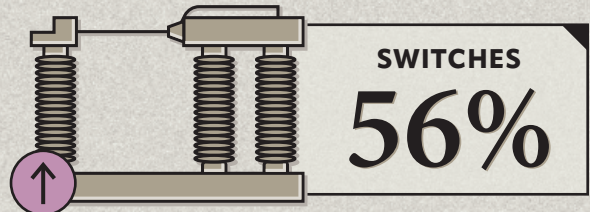
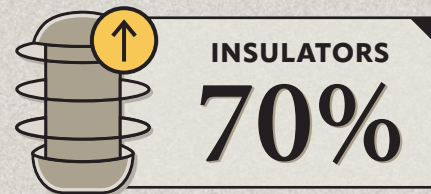
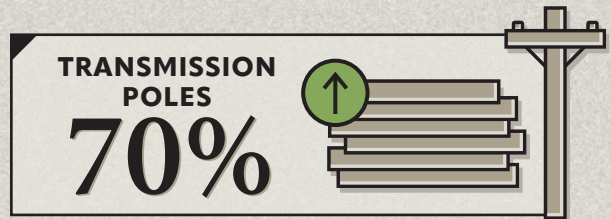
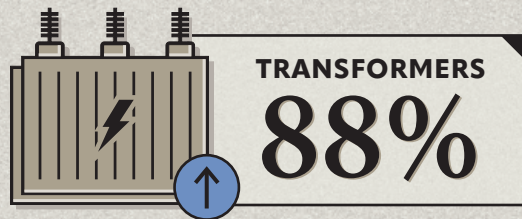
Raising rates is never an easy decision. Minnkota worked with its board of directors and membership on a rate adjustment that would allow them to financially counter **substantial supply chain and inflationary pressures that continue to build year after year**. The cost of maintaining transmission infrastructure has rapidly increased since 2020, with items like transformers costing 88% more today than five years ago.

After nearly eight years of consistently flat rates, these growing costs prompted the need for an increase in 2025 and 2026. However, if these increases were averaged over the last 10 years, the annual increase to your co-op has only been 1.3% – well under the rate of inflation.

Minnkota is also working to integrate data center loads in a manner that helps recover a larger share of its fixed costs through increased energy sales, thereby helping to moderate the need for future rate adjustments. These large-load members would not only fund 100% of the electric infrastructure necessary to serve their facilities, but would also provide significant additional revenue to support system operations. This reduces the financial burden on all other members. While some level of rate increase may still be necessary over time, the presence of these large consumers helps significantly flatten the trajectory of those adjustments.

We're committed to communicating our rate plans with our members as we evaluate our budget with our staff and board of directors. In the meantime, we thank you for your patience and understanding as we navigate our next steps. We appreciate your membership!

## MATERIAL COST INCREASES SINCE 2020



# HOW IS POWER RESTORED AFTER STORM DAMAGE?



As much as your co-op tries to prevent outages, sometimes they are out of our hands – especially in this case of major winter storms. Ice and wind create perfect conditions for power poles to break, or for trees to snap and fall into the lines. If this happens in our system, PKM crews need to take special steps to ensure damage sites are safe before restoring power to your home or business. You can help when you watch the wires.

## IF YOU SEE A DOWNED POWER LINE, OR STORM DEBRIS IN A POWER LINE:

STAY FAR AWAY FOR YOUR SAFETY AND OTHERS.



Whether you're in a car or on foot, electricity can reach you through the ground if the line is still energized. Don't attempt to move or drive over downed lines. Also tell others to stay away and keep pets close to you.

BE SURE TO REPORT IT TO US AT 218-745-4711.



We may already have a PKM crew responding, but knowing who lost power helps us know the extent of the outage and where to begin our work.

## WHAT'S HAPPENING BEHIND THE SCENES:



When an outage occurs, our team's first step is to ensure the damage sites are safe for lineworkers and electricians to begin repairs.

Using control center data, line observations and outage reports from members, crews begin work on the damage sites that will restore power to the greatest number of members the fastest. In the case of widespread storms, it may take longer to reenergize our most rural members (thanks for your patience).



Damage is assessed first on Minnkota Power Cooperative's **LARGE TRANSMISSION LINES**, which deliver power to our substations.



If all transmission lines and substations are powered, then PKM crews can begin repairs on our own **DISTRIBUTION LINES**, which carry power from substations to farms and communities.



Finally, crews will inspect and repair **TAP LINES**, which carry power to the transformers you may find in your front yard or down the block.

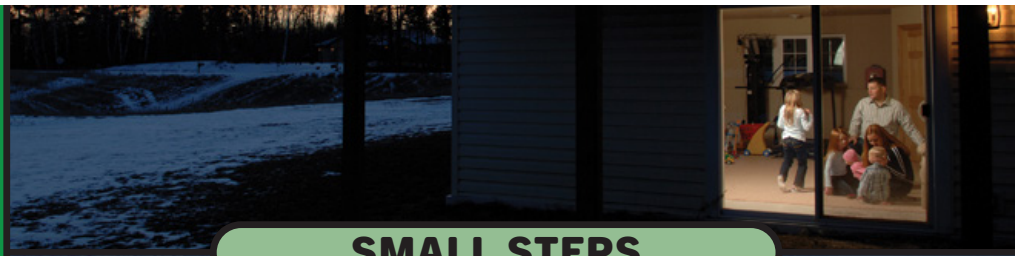


Visit [WatchtheWires.com](http://WatchtheWires.com)

# SMART WAYS TO SAVE AND STAY WARM THIS WINTER

When the temperature drops, the urge to crank the heat jumps. If your home isn't outfitted with energy efficiency solutions, you could really see a spike in your energy bill. The good news? A few steps – big and small – can make all the difference when it comes to saving AND staying warm all winter long.

Looking for more ways to save? Visit [ValueofElectricity.com](http://ValueofElectricity.com) and see all the ways electric technology can help you save on your energy bill!



## SMALL STEPS

- Move any rugs, furniture or curtains that may be blocking your vents.
- On bright days, keep curtains open to let the natural light heat your space. Just remember to close them in the evening!
- Replace your furnace filter every one to three months to keep your system running more efficiently.
- Make sure to seal any pesky drafts around windows and doors with weatherstripping or simple draft stoppers.

## BIGGER STEPS

### Schedule a tuneup for your HVAC

Having your HVAC system serviced can significantly reduce your energy bill. A technician will clean out the parts to restore efficiency, while also detecting any issues (like loose electrical connections) that can force your system to run more often or inefficiently.

### Invest in smart thermostats

A smart thermostat learns your routine and adjusts temperatures automatically, lowering the heat when you're asleep or away and warming things up before you get home. Many models are controlled using a simple phone app!

### Add or upgrade an off-peak electric heating system

Stay warm and save money all winter long with off-peak electric heating. If you already heat with propane or natural gas, you can boost your comfort and efficiency by adding an electric plenum heater. You can also choose from standard or ductless air-source heat pumps, which are both excellent options for year-round comfort and lower energy costs. Whatever your space or budget, there's an electric heating solution designed to fit your home or business.

**ADDED BONUS!**

*If you install a qualifying off-peak electric heating system in your home or business, you can take advantage of PKM's off-peak electric rate (around HALF the standard rate)! You are also eligible for great rebates following installation!*

# PKM nominating committee appointed

At its January meeting, the board of directors of PKM appointed a nominating committee to nominate candidates for the board of directors, to be voted on by the members at the annual meeting on Tuesday, March 31, 2026. The nominating committee will meet on Tuesday, Feb. 17, 2026. Members who may have an interest in being a candidate for the board of directors should inform the committee of their interest.

The bylaws of the cooperative provide for an additional method to become a candidate for the board of directors. If it is felt a potential candidate was not given due consideration by the committee, or did not contact the committee prior to its meeting, a member can become a candidate by having 15 or more members place his/her name in nomination by petition and delivering the petition to the cooperative 20 days prior to the annual meeting.

## Members appointed to the committee are:

Brian Kasprick – <i>Angus</i>	Andrew Muir – <i>Hallock</i>	Kyle Beaudry – <i>Alvarado</i>
James Folz – <i>Warren</i>	Tim Peterson – <i>Lancaster</i>	Jordan Johnson – <i>Warren</i>
Glenn Barrett – <i>Warren</i>	Justin Peterson – <i>Lancaster</i>	Joe Pierce – <i>Warren</i>

# ELECTRIC HEATING REBATES

HEATING SYSTEMS	REBATE
Plenum heater, baseboard heater, forced-air furnace, hanging unit heater and radiant underfloor heat	\$50/kW
Cable floor heat, electric boiler and brick storage unit	\$80/kW
Mini-split or air-source heat pump (< 17 SEER)	\$300/ton
Mini-split or air-source heat pump (> 17 SEER)	\$500/ton
Ground-source heat pump	\$500/ton

NO MAX REBATE

**All electric technology rebates/incentives must adhere to the requirements of the Value of Electricity program. All systems must be new equipment and controlled on PKM's off-peak program. A check will be issued to participating members after a visit from a PKM technician.**

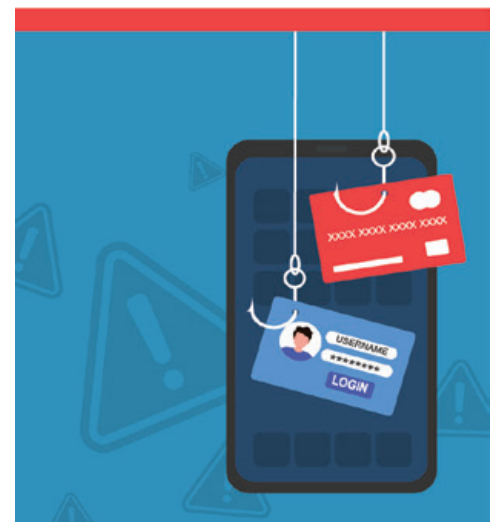
Please call our Member Services team at 218-745-4711 or 800-552-7366 if you have any questions about off-peak or the rebate program. Visit [pkmcoop.com](http://pkmcoop.com) to learn more about incentives and criteria.



## TIPS TO AVOID ENERGY SCAMS

Enrolling in autodraft payments with your utility provider can help prevent certain types of utility bill scams. If a scammer contacts you with fake disconnection threats, you can rest easy knowing your bill is paid automatically through a pre-arranged, secure channel. Autodraft payments also eliminate the risk of exposing checks and personal banking info through the mail. If your utility offers autodraft payments, consider enrolling to stay on track and avoid certain scams.

Source: AARP

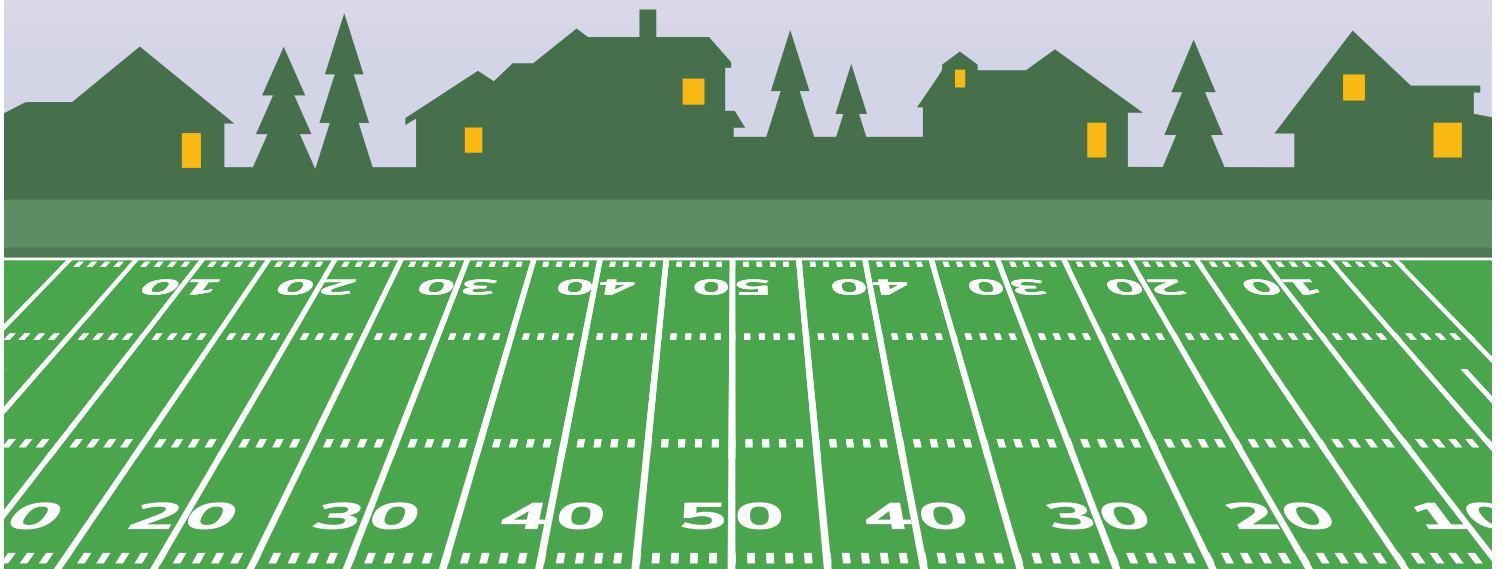


# PUT THE WIN IN WINTER

## WITH OFF-PEAK ELECTRIC HEATING

Are you ready to **SCORE MAJOR SAVINGS** on your electric bill next winter? Off-peak electric heating systems allow you to heat your home to the perfect temperature, while potentially saving money in the process.

Here's the secret play: When you install the latest off-peak heating system in your home, PKM Electric Cooperative offers an electric rate that is more than **HALF OFF** the standard rate. During periods of high demand on the electric grid, your system will be switched to its backup fuel source or use its stored heat. Comfort is never sacrificed thanks to the genius design of electric heating systems. Let's check out the lineup with some of our favorite electric heating players.



### AIR-SOURCE HEAT PUMP

*Uses electricity to move heat instead of generating it*

- Eligible for \$300/ton rebate (< 17 SEER)
- Eligible for \$500/ton rebate (> 17 SEER)

### MINI-SPLIT HEAT PUMP

*Can be installed easily in any room for zone heating*

- Eligible for \$300/ton rebate (< 17 SEER)
- Eligible for \$500/ton rebate (> 17 SEER)

### THERMAL STORAGE HEAT

*Converts electricity to heat and stores it to keep a home comfortable 24 hours a day*

- Eligible for \$80/kW rebate installed

### PLENUM HEATER [MOST COMMON]

*Uses your existing fuel furnace fan to move element-warmed air through your home*

- Eligible for \$50/ton rebate

Check out [valueofelectricity.com](http://valueofelectricity.com) to learn more about off-peak electric heating technology and what's right for your home or business.



## COLD WEATHER RULE

In accordance with Minnesota's Cold Weather Rule (216B.097), electric service cannot be disconnected for nonpayment between **Oct. 1 and April 30** if electricity is the primary heat source and all of the following statements apply:

- Your household income is at or below 50% of the state median household income. Income may be verified on forms provided by PKM or by the local energy assistance provider (see below).
- You enter into and make reasonable and timely payments under a payment agreement that considers the financial resources of the household.
- You receive referrals to energy assistance, weatherization, conservation or other programs likely to reduce your energy bills from PKM.

**Please note that the Cold Weather Rule does not completely stop winter disconnects.**

Before disconnecting electric service to residential members between Oct. 1 and April 30, PKM must provide:

- **A 30-day mailed notice or 15-day hand-delivered notice**
- **Forms to request Cold Weather Rule protection**
- **A statement of members' rights and responsibilities**
- **A statement explaining available payment plans and other options to continue service**
- **A list of local energy assistance providers**

## ENERGY ASSISTANCE PROGRAM

This program is federally funded and can help low-income renters and homeowners pay for home heating costs and furnace repairs. Household income must be at 50% of the state median income to qualify for benefits. To learn more about the EAP program or to apply, visit the MN Dept. of Commerce Energy Assistance website at <https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/> for more details and to access the application portal. Or simply contact your county's EAP service provider.

If you are having difficulty paying your electric bill and regardless of whether you qualify for either of these programs, please contact PKM to set up a payment plan.

## LOCAL ENERGY ASSISTANCE PROVIDERS

### Northwest Community Action

PO Box 67, Badger, MN 56714-0067  
(218) 528-3258 or Toll Free (800) 568-5329  
(Serves east Marshall County and Kittson County)

### Tri-Valley Opportunity Council, Inc.

1407 Erskine Street, Crookston, MN 56716  
(218) 281-9080 or Toll Free (866) 264-3729  
(Serves west Marshall County and west Polk County)

IS YOUR OFF-PEAK  
HEATING SYSTEM

**READY  
FOR  
WINTER?**

Since weather conditions and future wholesale power market prices make the amount of load control hours hard to predict, all our off-peak members are encouraged to have a reliable, automatic dual heating system in place and ready to use.

To ensure your total comfort this winter, consider the following questions about your backup heating system:

1. Is the system sized to heat your entire home or business?
2. Does it maintain an adequate comfort level?
3. Is it reliable?
4. Is it fully automatic?

Check current fuel prices and be sure to fill your propane or fuel oil tank. Also, make sure your tank is large enough to hold an adequate supply. Remember, prices typically rise as demand increases during the heating season.

Our member services department is glad to answer any off-peak questions you may have.

# PKM ELECTRIC 86<sup>TH</sup> ANNUAL MEETING

**TUESDAY, MARCH 31, 2026**

**Warren-Alvarado-Oslo High School**

The annual meeting of the members of PKM Electric Cooperative will be held at the **Warren-Alvarado-Oslo High School in Warren, Minnesota**, at 5:45 p.m. on **Tuesday, March 31, 2026**, 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.

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

## 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, 2026**

**Applications  
available at local  
schools, PKM office  
or online at [www.pkmcoop.com](http://www.pkmcoop.com)**

## NEED HELP PAYING YOUR ELECTRIC BILL?

**Energy assistance may be available!**

If you are receiving a low income or suffering from a temporary financial shortfall, the following agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.



### NORTHWEST COMMUNITY ACTION

PO Box 67  
Badger, MN 56714-0067  
(218) 528-3258 or (800) 568-5329  
[nwcaa.org](http://nwcaa.org)

### TRI-VALLEY OPPORTUNITY COUNCIL, INC.

1407 Erskine Street  
Crookston, MN 56716  
(218) 281-9080 or (866) 264-3729

## ENERGY EFFICIENCY: TIP OF THE MONTH

Winter weather can cause your home heating system to work overtime. Check for air leaks and drafts around doors and windows, then seal them with weatherstripping or caulk. Close fireplace dampers when not in use, and consider installing insulating curtains to help keep warm air inside. You can also save energy by lowering your thermostat a few degrees. Even small adjustments like these can reduce heating costs and improve comfort during the coldest months.



**YOU CAN ALSO  
APPLY ONLINE:**

<https://energy-assistance.web.commerce.state.mn.us>

# Board meeting highlights *November and December*

## A regular meeting of the board was held Tuesday, Nov. 25, 2025.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present. Director Goodwin participated via Zoom.

Operations Manager Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. MREA was here on Nov. 13 with the topic of hotline work. The crews are doing one last bore of three miles before freeze up, then they will switch over to pole replacements. This year PKM managed to get rid of a lot of overhead wires that were over the highways, rivers and pipelines. This was done with Wikstrom's fiber projects, which saved money and time.

The Manager of Member Services, Danny Schmidt, shared recent activities within his department. Hallock crew has been busy changing out meters in the Lancaster substation area. Minnkota has had 42:33 minutes of dual heat control, 40:05 minutes of yellow zone and 0 minutes of red zone. Schmidt also participated in GridEx put on by Minnkota, which included very interesting information on AI.

The CFO, Karen Olson, opened her report with an office update. The 2026 budget preparations continue with the preliminary capital requirements budget included for discussion later in the meeting and a preliminary review of the operating budget.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. She reported that overall revenue is up \$802,638.71 from 2024. Expenses are under budget for the year at \$18,949.12. We ended the month with a combined operating/non-operating margin of \$198,192.12. Other financial data was presented and discussed along with the current tier of 2.93, up from last month.

The CEO, Jeff Rustad, referenced his submitted written report outlining recent meetings he had attended. Rustad shared miscellaneous information on upcoming projects for PKM and Carr's Tree Service.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed.

The 2026 budget preliminary review was presented and will be finalized at the December meeting for discussion and approval as the November reported financials will aid in accuracy for budget projections. Staff have held several meetings to discuss capital needs going forward.

There was discussion on credit cards being added as a payment method for PKM. The fees were presented and further discussion was had.

Minnkota's proposed rate increase for April 2026 was presented. The board discussed the rate increase and agreed to increase PKM's rates to \$0.0035 per kWh. This will be an agenda item at the December meeting to update policies with a motion and roll call.

Director Woinarowicz and Director Aakre gave their reports on Minnkota and Square Butte.

The CEO shared miscellaneous information with the directors including thank-you cards PKM received, cooperative energy sales and solar information. Financials for Carr's Tree Service are coming soon.

The President reminded the directors that the 2026 American's PAC and REPAC contributions are now being accepted. Please submit it to the administrative assistant for processing.

## A special meeting of the board was held Tuesday, Dec. 30, 2025.

C.J. Peterson, vice president who presided, asked for roll call. Upon calling the roll, the vice president reported that all directors were present. President Hatton and Director Owens participated via phone conference.

Operations Manager Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. The linemen are working on pole change-outs and ROW clearing. Marcotte shared with the directors that PKM had almost 40 new services, 69 service improvements, 50 cable replacements and 52 retirement and pole replacements. PKM retired 14 miles of overhead and ran 26.5 miles of underground. Marcotte shared an update from his District 1 meeting.

The Manager of Member Services shared recent activities within his department. Minnkota has had 69:23 minutes of dual heat control and 51:31 minutes of yellow zone control with no minutes of red zone. Minnkota conducted their semi-annual ripple voltage test. All our accounts, farthest from the substations and substations themselves, had good voltage readings. PKM had to replace the sump pump in the basement. Town and Country also replaced the heater in the shop by the member service area and the heater in the main shop. The Hallock crew is working on changing out meters that are not reading.

The CFO opened her report with an office update to the directors that the office was continuing to work on closing out work orders for the year and 219 processing. There is an abundance of paperwork that needs to be addressed prior to year-end closing and the annual inventory. She will present the bad debt listing after year end, and it will be included in the January board agenda.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. She reported that revenue for November was over budget for the month by \$109,060.99. Other financial data was presented and discussed. The current tier is up from last year at 3.42. We ended the month with a combined operating/non-operating margin of \$446,214.47 and year to date is \$1,662,100.25. We completed 37 new services for the year, and our 5-year average is 44 a year. Vehicle costs are \$2.10, average cost per mile.

The CEO referenced his written report outlining recent meetings. He shared an update on a few projects to potentially take place on PKM's system. There are 18 more maps that need to have GPS coordinates, which have about 5,000 poles total. Other items discussed were the Carr's Tree Service board meeting and financials.

The 2026 operating budget was presented to the directors for consideration with the changes recommended at the last meeting. Staff held several preparation meetings and shared their methods of recommendation with the directors.

The 2026 capital requirements budget was presented to the directors for consideration. After discussion a decision was made by the directors to have the staff and employees check out a telehandler at Minnkota to see if it will fit the needs of PKM. If it meets the needs of PKM, they will approve the purchase. Staff held several meetings to discuss capital needs going forward.

With the approaching MREA District 1 Meeting, voting delegates will stay the same with Mark Hatton and Jeff Rustad.

Minnkota's proposed rate increase for April 2026 was presented in November. The board discussed the rate increase and agreed to increase PKM's rates to \$0.0035 per kWh. It was recommended to become effective April 1, 2026.

Following discussion, upon motion duly made by Director Aakre and seconded by Director Copp, with a roll call vote where all directors voted yes, the following resolution was approved:

### RESOLUTION NO. 25-12-09

"RESOLVED, that the Board of Directors of P.K.M. Electric Cooperative, Inc. do hereby approve and adopt the following Policy bulletin 20-1.31 – Rate code 1 – General Farm and Rural Residential Single Phase Service Rate; Policy bulletin 20-2.7 – Rate code 2 – Minnesota DNR, Railroad and Tile Pump Single Phase Service Rate; Policy bulletin 20-3.28 – Rate code 3 – Non-Demand Metered Three Phase Service Rate; Policy bulletin 20-4.13 – Rate code 4 – Three Phase Service Rate Large Power or Demand Metered; Policy bulletin 20-7.10 – Rate code 7 – Three Phase Commercial & Industrial Service Rate C & I - IPP; Policy bulletin 20-8.10 – Rate code 8 – Three Phase Commercial & Industrial American Crystal Sugar Beet Pilers; Policy bulletin 20-9.6 – Rate code 9 – Irrigation change effective April 1, 2026, to be increase to the table above."

BE IT FURTHER RESOLVED, a copy of these policy bulletins be appended to the official minutes of this meeting."

A new policy bulletin 1-13: Minnesota Paid Family Medical Leave was presented. With the new paid family medical leave in Minnesota, PKM needed to have a policy in place; it was written up by legal at Minnkota.

The Manager of Member Services, Danny Schmidt, asked the board to approve the 2026 Electric Rebate Application, with no changes.

The CEO stated in accordance with the bylaws it would be appropriate for the board of directors to appoint a nominating committee to meet prior to the annual meeting for the purpose of nominating candidates for the board of directors. The board of directors caucused and with completion of their caucus, selected members. Those members appointed will receive mileage and a \$50 energy credit to their bill for their attendance.

Following discussion, upon motion duly made by Director Mortenson and seconded by Director Malm, a resolution was unanimously adopted:

### RESOLUTION NO. 25-12-12

"RESOLVED, that the Board of Directors of P.K.M. Electric Cooperative, Inc. select the following members to act as the committee on nominations prior to the 2024 annual meeting proscribed by the bylaws and these person are to wit: Brian Kasprick, Angus; James Folz, Warren; Glenn Barrett, Warren; Andrew Muir, Hallock; Tim Peterson, Lancaster; Justin Peterson, Lancaster; Kyle Beaudry, Alvarado; Jordan Johnson, Warren; Joe Pierce, Warren, and

BE IT FURTHER RESOLVED, that the nominating committee will be reimbursed a \$50.00 energy credit to their bill and mileage for their attendance."

Director Woinarowicz and Director Aakre gave their reports on Minnkota and Square Butte. Aakre shared highlights from his NRECA classes he took in Nashville, TN.

Financials were provided for Carr's Tree Service from October.

The CEO shared miscellaneous information with the directors including annual meeting information, REPAC and American's Electric Cooperative PAC, Garden Valley Technologies director seats, Federated Rural Electric Insurance member update, the Cooperative energy sales, and solar information.

## PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal Legislators

#### President Donald Trump

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

#### Senator Tina Smith

720 Hart Senate Office Building  
Washington, DC 20510  
Phone: 202-224-5641

#### Senator Amy Klobuchar

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

#### Congresswoman Michelle Fischbach

1237 Longworth House Office Building  
Washington, D.C. 20515  
www.fischbach.house.gov

202-225-2165

Fax: 202-225-1593

### State of Minnesota Legislators

#### Governor Tim Walz

Capitol Building, Room 130  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
800-657-3717  
www.mn.gov/governor

#### Senator Mark Johnson

95 University Avenue W.  
Minnesota Senate Building,  
Room 3111  
St. Paul, MN 55155  
651-296-5782  
sen.mark.johnson@senate.mn  
www.senate.mn/members

#### Representative John Burkel

309 State Office Building  
St. Paul, MN 55155

651-296-9635

rep.john.burkel@house.mn

#### Representative Steve Gander

Centennial Office Building  
(Second Floor)  
St. Paul, MN 55155  
651-296-5091  
rep.steve.gander@house.mn



# How to Become a Director

The grassroots participation in nominating and electing directors is one of the most important powers that you, the members, have in controlling your cooperative – PKM Electric Cooperative, Inc. The cooperative’s service territory is divided into three director counties. Each of the counties is represented by three directors who are qualified members of the cooperative and reside within the county to be represented. One director from each county is elected at each annual member meeting for a term of three years.

At the PKM Electric Cooperative, Inc. annual meeting scheduled for Tuesday, March 31, 2026, director elections for each county will be held. This year the three-year terms of the following directors will expire at the 2026 annual meeting. They are: **Steve Goodwin**, *Polk County*; **C.J. Peterson**, *Kittson County*; **Jerred Copp**, *Marshall County*.

## To qualify as a director candidate, you must:

- **Be a member in good standing of the cooperative**, receiving electric service at the member’s primary residence in the district from which the director is elected prior to being nominated for director.
- **Be only one**, and not more than one, member of a joint membership.
- **Have voting rights** within the district from which the director is to be elected.
- **Not be employed by**, materially affiliated with, or have a material financial interest in, any individual or entity which either is directly or substantially competing with the cooperative, selling goods and services in substantial quantity to the cooperative or possessing a substantial conflict of interest with the cooperative.
- **Not be**, nor within three (3) years preceding a director candidate’s nomination have been, **an employee of the cooperative**.



- **Not be a close relative** of an existing employee, or existing director.
- **If a member of the cooperative** is not a natural person, i.e. a corporation, partnership, limited liability company, or similar, then the member may appoint or elect one (1) duly authorized natural person, residing within the external boundaries of the district from which they are nominated, to be eligible for election as a director to the board of directors.
- **Never have been convicted** of a felony.
- **Not be or become the full-time employee or agent** of, or be or become the full-time employer or principal of, another director.
- **Agree, upon election, to regularly attend** all board, regular and special members’ meetings.

It shall be the duty of the board of directors to appoint, not less than seventy (70) days nor more than one hundred and twenty (120) days before the date of a meeting of the members at which directors are to be elected, a Committee on Nominations (“Committee”) consisting of not less than five (5) nor more than eleven (11) members of the Cooperative who shall be selected so as to give equitable representation on the Committee to the geographical areas served or to be served by the cooperative.

The PKM board of directors appointed the

Nominating Committee at their December monthly meeting held Dec. 23, 2025. This committee is scheduled to meet on Tuesday, Feb. 17, 2026, for the purpose of nominating one or more qualified member(s) from each county for each office of director slated for election, to be elected by the membership at large at the annual meeting, and shall prepare and post at the principal office of the cooperative at least twenty-five (25) days before said meeting, a list of nominations.

If you are interested in being considered for nomination or if you know a member who you believe would be a qualified candidate, please contact a member of the Nominating Committee. The Nominating Committee for 2026 is as follows:

## POLK

Brian Kasprick – *Angus*  
James Folz – *Warren*  
Glenn Barrett – *Warren*

## KITTSOON

Andrew Muir – *Hallock*  
Tim Peterson – *Lancaster*  
Justin Peterson – *Lancaster*

## MARSHALL

Kyle Beaudry – *Alvarado*  
Jordan Johnson – *Warren*  
Joe Pierce – *Warren*

Any 15 or more members can make other director nominations in writing by petition on or before March 11, 2026. Director candidates may only be nominated by the committee on nominations or by petition. Voting will take place during the annual meeting. The director candidate receiving the highest vote for each county will serve on the board of directors until the end of their designated term.