

2021

ANNUAL REPORT

FOCUSED ON



**Renville-Sibley Cooperative
Power Association
84th Annual Meeting
March 31, 2022**

BOARD CHAIR AND CEO REPORT

Roger Manthei, Board Chairman and DeeAnne Newville, CEO

Roger Manthei



Board Chairman

In 2021, our cooperative provided safe, reliable, and efficient electric energy and services to enhance the quality of rural living we all enjoy. We had another productive year while our employees worked within the restrictions in place from the COVID pandemic. No storms significantly interrupted service or hampered our ability to deliver power to each and every home and farm site. Renville-Sibley had a good year financially; we maintained a strong equity position and our financial ratios exceeded our debt service requirements.

NEW FACILITY PLANNING

DeeAnne Newville



CEO

In early 2021, we purchased a 10-acre plot of land just south of Highway 212, adjacent to the Grizzly Supply building in Danube. Renville-Sibley's facilities committee and board explored various sites, in both Danube and Olivia, before settling on this parcel. The board rejected the project bids we received in July 2021 primarily due to the increase in the cost of steel. The building design was modified to precast concrete, and both options were rebid

December 2021, with a public bid opening in January. The precast concrete design bids were accepted in February. Earthwork will begin in late June, the precast panels will be delivered in September, and our anticipated project completion date is July 2023.

We are pleased with how creative our employees were to meet our current needs while considering future possibilities within a conservative budget. We believe the design is practical yet provides some modest expansion options for growth and additional services in the future. The decision by the board of directors to move forward with a new facility was not taken lightly, and the leadership they showed during the process was impressive. Please join us at the annual meeting for a more detailed presentation and the opportunity to meet after the annual meeting to look at the building design, provide comments, and ask questions.

SAFETY

The number one focus at Renville-Sibley is safety for our employees and our members. Working with high-voltage electricity, linemen find themselves in potential life and death situations on a regular basis. In addition to providing safety clothing, equipment and training, we have a safety committee that meets quarterly and a mayday committee that creates scenarios to keep our employees focused on what to do during an emergency. Renville-Sibley participates in the Rural Electric Safety Achievement Program which includes an on-site inspection of all our facilities, trucks, and electrical lines in addition to crew observations. In 2021, Renville-Sibley was the recipient of the Leroy Vanderpool Excellence in Safety award.

2021 AT A GLANCE

(as of yearend):

- Employees: 13 full-time; 1 part-time
- Average Member Service Locations: 1,882
- Miles of line: 1,046
- Average consumers per mile: 1.8
- Revenue: \$16,362,088
- Power Cost (includes power purchased from member-owned wind/solar): \$12,100,833
- Total Distribution Plant Investment of \$32.1 million
- Kilowatt-hours (kWh) sold: 181,957,784
- Distributed generation (DG) facilities owned by members: 32
- DG Nameplate Kilowatt (kW) total: 862.77
- DG facilities 2021 full year of production: 1,219,454 kWh
- RS2020 overhead to underground tap conversions: 43
- Transformers changed out: 69
- New services installed: 4
- Idle services removed: 9
- Services retired: 8
- Work plan projects completed: 10
- Work orders completed: 78
- Job orders to maintain our system: 1,244

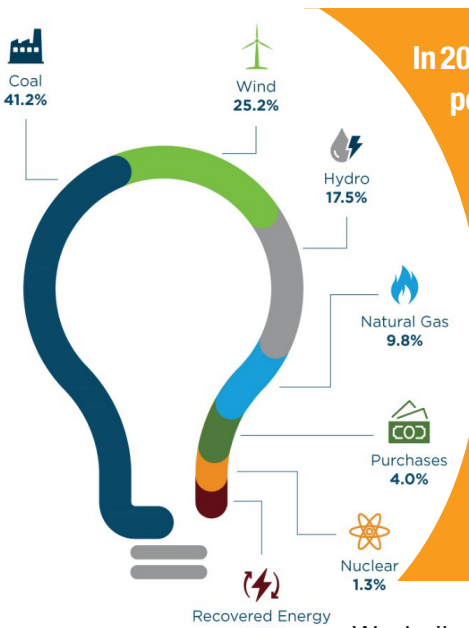
We are members of safelectricity.org and feature articles in the Cooperative Connections newsletter from this organization. The link to their site is posted on our webpage to help educate members and the public. We also provide the number for Gopher State One Call as a reminder to Call Before You Dig. While working on the distribution line, the operations department keeps an eye out for potential public safety hazards as well.

CAPITAL CREDIT ALLOCATION AND RETIREMENT

Patronage capital in the amount of \$1,806,336 was allocated to our members based on the amount of electricity purchased in 2020. The Board of Directors unanimously voted to retire \$462,255 of capital credits in December which included estate and general retirements paid out in 2021. This brings the cumulative total of retired capital credits to just under \$14.2 million. Returning margins (profits) back to our membership is what sets cooperatives apart from other utilities.

WHOLESALE POWER MIX

RSCPA is a preference customer for federally owned hydropower from Western Area Power Administration (WAPA). The remainder of our wholesale power is purchased under an all-requirements agreement with Basin Electric, through East River Electric Cooperative. Both Basin Electric and East River Electric are member-owned cooperatives.



In 2020, more than 40 percent of our power supply came from wind and hydropower, including over 25 percent from wind energy. Solar energy will also soon be added to our generation mix.

Members of RSCPA also have the ability to purchase Renewable Energy Credits (RECs) for a small premium on their monthly electric bill.

We believe that a responsible, reliable, affordable energy plan utilizes an “All of the Above” energy mix. East River measures the actual energy consumed by fuel type for their distribution cooperatives, referred to as utilization mix. When we receive the 2021 utilization report in March each year, we post it on our website at www.renville-sibley.coop.

ANNUAL MEETING AGENDA

MARCH 31, 2022

1. Early Bird Drawing – 5:45 pm
2. Call to Order – 6:00 p.m.
3. Invocation
National Anthem video
4. MARL Program – Jake Rieke
5. Establish a quorum
6. Reading of the Notice of Meeting
7. Reading of the 2021 Annual Meeting Minutes
8. 2022 District Elections
9. Motion to Close the Ballot Box
10. Scholarship awards
11. Renville-Sibley Leadership Report
12. Old Business
13. New Business
14. Report of Tellers
15. Adjournment
16. Drawing of Attendance Prizes

THANK YOU FOR ATTENDING!

Mission Statement

Renville-Sibley Cooperative Power Association will provide efficient, reliable electric energy and services to enhance the quality of rural living.

Renville-Sibley Cooperative Power will provide language assistance for those with Limited English Proficiency.

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BOARD CHAIR AND CEO REPORT

continued

RSCPA's wholesale power supplier is East River Electric Power Cooperative, a generation and transmission cooperative that is based out of Madison, SD. East River has been supplying the region's distribution electric cooperatives with safe, affordable, and reliable power for more than 70 years.

LEGISLATIVE AND REGULATORY ACTIVITIES

We continually work to cultivate and maintain impactful relationships with legislators who represent our communities. Because our members' concerns are bipartisan, we pursue these relationships regardless of party affiliation. Our statewide organizations (Minnesota Rural Electric Association and Cooperative Network) have also developed good working relationships with our state leaders. Our national organization (National Rural Electric Cooperative Association) keep us abreast and involved in federal issues that occur in Washington, D.C. Each year, members of our board, management team, and grassroots committee members attend visits to the MN state capital and our nation's capital to represent the interests of our cooperative and rural consumers.

We are honored to serve you. No matter the challenge, we are dedicated to work each day to provide safe, reliable and affordable electricity to your homes, farms and businesses.

NATIONAL LINEMAN APPRECIATION DAY

The second Monday of April each year has been set aside to officially support and honor linemen. Our dedicated linemen are proud to represent Renville-Sibley, and they deserved all the appreciation and accolades that came their way on Lineman Appreciation Day. I hope you'll join us in thanking them for their exceptional service. I also hope you'll remember that you have a dedicated team of professionals working behind the scenes at the co-op whose commitment to service runs just as deep.

OUR THANKS TO OUR MEMBERSHIP

As a member, you are the owner and the consumer for this organization. On behalf of our Board of Directors and employees, we would like to thank you for your patronage and support of Renville-Sibley Cooperative Power Association. We value all of our members and are here to serve you. Your comments, questions, and suggestions are always welcome.

Fight Back Against Scams



Scammers are targeting energy consumers everywhere. They often call threatening to shut off power unless payment is made immediately. Or they may call saying you overpaid and ask for credit card or bank info to provide a credit.

Never give out personal information to anyone who calls claiming to be from your utility!

Many of these scam attempts play out like this: the caller poses as a representative of your power provider; says you are behind on the bill and a truck is on the way to disconnect your service unless you pay your bill right now – over the phone. Some ask their targets to purchase prepaid cards and call back with the prepaid card number to pay the bill.

Don't fall for these scams! Any possible disconnection would be preceded by written notice in the mail, possibly with your bill. Your utility will never call demanding immediate payment over the phone. If you get such a call, or have questions about your bill, call your utility using the number they provide on the bill or online.

Attempts have also been made in person at the door or via email. If your provider needs to replace or service equipment in your home, they will contact you in advance. Never respond to an email that claims to be from your utility that provides a link for payment or asks for personal information.

If consumers suspect someone is trying to scam them, they should hang up, delete the email, or shut the door. They should call their utility at the number on their monthly bill or the utility's website, not the phone number the scammer provides. If consumers ever feel that they are in physical danger, they should call 911.

Consumers who suspect that they have been victims of fraud should also contact local law enforcement authorities. The Federal Trade Commission's website (www.ftc.gov) is also a good source of information about how to protect personal information.

Operation Round Up (ORU)

Renville-Sibley members began contributing to the ORU program in 2019. Through the end of 2021, Renville-Sibley members have contributed a total of \$24,335 and supported 24 organizations for a total of \$19,350 in donations.

In 2021, the following organizations received a donation from the ORU program:

- BOLD Post Prom
- Gibbon Fire & Rescue Relief Association
- Cedar Mountain Imagination Library
- Imagination Library Redwood Falls
- Renville County Walk in the Park
- SWWC Foundation for Innovation in Education
- WC-CEO Program
- Fairfax Royalty
- Renville Area Ecumenical Youth
- Santa's Closet
- LeeMar Ranch Equine Center
- MN Brain Injury Alliance
- Danube Area Athletic Club



Renville County Walk in the Park



LeeMar Ranch Equine Center



BOLD Post Prom



The ORU board meets quarterly to review applications. If your non-profit organization has a project or event that would benefit the community, Operation Round Up funds may be available to help your group reach its goal. More information about Operation Round Up, including a link

to the Application for Donation, can be found on our website www.renville-sibley.coop under the Your Co-op tab.

Wellington Substation

The Wellington Substation is Renville-Sibley's newest substation. This substation was built and is owned by our power supplier East River Electric. Renville-Sibley and East River Electric realized the need to provide contingency to the existing Cairo Substation. This means that should something happen to the Cairo Substation, those members served by that substation would now get their power from the Wellington Substation. The substation began serving Renville-Sibley members on July 28, 2021. At this time, 187 members are served by the Wellington substation.

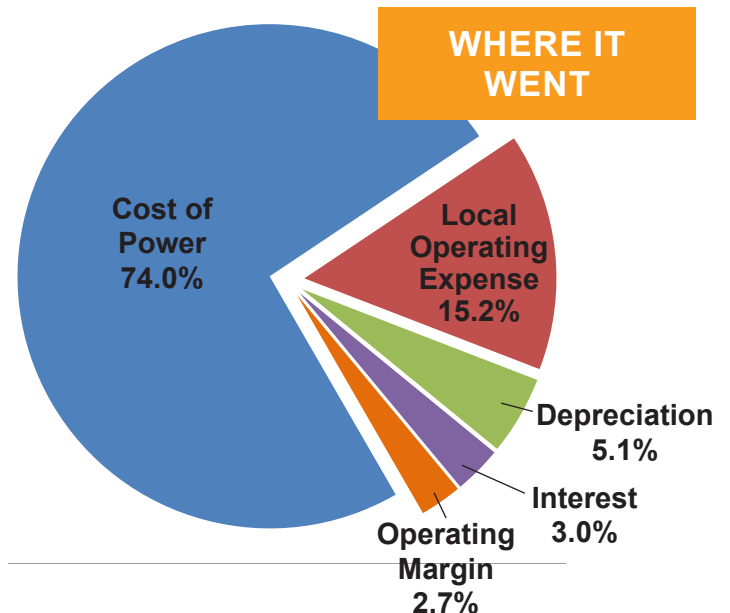
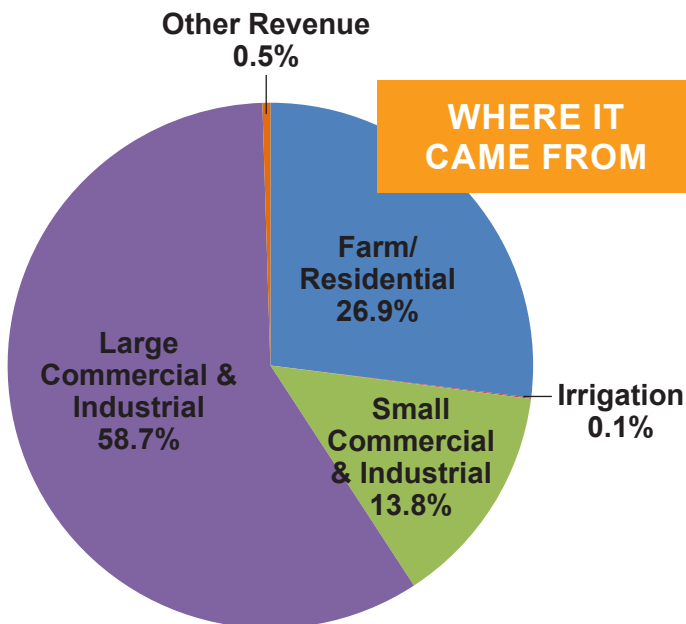


2021 FINANCIAL REPORT

STATEMENT OF OPERATIONS

	2021	2020
OPERATING REVENUES (Where it came from)	\$16,362,088	\$15,348,095
OPERATING EXPENSES (Where it went)		
Cost of Power	12,100,833	11,580,578
Distribution - Operations	621,105	509,935
Distribution - Maintenance	401,514	382,304
Consumer Account	423,739	439,971
Sales	28,091	24,059
Administrative and General	1,018,988	975,990
Depreciation	827,229	805,640
Total	<u>15,421,499</u>	<u>14,718,477</u>
OPERATING MARGINS BEFORE FIXED CHARGES	940,589	629,618
FIXED CHARGES (Where it went)		
Interest on Long-Term Debt	500,237	579,326
Other Interest	237	13,952
Total	<u>500,474</u>	<u>593,278</u>
OPERATING MARGINS AFTER FIXED CHARGES	440,115	36,340
G & T AND OTHER CAPITAL CREDITS	866,175	918,394
NET OPERATING MARGINS	<u>1,306,290</u>	<u>954,734</u>
NON-OPERATING MARGINS		
Interest Income	45,384	219,633
Other Non-Operating Margins (Losses)	(14,930)	469
Total	<u>30,454</u>	<u>220,102</u>
NET MARGINS	1,336,744	1,174,836
Patronage Capital - Beginning of Year	18,783,965	18,254,890
Retirement of Capital Credits (Net)	(462,256)	(645,761)
PATRONAGE CAPITAL - END OF YEAR	<u>\$19,658,453</u>	<u>\$18,783,965</u>

OPERATING REVENUES



Auditor's Report: A copy of the audit report of Brady, Martz & Associates, P.C. is available for inspection at the Cooperative Office during business hours.

ANNUAL MEETING REGISTRATION CARD

This annual meeting registration card entitles you to a chance to win one of the many prizes to be given away.

Be sure to bring this card to the meeting with you.

Thursday, March 31, 2022
6:00 pm meeting, dinner to follow
Redwood Area Community Center
Redwood Falls, MN



BALANCE SHEET

ASSETS (What we Own)

ELECTIC PLANT

Electric Plant in Service	\$31,669,929	\$30,583,197
Construction Work in Progress	428,224	221,864
	<u>32,098,153</u>	<u>30,805,061</u>
Less: Accumulated Provision for Depreciation	(8,003,541)	(7,653,893)
Utility Plant (Net)	<u>24,094,612</u>	<u>23,151,168</u>

OTHER ASSETS AND INVESTMENTS

Investments in Associated Organizations	11,174,771	10,589,168
Other Investments	<u>1,249,702</u>	<u>1,375,967</u>
	<u>12,424,473</u>	<u>11,965,135</u>

CURRENT ASSETS

Cash and Cash Equivalents	441,858	73,748
Temporary Investments	795,000	-
Accounts Receivable (Less Accumulated Provision for Uncollectible Accounts 2021 - \$85,000; 2020 - \$85,000)	2,048,107	2,099,046
Current Portion of Other Investments - Notes Receivable	100,000	100,200
Material and Supplies	721,634	543,987
Accrued Interest Receivable	1,937	1,320
Prepayments	<u>4,194</u>	<u>1,192</u>
	<u>4,112,730</u>	<u>2,819,493</u>

DEFERRED DEBITS

	<u>82,158</u>	<u>164,406</u>
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TOTAL

	<u>\$40,713,973</u>	<u>\$38,100,202</u>
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LIABILITIES AND MEMBERS' EQUITY (What we Owe)

EQUITIES

Patronage Capital	\$19,658,453	\$18,783,965
Other Equities	140,643	113,529
	<u>19,799,096</u>	<u>18,897,494</u>

LONG-TERM DEBT (NET OF CURRENT PORTION)

RUS and FFB Mortgage Notes	12,892,400	10,864,316
NRUCFC Mortgage Notes	173,259	179,492
CoBank Notes	2,486,897	2,751,609
United States Department of Agriculture Notes	749,767	849,600
	<u>16,302,323</u>	<u>14,645,017</u>

OTHER NON CURRENT LIABILITIES

	2,167	2,167
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CURRENT LIABILITIES

Current Maturities of Long-Term Debt	992,433	748,989
Line of Credit		150,000
Accounts Payable	1,373,017	1,507,000
Consumer Deposits	22,350	20,900
Other Current and Accrued Liabilities	<u>476,197</u>	<u>388,334</u>
	<u>2,863,997</u>	<u>2,815,223</u>

DEFERRED CREDITS

	<u>1,746,390</u>	<u>1,740,301</u>
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TOTAL

	<u>\$40,713,973</u>	<u>\$38,100,202</u>
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Renville-Sibley Cooperative Power
PO Box 68
Danube MN 56230-0068

PRST STD
U.S. Postage
PAID
DPC

For ease of registration—and to register for prizes—
don't forget to bring the card above to the Annual Meeting!

(tear off here) 

RENVILLE-SIBLEY COOPERATIVE POWER ASSOCIATION

To Hold Annual Meeting

MARCH 31, 2022

Redwood Area Community Center
Redwood Falls, MN

Meeting begins
at 6:00 p.m.

Drawings

Director elections

\$15 Energy credit for attendees

EVERYONE IS WELCOME!

Thursday, March 31, 2022, is the date for the 84th Annual Meeting to be held at the Redwood Area Community Center in Redwood Falls, Minnesota. The meeting will begin at 6:00 p.m. A meal will be served following the meeting. A \$15 energy credit attendance prize will be given to members (one credit per member) who attend the annual meeting.

There will be an election to fill the expired terms of three directors:

one director from District 1, one director from District 2, and one director from District 3.



WHO WANTS TO WIN A PRIZE?

Drawings for the early bird prizes will begin at 5:45 p.m.
Drawings will be held at the close of the annual meeting.
Prizes will also be given to children in attendance.