



# NewsFlashes

MAY 2024



## Record Turnout for LREC's 2024 Annual Meeting!

We had a great 87<sup>th</sup> annual meeting on April 18<sup>th</sup>, and once again we had in-person meetings in Fergus Falls, Frazee, and Parkers Prairie, together with a livestream option. A record 1,332 people attended our 2024 Annual Meeting! LREC members who were unable to attend the live meeting are encouraged to watch the annual meeting video at [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting). We, as employees at LREC, must continue to provide our members meaningful ways to come together to visit, learn, and move our cooperative

forward so it can be the best version of itself possible. Annual meetings are fantastic--member-owners coming together to elect their directors who make decisions on a local level that are in the best interests of the co-op's membership.

Before the meeting started, Tim Eggebraaten, known as the "Off Duty Chief," kept our members and attendees entertained by playing live music and interacting with the crowd. We appreciate the energy he delivers to us during the meeting.

LREC's Board Chair Tom Jennen opened the meeting and spoke about the role of LREC's directors, who are elected by the members they serve. Their job is to make sure the cooperative is in the best position it can be to serve the members in the manner they all deserve. Jennen mentioned how the Board of Directors continues to look for ways to positively trans-



The Frazee Annual Meeting location was well-attended.

form the experience of LREC members. Jennen also recognized the retirement of District 4 Director Earl Rydell and his 15 years of serving LREC members.

For those of you who were not able to attend the annual meeting, I highlighted a variety of topics that we hope are important to all of LREC's members, directors, and employees. This included the importance of member engagement, positive 2023



Members line up for dinner at the Fergus Falls Annual Meeting location.

*Tim Thompson's CEO Column continued on page 2 →*



LREC offices will be closed in honor of **Memorial Day** on Monday, May 27<sup>th</sup>.

# CEO Column // LREC's 2024 Annual Meeting *Continued from front page.*

member satisfaction survey results, LREC employees and their desire to serve LREC members around the clock, the cooperative's growth, constantly looking at ways to continue to improve reliability for members, LREC projects, innovation and technology leading to

I am grateful for the high level of engagement you have with your cooperative. Our goal is to make sure your annual meetings and other member events deliver the experiences you deserve. We want you to be as informed as possible so you can feel good about your cooperative.

ning, *Jim Horan*, of the Mid-West Electric Consumers Association, *Priti Patel*, GRE's VP and Chief Transmission Officer, *Jon Brekke*, GRE's VP and Chief Power Supply Officer, and *Steve Nisbet*, of the Minnesota Automobile Dealers Association. After the panelists' portion of the energy forum is completed, we will break for lunch and you will then have an opportunity to be part of our first ever breakout session portion of the event. During this time, you will have hands on opportunities to learn about and discuss electric vehicles, battery storage, generators, and GoWest Solar. If you would like to attend, please register by scanning the QR code located below or visiting [www.lrec.coop/energyforum](http://www.lrec.coop/energyforum).



## Election Results from 2024 Annual Meeting

Incumbent director *Kurt Krueger* of District 1 was elected by acclamation, and incumbent director *Tom Jennen* of District 7 was elected by acclamation. LREC welcomes one new director, *Lee Mindemann*, who will represent District 4. Mindemann was elected in a two-member race in District 4. Mindemann will be the successor to *Earl Rydell*, who retired after serving as District 4 director for 15 years.

## You are All Invited to Upcoming LREC Events!

I invite you to attend the **3<sup>rd</sup> Annual LREC Energy Forum** at Thumper Pond in Ottertail City on **May 30<sup>th</sup>**. The event will start at 8:30 a.m. and will conclude around 1:30 p.m. A light lunch will be provided during the energy forum. LREC will host the event, Jeff Haase of Great River Energy (GRE) will serve as moderator, and the following panelists will be there to share and discuss all things energy: *Jim Matheson*, CEO of the National Rural Electric Cooperative Association, *Darrick Moe*, CEO of the Minnesota Rural Electric Association, *Zac Ruzycski*, GRE's Director of Resource Plan-

I also invite you to come visit us on **August 8<sup>th</sup>** at Maplewood State Park, from 3 p.m. to 7 p.m. We will be celebrating all of you during our **LREC Member Appreciation Day**. LREC will provide food, and you will have free entry to the park. Please come and take one of LREC's electric vehicles (*Ford Lightning* and *Ford Mach E Mustang*) for a test drive, or one of LREC's electric bikes for a test ride. Our lineworkers will also provide electrical safety demonstrations. It will be a great time to get together and visit in one of the many beautiful places within our service area. I hope to see you there!



*Jim Thumper*

positive results, LREC's rate strategy that includes engaging with members, innovative programs, creating new revenue streams to keep rates as low as possible, the value of electricity, and LREC being actively engaged throughout its service area. LREC had a successful year in 2023. LREC increased its equity, reflecting the financial strength of the co-op. We paid \$1,570,000 of capital credits to members, making it 11 consecutive years of record capital credit retirements. We also experienced continued growth of LREC and LREC's natural gas subsidiary, Lake Region Energy Services (LRES).

## ENERGY FORUM *A Cooperative Conversation*



Please join us for our annual Energy Forum on May 30<sup>th</sup>! There will be a diverse panel of presenters/panelists sharing and discussing all things energy. New this year, we will have breakout sessions featuring Briggs & Stratton discussing battery storage and generators, EV owners and experts, and LREC's energy services team highlighting the products and services LREC offers.

Attendees will have the opportunity to **learn, engage,** and **interact**. The event is hosted at Thumper Pond in Ottertail, MN from 8:30 a.m. to 1:30 p.m. A light lunch will be included.

### PRESENTERS/PANELISTS INCLUDE:

- Jim Matheson**, CEO of National Rural Electric Cooperative Association
- Darrick Moe**, CEO of Minnesota Rural Electric Association
- Zac Ruzycski**, Director of Resource Planning at GRE
- Priti Patel**, VP and Chief Transmission Officer at GRE
- Jon Brekke**, VP and Chief Power Supply Officer at GRE
- Jim Horan** of the Mid-West Electric Consumers Association
- Steve Nisbet** of the Minnesota Automobile Dealers Association



If you are interested in attending this free event, please RSVP at [www.lrec.coop/energyforum](http://www.lrec.coop/energyforum)



# SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Below are the consolidated financial statements of **Lake Region Electric Cooperative** (*electric*) and **Lake Region Energy Services** (*natural gas*).

## STATEMENT OF OPERATIONS

December 31<sup>st</sup>, 2023 and 2022

	Dec. 31, 2023	Dec. 31, 2022
<b>Operating Revenues</b>		
Electric Revenue	\$54,209,273	\$54,799,770
Natural Gas Revenue	\$1,783,870	\$1,979,733
<b>Total Operating Revenues</b>	<b>55,993,143</b>	<b>56,779,503</b>
<b>Operating Expenses</b>		
Cost of Power	35,506,676	35,378,475
Distribution Expense - Operations	3,117,011	3,068,087
Distribution Expense - Maintenance	4,146,745	4,087,067
Consumer Account Expense	1,370,560	1,334,548
Customer Service and Information Expense	897,047	962,502
Administrative and General Expense	2,822,566	3,068,120
Depreciation	4,920,016	4,691,734
Interest on Long-Term Debt	1,969,697	1,955,677
Taxes	364,901	387,076
<b>Total Operating Expenses</b>	<b>55,115,219</b>	<b>54,933,286</b>
<b>Operating Margins After Fixed Charges</b>	<b>877,924</b>	<b>1,846,217</b>
Generation, Transmission, and Other Capital Credits	2,175,919	925,358
<b>Net Operating Margins</b>	<b>3,053,843</b>	<b>2,771,575</b>
Interest Income	261,866	189,902
Other Non-Operating Income	419,305	364,652
Total Non-Operating Margins	681,171	554,554
<b>Net Margins</b>	<b>\$3,735,014</b>	<b>\$3,326,129</b>

## BALANCE SHEET

December 31<sup>st</sup>, 2023 and 2022

	Dec. 31, 2023	Dec. 31, 2022
<b>Assets</b>		
<b>Utility Plant</b>		
Electric Plant in Service	\$160,085,860	\$152,443,990
Natural Gas Plant in Service	5,670,465	5,581,430
Construction Work in Progress	2,777,240	1,300,464
<b>Total Utility Plant</b>	<b>168,533,565</b>	<b>159,325,884</b>
Less Accumulated Provision for Depreciation	61,959,419	58,175,232
<b>Net Utility Plant</b>	<b>106,574,146</b>	<b>101,150,652</b>
<b>Other Assets and Investments</b>		
Investments in Associated Organizations	30,721,637	29,520,258
Other Investments	2,830,958	2,995,669
<b>Total Other Assets and Investments</b>	<b>33,552,595</b>	<b>32,515,927</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	1,829,088	2,192,338
Accounts Receivable, Net	5,860,850	6,278,047
Materials and Supplies Inventory – Electric	2,211,818	2,392,484
Materials and Supplies Inventory – Natural Gas	209,181	199,792
Prepaid Expenses	348,305	274,528
Accrued Assets	-	112,645
<b>Total Current Assets</b>	<b>10,459,242</b>	<b>11,449,834</b>
<b>Deferred Debits</b>	<b>1,261,496</b>	<b>1,525,542</b>
<b>Total Assets</b>	<b>\$151,847,479</b>	<b>\$146,641,955</b>
<b>Equities and Liabilities</b>		
<b>Equities</b>		
Patronage Capital	\$58,147,285	\$56,819,711
Other Equities	11,011,348	10,589,301
<b>Total Equities</b>	<b>69,158,633</b>	<b>67,409,012</b>
<b>Long-Term Debt</b>	<b>67,608,879</b>	<b>65,443,317</b>
<b>Current Liabilities</b>		
Current Maturities of Long-Term Debt	2,920,000	2,337,000
Accounts Payable - General	642,673	696,537
Accounts Payable - Billed Power Costs	5,594,558	4,938,155
Consumer Deposits	361,407	357,555
Other Current and Accrued Liabilities	1,590,775	1,515,732
<b>Total Current Liabilities</b>	<b>11,109,413</b>	<b>9,844,979</b>
<b>Deferred Credits</b>	<b>3,970,554</b>	<b>3,944,647</b>
<b>Total Equities and Liabilities</b>	<b>\$151,847,479</b>	<b>\$146,641,955</b>



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Spring is here—call now to reserve your install! Our energy management specialists will walk you through the best options available for your home. Give us a call today at **(800) 552-7658** to schedule a consultation.

**13 kW**  
POWER PROTECT



Starts at \$10,230.70

**18 kW**  
POWER PROTECT



Starts at \$11,031.55

**26 kW**  
POWER PROTECT



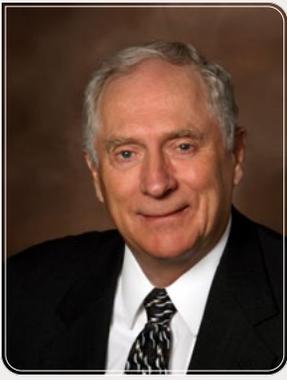
Starts at \$12,307.80



## Member Appreciation Event • August 8<sup>th</sup>

### 3 p.m.-7 p.m. at Maplewood State Park

Free admittance, dinner, and more!



# Earl Rydell Retires from LREC Board of Directors

For the past 15 years, Earl Rydell has faithfully served Lake Region Electric Cooperative (LREC) on its board of directors. With his retirement this spring, we would like to extend our appreciation for his many years of service and take some time to reflect on Rydell's experience serving our membership.

Rydell was elected to Lake Region Electric Cooperative's Board of Directors in June of 2009. As an electronics/electrical engineer, he says he always had an interest in power generation and distribution. "I felt I could do some good representing the members of Lake Region Electric Cooperative," he says, adding how he connected with the Cooperative's mission of "keeping power safe, reliable, and reasonably priced."

His experience as an electrical design engineer, systems engineer, and project manager for over 30 years with FMC/NOD, Rockwell, and John Deere, proved to be a valuable asset to the board during his tenure. Rydell also completed the Credentialed Cooperative Director (CCD) certification program through the National Rural Electric Cooperative Association (NRECA). The CCD prepares directors to fulfill their fiduciary duty as elected officials serving on behalf of their membership.

During his time on the board, Rydell witnessed many changes in the utility industry. One of the greatest challenges was the move to find more alternative sources of energy for electric power generation. He says he believes the solution to this challenge is to adopt a slower and more moderate approach to utilizing alternative energy sources.

"Electricity demands continue to grow, and we must meet them," Rydell acknowledges. "As we move forward, new tools and inventions will impact the work of our linemen and other employees. Preventing faults before they can impact our distribution system and improving reliability are important."

Looking back on the past decade and a half on the board, Rydell says one of the highlights was helping LREC steadily move into associated industries and investments that tie into the Cooperative's electric power distribution. The hybrid wind/solar project, part-ownership in Carr's Tree Service, and standby generator program are a few noteworthy examples.

"I hope I have served you well. I appreciate the votes of the members of District 4 of Lake Region Electric Cooperative. Thank you for your support," Rydell concludes. "I have appreciated the chance to work with CEO Tim Thompson and the employees at Lake Region Electric Cooperative. They are a great group of people."

## ORU Awards \$29,150 to Local Organizations

Funds were recently granted to 15 local organizations throughout Lake Region Electric Cooperative's service area from the Operation Round Up (ORU) program. A total of \$29,150 was awarded by the Operation Round Up Board of Trustees at the April 8<sup>th</sup>, 2024 meeting. Organizations receiving funds were:

- \* **\$1,000** to the *City of Henning Park & Rec Department*
- \* **\$2,500** to *BIO Girls*
- \* **\$800** to *Someplace Safe* in Pelican Rapids
- \* **\$1,500** to the *Minnesota Deer Hunters Association* in Fergus Falls
- \* **\$500** to *Our Saviors Ten Mile Lake Church Quilters*
- \* **\$500** to the *Fergus Falls Police Department*
- \* **\$2,500** to *Faith Haven Camp, Inc.*
- \* **\$3,000** to the *Minnesota Firefighter Initiative*
- \* **\$600** for the *Brandon-Evansville Dollars for Scholars*
- \* **\$2,000** to the *Henning Skatepark Fund*
- \* **\$750** to *True Friends*
- \* **\$1,500** to the *Friends of Maplewood State Park*
- \* **\$2,000** to the *Freedom Rock* in Vergas
- \* **\$7,000** to the *Jamestown EMS Education (Ringdahl Ambulance)*
- \* **\$3,000** to the *North Country Food Bank, Inc.*

Through ORU's efforts since 2007, this local charitable fundraising program has awarded **\$712,700**. Funding for ORU stems from LREC members rounding up to the nearest dollar on their electric bills each month. If you would like to participate in ORU, please visit [www.lrec.coop/oru](http://www.lrec.coop/oru).



### ORU Board of Trustees

Operation Round Up is a voluntary charitable fundraising program through Lake Region Electric Cooperative. The trust fund is overseen by a volunteer, nine-member board of trustees, who are selected to serve by LREC's board of directors.

**Left to right:** *Patty Johnson, Nick Murdock, Ruth Vetter, Duane Hanson, Karen Hart, Denise Laymon, and Polly Reitan.*

**Not pictured:** *Kristie Partain and Harold Stanislawski.*



LAKE REGION ELECTRIC COOPERATIVE  
1401 SOUTH BROADWAY  
PELICAN RAPIDS, MN 56572

DATE April 8, 2024

ORU Grant Recipients \$ 29,150

PAY TO THE ORDER OF  
Twenty-nine thousand - one hundred fifty & 00/100 DOLLARS

LAKE REGION ELECTRIC COOPERATIVE  
MEMO Operation Round Up LREC Trust Fund