

The Kandiyohi

Kilowatt



Touchstone Energy® Cooperatives
The power of human connections®

February 2014
Volume 70 - Issue 2

Official Publication of Kandiyohi Power Cooperative



Kandiyohi Power Cooperative

Touchstone Energy® Partner 


NOTICE OF THE ANNUAL MEMBERS' MEETING of the KANDIYOHI POWER COOPERATIVE


NOTICE IS HEREBY GIVEN, that the Annual Meeting of the Members of the Kandiyohi Power Cooperative (KPC) will be held at the Spicer American Legion, 155 Lake Avenue, Spicer, Minnesota on **Tuesday, March 25, 2014**. The Annual Business Meeting of the Members will be called to order at **10:30 a.m.** The following business will be transacted:

- 1) To hear, examine and approve the reports of the offices, directors, and committees.
- 2) To elect three (3) Directors for said Association for the ensuing term.
- 3) For the transaction of such other and further business as may lawfully be brought before the membership of the Association, and as may be deemed to be in the best interest of the Association.

DATED: Spicer, Minnesota, January 15, 2014

BY ORDER OF THE BOARD OF DIRECTORS


Dale Anderson, Chair


Stanley Wubben, Secretary

Annual Meeting Reservation Information **REQUIRED for ATTENDANCE:**

RSVP by calling 320-796-1155 or
email rrys@kpcoop.com to reserve your spot.
Maximum 2 people per ticket.

KPC will mail you a postcard ticket, which you
MUST bring with for the meal and prize drawings.

KANDIYOHI POWER COOPERATIVE ARTICLES OF INCORPORATION CHANGE

The following Articles and ByLaws have been reviewed by the Kandiyohi Power Board of Directors. Following discussion with the Cooperative Attorney, the Board of Directors recommend these changes to provide clarity, and a balanced representation through redistricting of our service area.

ARTICLE V

SECTION 1

The government of this Association and the management of its affairs and business shall be vested in a Board of Directors consisting of not less than seven (7) nor more than nine (9) directors who shall be elected in such manner and for such terms as the Bylaws may prescribe.

KANDIYOHI POWER COOPERATIVE PROPOSED BYLAW CHANGES

SECTION 3.6 Voting

Each member entitled to vote shall be entitled to only one vote upon each matter submitted to a vote of the members for which the member is entitled to vote. All questions shall be decided by a vote of a majority of the members voting thereon by mail, or electronically if adopted pursuant to Section 3.7 hereof, except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

The ballot shall be in the form prescribed by the Board of Directors of the Cooperative and shall contain the list of all candidates for the office of director up for election and the exact text of the proposed motion, resolution or amendment to be acted upon and the date by which ballots must be submitted; and shall also contain spaces opposite the candidates or the text of such motion, resolution or amendment in which such member may indicate his/her affirmative or negative vote therein. Such member shall express his/her choice by making an "x" in the appropriate space upon such ballot. Such ballot shall be enclosed in a sealed official envelope provided by the Cooperative, bearing the member's name and address, addressed to the Secretary and deposited in the U.S. Mail, postage prepaid. If received by the Secretary of the Cooperative by the close of business on the day set as the date by which ballots must be submitted, the ballot shall be accepted and counted as the vote of the member. The failure of any such member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members by such vote.

SECTION 4.2 Districts, Election and Tenure of Office

Until the annual meeting of the Cooperative to be held in 2015, the entire area served by the Cooperative shall be divided into nine (9) districts each represented by one (1) director. Each respective district shall be comprised of the area within the following townships:

District No. 1 – Hayes Township (Swift County); Norway Lake, Colfax, and Burbank Townships (Kandiyohi County); Crow River and Crow Lake Townships (Stearns County).

District No. 2 – Arctander and Lake Andrew Townships (Kandiyohi County).

District No. 3 – Roseville, New London, and Irving Townships (Kandiyohi County).

District No. 4 – Pillsbury Township (Swift County); Woods and Lone Tree Townships (Chippewa County); Mamre, St. John's and Edwards Townships (Kandiyohi County).

District No. 5 – Dovre and Willmar Townships (Kandiyohi County).

District No. 6 – Green Lake and Kandiyohi Townships (Kandiyohi County).

District No. 7 – Harrison and Genessee Townships (Kandiyohi County).

District No. 8 – Whitefield, Holland and Roseland Townships (Kandiyohi County).

District No. 9 – Fahlun, Lake Elizabeth, Lake Lillian, and East Lake Lillian Townships (Kandiyohi County).

A transition period, commencing on the date of the annual meeting of members to be held in the year 2015 and ending on the date of the annual meeting of members to be held in the year 2017, shall be used to effect the transition of the present board of directors to a reformed board of directors consisting of three directors elected from each of three newly formed districts which will replace the current districts. Each respective newly formed district shall be comprised of the area within the following townships:

District No. 1 – Norway Lake, Colfax, Burbank, Roseville, New London and Irving Townships (Kandiyohi County).

District No. 2 – Hayes and Pillsbury Townships (Swift County); Woods and Lone Tree Townships (Chippewa County); Arctander, Lake Andrew, Mamre, Dover, St. Johns, Edwards and Holland Townships (Kandiyohi County).

District No. 3 – Green Lake, Harrison, Willmar, Kandiyohi, Genessee, Whitefield, Fahlun, lake Elizabeth, Roseland, Lake Lillian and East Lake Lillian Townships (Kandiyohi County).

During the transition period the following provisions governing election of directors and district representation shall apply:

1. Each incumbent director whose term does not expire in the year 2015 shall continue to serve as a representative of the current district from which he or she was elected until the expiration of his or her current term.
2. At the annual meeting of members to be held in the year 2015 an election shall be held to elect one director from each of the newly formed districts, each for an initial term of three years. Current districts No. 3, 4 and 6 shall cease to exist.
3. At the annual meeting of members to be held in the year 2016, an election shall be held to elect one director from each of the newly formed districts, each for an initial term of three years. Current districts No. 1, 7 and 8 shall cease to exist.
4. At the annual meeting of members to be held in the year 2017, an election shall be held to elect one director from each of the newly formed districts, each for an initial term of three years. Current districts No. 2, 5 and 9 shall cease to exist.

After the transition period, the directors from each of these districts shall be elected for a term of three (3) years as their current terms expire, or until their successors shall have been elected and shall have qualified. The directors shall be elected by secret ballot at the time of the annual meeting of the members and each member entitled to vote on a matter presented to the members for a vote and who resides in the district for which election of the director is held shall have the right to cast a vote for a director candidate of that district. Directors may be elected by a plurality vote. In the event of a tie between the candidates receiving the highest number of votes, there shall be an official recount made immediately and if the tie still exists, the winner shall be determined by the flip of a coin.

In the event that there is only one candidate for election to a Director position, either through filing or by nomination, the single candidate shall be deemed elected by acclamation as an unopposed candidate and no voting shall be required for such an uncontested Director election. The notice of the annual meeting of members shall state the name of the candidate elected by acclamation and a report of such election by acclamation shall be given to the members at the annual meeting of members.

STATEMENT OF REVENUE & EXPENSE

ITEM	2012	2013
Operating Revenue and Patronage Capital	\$17,525,278	\$18,873,732
Cost of Purchased Power	\$9,953,935	\$10,840,821
Distribution Expense - Operations	977,543	1,051,749
Distribution Expense - Maintenance	623,238	604,880
Consumer Accounts Expense	382,838	415,160
Consumer Service and Informational Expense	321,944	344,236
Sales Expense	1,792	1,692
Administrative and General Expense	1,265,261	1,298,875
Total Operation & Maintenance Expense	\$13,526,551	\$14,557,413
Depreciation and Amortization Expense	1,615,729	1,721,508
Interest on Long Term Debt	1,464,615	1,378,772
Interest Expense - Other	59	1,178
Other Deductions	(12,325)	(4,894)
Total Cost of Electric Service	\$16,594,629	\$17,653,977
Patronage Capital & Operating Margins	\$930,649	\$1,219,755
Non Operating Margins - Interest	62,191	62,768
Non Operating Margins - Other	11,972	124,654
Generation and Transmission Capital Credits	524,637	549,785
Other Capital Credits and Patronage Dividends	162,868	162,731
Patronage Capital or Margins	\$1,692,317	\$2,119,693

STATISTICAL FACTS

Year-end	2013
Number of Services	8,335
kWh's Sold	159,347,334

BALANCE SHEET AS OF DECEMBER 31

ASSETS	2012	2013
Total Utility Plant in Service	\$51,986,489	\$53,780,502
Construction Work in Progress	1,048,604	1,445,308
Total Utility Plant	\$53,035,093	\$55,225,810
Accum Provision for Depr. & Amort.	12,664,645	13,739,261
Net Utility Plant	\$40,370,448	\$41,486,549
Nonutility Property - Net	\$290,643	\$272,413
Investment in Subsidiary Companies	1,252,899	731,779
Invest in Assoc Org. Patronage Capital	6,568,827	7,191,122
Invest Assoc Org-Other-General Funds	10,000	10,000
Invest Assoc Org-Other-Nongeneral Funds	1,643,780	1,627,563
Other Investments	54,827	35,803
Total Other Property & Investments	\$9,820,976	\$9,868,680
Cash-General Funds	\$226,394	\$82,025
Temporary Investments	975,843	1,072,929
Accounts Receivable-Net Sale of Energy	2,063,603	2,603,481
Accounts Receivable-Net Other	608,545	780,943
Materials & Supplies-Electric & Other	1,359,697	1,613,419
Prepayments	122,329	94,606
Other Current & Accrued Assets	15,330	15,330
Total Current & Accrued Assets	\$5,371,741	\$6,262,733
Other Deferred Debits	\$1,386,884	\$1,929,845
Total Assets & Other Debits	\$56,950,049	\$59,547,807
LIABILITIES		
Patronage Capital	\$20,699,120	\$21,832,332
Operating Margins-Current Year	930,649	1,219,755
Non Operating Margins	924,124	1,062,395
Other Margins & Equities	2,023,480	2,049,255
Total Margins & Equities	\$24,577,373	\$26,163,737
Long Term-Debt	\$26,991,540	\$27,851,483
Notes Payable	\$58,723	\$38,987
Accounts Payable	2,078,132	2,366,837
Consumers Deposits	43,287	45,416
Current Maturities Long-Term Debt	780,000	860,000
Other Current & Accrued Liabilities	876,645	888,723
Total Current & Accrued Liabilities	3,836,787	4,199,963
Deferred Credits	\$1,544,349	\$1,332,624
Total Liabilities & Other Credits	\$56,950,049	\$59,547,807

Annual Meeting Program

10:30 a.m. - CALL TO ORDER	Dale Anderson, Chairman
INVOCATION	Stanley Wubben, Secretary/Treasurer
APPOINTMENT OF PARLIAMENTARIAN	Don Wilcox, Attorney
APPOINTMENT OF SECRETARY	Robin Ryks
NATIONAL ANTHEM	
REPORT OF QUORM	Stanley Wubben, Secretary/Treasurer
DECLARATION – FILE REPORT ON QUORUM	Dale Anderson, Chairman
READING OF NOTICE OF ANNUAL MEETING	Stanley Wubben, Secretary/Treasurer
AFFIDAVIT OF MAILING	Stanley Wubben, Secretary/Treasurer
APPROVAL OF 2013 ANNUAL MEETING MINUTES	Dale Anderson, Chairman
INTRODUCTION OF GUESTS	Dale Anderson, Chairman
PRESIDENTS COMMENTS	Dale Anderson, Chairman
CEO REPORT	David George, Chief Executive Officer
GUEST SPEAKER	Gary Connett, Great River Energy
REPORT ON FILING FOR DIRECTOR ELECTIONS	David George, Chief Executive Officer
INTRODUCTION OF DIRECTORS	
Introduction of Nominees by District:	
District 2	(Incumbent) Ted Olsen, Joe DeCathelineau
District 5	Mike Lownsbury, Dan Pomeranke, Dan Grothe, Robbert Stone
District 9	Jerrell Stanley
Introduction of present Board Members:	
<i>Dale Anderson</i>	District 1
<i>(Incumbent) Ted Olsen</i>	District 2
<i>Diane Helgeson</i>	District 3
<i>Donna Boonstra</i>	District 4
<i>(Retiring) Sharon Arfstrom</i>	District 5
<i>Darrell Fostervold</i>	District 6
<i>Robert King</i>	District 7
<i>Stanley Wubben</i>	District 8
<i>(Retiring) Donald Boll</i>	District 9
OLD BUSINESS	
NEW BUSINESS	
Recognition	Board Director, (Vice-Chair) Darrell Fostervold – 20 years of service
Recognition	Retiring Board Director, Sharon Arfstrom – 12 years of service
Recognition	Retiring Board Director, Donald Boll – 37 years of service
QUESTIONS OF THE MEMBERS	
REPORTS OF ELECTION RESULTS	
MOTION TO ADJOURN	
11:30 a.m. - LUNCH AND PRIZE DRAWINGS	