

# 2022

## ANNUAL REPORT

### POWERING FUTURE GENERATIONS



**Renville-Sibley Cooperative  
Power Association**  
**85th Annual Meeting**  
**March 30, 2023**



Manthei



Norris

# BOARD CHAIR AND CEO REPORT

Roger Manthei, Board Chair and DeeAnne Norris, CEO

In 2022, Renville-Sibley Cooperative Power Association provided safe, reliable, and efficient electric energy and services to enhance the quality of rural living we all enjoy. We had a productive year; however, three storms interrupted service hampering our ability to deliver power to every home and farm. We sincerely appreciate the patience shown by our members as we worked through all areas of our system to restore power. We are currently working with the Federal Emergency Management Agency (FEMA) and Homeland Security and Emergency Management (HSEM) to attain funds to offset some of the expenses associated with these storms. Renville-Sibley had a good year financially; we maintained a strong equity position, and our financial ratios exceeded our debt service requirements.

## 2022 AT A GLANCE

(as of yearend):

**Employees:** 13 FT; 1 PT

**Average Member Service**

**Locations:** 1,882

**Miles of line:** 1,046

**Average consumers per mile:** 1.8

**Revenue:** \$14,704,443

**Power Cost (includes power purchased from member-owned wind/solar):** \$10,265,718

**Total Utility Plant Investment of**  
**\$37.7 million**

**Kilowatt-hours (kWh) sold:**  
**176,621,887**

**Distributed generation (DG)**  
**facilities owned by members:** 33  
**DG Nameplate Kilowatt (kW) total:**  
**877.77**

**DG facilities 2022 full year of**  
**production:** 1,247,176 kWh

**RS2020 overhead to underground**  
**tap conversions:** 22

**Transformers changed out:** 45

**New services installed:** 6

**Idle services removed:** 0

**Services retired:** 7

**Work plan projects completed:** 19

**Work orders completed:** 73

**Job orders to maintain system:** 793

### NEW FACILITY

The official ground breaking ceremony for Renville-Sibley's new facility took place on June 27, 2022. Pre-cast panels were installed by the end of October. Once the external shell of the building was erected, multiple phases of the project commenced and will conclude with the final painting and cleaning which is expected to be complete by mid-May. The building will be substantially complete by June 1, 2023. Furniture, fixtures and the final exterior finishes should be in place by early July, assuming the spring weather cooperates.

The facility will officially open to the members and the public on August 7, 2023. We will host an open house, including facility tours on Tuesday August 22, 2023 from 10:30 am until 8:00 pm.

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 after the meeting, time to view progress pictures and videos, as well as provide any comments or questions you may have about the project.

Please visit our website at [rscpa.coop/renville-sibley-new-facility](https://rscpa.coop/renville-sibley-new-facility) to view a time-lapse video of the external construction of the building. See the insert of this annual report for some pictures of the ground breaking and some of the construction activities.

### SAFETY

The number one focus at Renville-Sibley is safety for our employees and members. Working with high-voltage electricity,

linemen find themselves in potential life-and-death situations regularly. We take the safety of our employees very seriously. In addition to providing safety clothing, equipment, and training, we have a safety committee 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, including on-site inspection of all our facilities, trucks, and electrical lines in addition to crew observations.

We are members of [safeelectricity.org](https://safeelectricity.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. Other safety training includes safety demonstrations at Farmfest and our local schools. While working on the distribution line, the operations department also keeps an eye out for potential public safety hazards.

### NATIONAL LINEMAN APPRECIATION DAY

Each year, the second Monday of April is designated to support and honor lineworkers officially. Our dedicated lineworkers are proud to represent Renville-Sibley and deserve all the appreciation and accolades that came their way on Lineworker 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.

### RENVILLE-SIBLEY REVENUE DEFERRAL FUND UPDATE

Renville-Sibley received bill credits from Basin Electric in 2022 of nearly one million dollars from non-member generated activities, ultimately leading to higher than

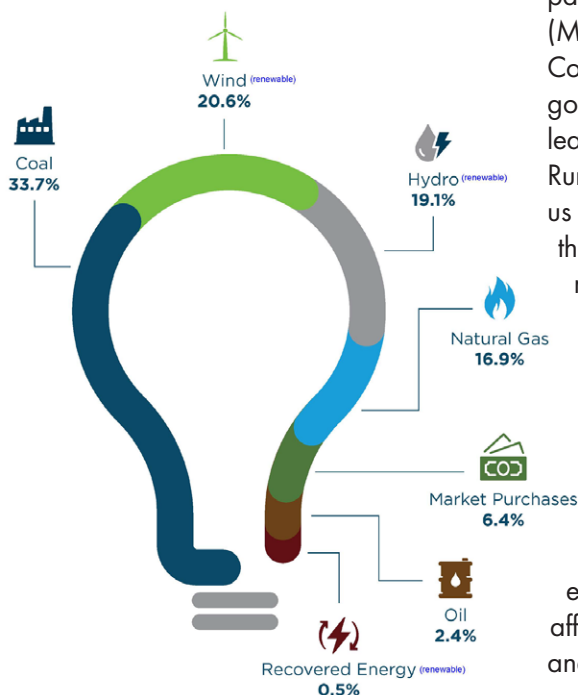
anticipated margins. Fortunately, we could defer some excess funds from 2022 to hold down electric rates to our membership in future years while preserving the capital credit allocation in the year the revenue was generated. The balance in the revenue deferral account is \$2,430,000. As required by RUS, the cash is segregated and is currently earning over 5% interest.

## CAPITAL CREDIT ALLOCATION AND RETIREMENT

Patronage capital in the amount of \$1,336,744 was allocated to our members based on the amount of electricity purchased in 2021. The Board of Directors unanimously voted to retire \$467,246 of capital credits in 2022, which included estate and general retirements. The cumulative total of capital credits retired to members is \$14.7 million. Returning margins (profits) to our membership sets cooperatives apart from other utilities.

## WHOLESALE POWER MIX

Renville-Sibley 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.



Focused on Value, Safety and Reliability

Renville-Sibley'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 73 years.

Renville-Sibley Cooperative Power Association, through its membership in East River Electric and Basin Electric Cooperative, is a part of the Southwest Power Pool. We believe that a responsible, reliable, affordable energy mix utilizes an "All of the Above" energy mix. In 2021, just over 40% of our energy mix came from renewable energy. The chart shows the 2021 East River Electric sales to all requirement members by fuel type. The 2022 East River Electric sales chart will be posted on our website at [rscpa.coop/energy-source-mix](https://rscpa.coop/energy-source-mix) by June 2023.

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

## 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) kept 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.

# ANNUAL MEETING AGENDA MARCH 30, 2023

1. Early Bird Drawing – 5:45 pm
2. Call to Order – 6:00 pm
3. Invocation  
National Anthem video
4. New Facility Presentation –  
Renville-Sibley Member, Barbara Marks of Engan Associates
5. Establish a Quorum
6. Reading of the Notice of Meeting
7. Reading of the 2022 Annual Meeting Minutes
8. 2023 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.



# Operation Round Up (ORU)



Renville-Sibley members began contributing to the ORU program in 2019. Through the end of 2022, Renville-Sibley members and employees have contributed a total of \$33,771 and supported 38 requests for a total of \$31,850 in donations.

In 2022, the following organizations received a donation from the ORU program (in alphabetical order):

- **BOLD After Prom**
- **Cedar Mountain Imagination Library**
- **CMCS After Prom Event**
- **Fairfax Royalty**
- **Historic Renville Preservation Commission/Renville Museum**
- **Imagination Library Redwood Falls**
- **MACCRAY After Prom**
- **Olivia Hospital & Clinic Foundation**
- **Renville Fire Department**
- **Splash Island Adventure Park**
- **SWWC Foundations for Innovation in Education**
- **United Way of West Central Minnesota**
- **West Central Creating Entrepreneurial Opportunities**

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 [rscpa.coop/operation-round](https://rscpa.coop/operation-round) under the Your Co-op tab.



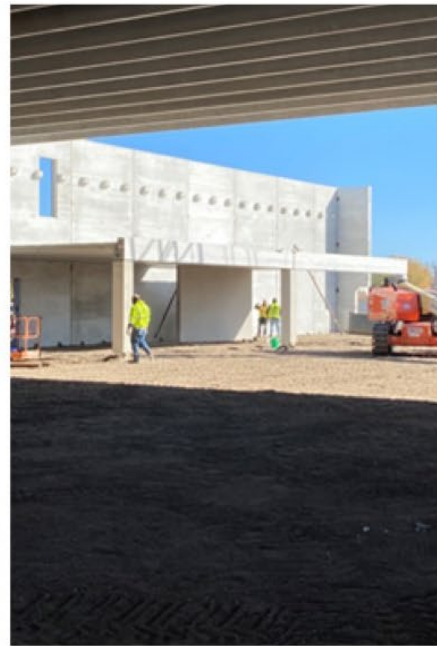
**8/7/2023 — OPEN TO MEMBERS AND THE PUBLIC**  
**8/22/2023 — MEMBER OPEN HOUSE**  
**10:30 A.M. - 8:00 P.M.**



## 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.



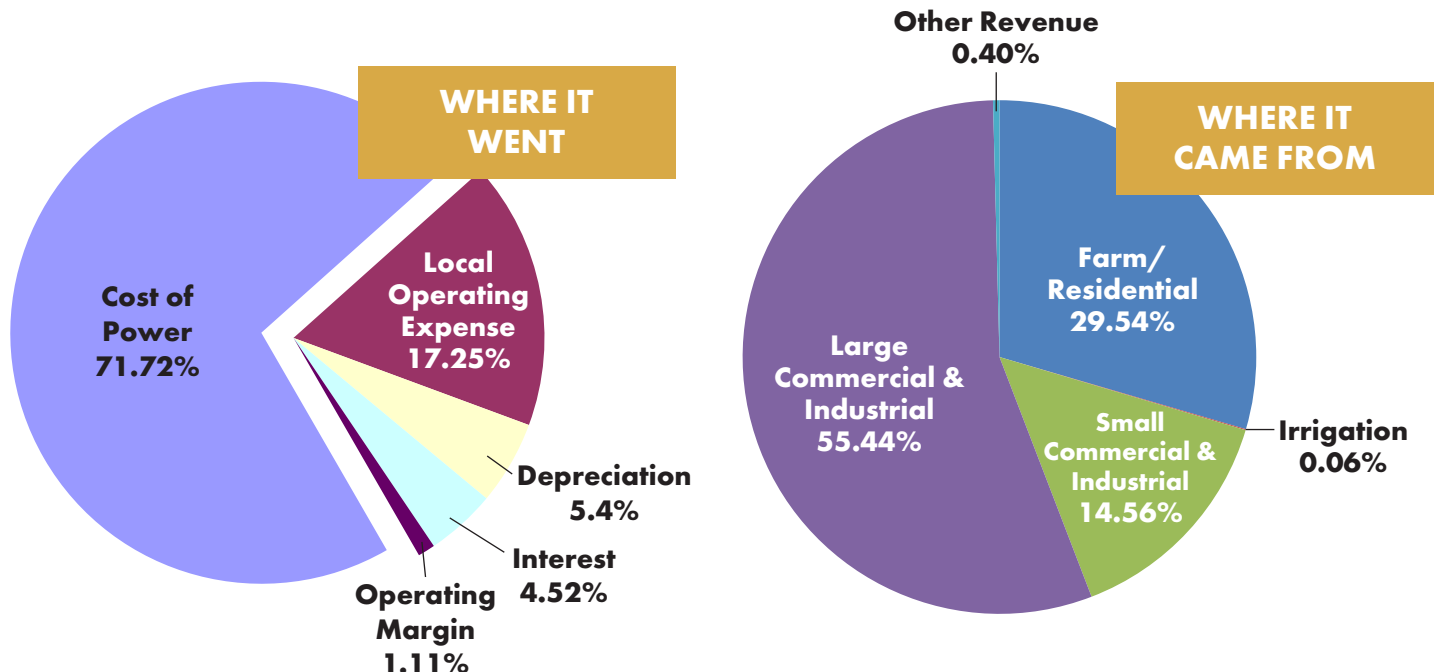


# 2022 FINANCIAL REPORT

## STATEMENT OF OPERATIONS

	2022	2021
<b>OPERATING REVENUES (Where it came from)</b>	\$14,704,443	\$16,362,088
<b>OPERATING EXPENSES (Where it went)</b>		
Cost of Power	10,265,718	12,100,833
Distribution - Operations	583,979	621,105
Distribution - Maintenance	429,887	401,514
Consumer Account	448,584	423,739
Sales	33,902	28,091
Administrative and General	1,211,470	1,018,988
Depreciation	847,580	827,229
Total	13,821,120	15,421,499
<b>OPERATING MARGINS BEFORE FIXED CHARGES</b>	883,323	940,589
<b>FIXED CHARGES (Where it went)</b>		
Interest on Long-Term Debt	675,199	500,237
Other Interest	33,641	237
Total	708,840	500,474
<b>OPERATING MARGINS AFTER FIXED CHARGES</b>	174,483	440,115
<b>G &amp; T AND OTHER CAPITAL CREDITS</b>	1,443,666	866,175
<b>NET OPERATING MARGINS</b>	1,618,149	1,306,290
<b>NON-OPERATING MARGINS</b>		
Interest Income	164,590	45,384
Other Non-Operating Margins (Losses)	81,913	(14,930)
Total	246,503	30,454
<b>NET MARGINS</b>	1,864,652	1,336,744
Patronage Capital - Beginning of Year	19,658,453	18,783,965
Retirement of Capital Credits (Net)	(467,246)	(462,256)
<b>PATRONAGE CAPITAL - END OF YEAR</b>	\$21,055,859	\$19,658,453

## 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 30, 2023**  
**6:00 pm meeting, dinner to follow**  
**Redwood Area Community Center**  
**Redwood Falls, MN**



## BALANCE SHEET

### ASSETS (What we Own)

#### ELECTRIC PLANT

Electric Plant in Service  
 Construction Work in Progress

Less: Accumulated Provision for Depreciation  
 Utility Plant (Net)

#### OTHER ASSETS AND INVESTMENTS

Investments in Associated Organizations  
 Other Investments

#### CURRENT ASSETS

Cash and Cash Equivalents  
 Temporary Investments  
 Accounts Receivable (Less Accumulated Provision for Uncollectible Accounts  
 2022-\$86,912; 2021-\$85,000)  
 Current Portion of Other Investments - Notes Receivable  
 Material and Supplies  
 Accrued Interest Receivable  
 Prepayments

#### DEFERRED DEBITS

#### TOTAL

### LIABILITIES AND MEMBERS' EQUITY (What we Owe)

#### EQUITIES

Patronage Capital  
 Other Equities

#### LONG-TERM DEBT (NET OF CURRENT PORTION)

RUS and FFB Mortgage Notes  
 NRUCFC Mortgage Notes  
 CoBank Notes  
 United States Department of Agriculture Notes

#### OTHER NON CURRENT LIABILITIES

#### CURRENT LIABILITIES

Current Maturities of Long-Term Debt  
 Accounts Payable  
 Consumer Deposits  
 Other Current and Accrued Liabilities

#### DEFERRED CREDITS

#### TOTAL

2022

2021

\$32,812,292  
 4,897,836  
 37,710,128  
 (7,867,540)  
 29,842,588

\$31,669,929  
 428,224  
 32,098,153  
 (8,003,541)  
 24,094,612

12,005,025  
 1,157,219  
 13,162,244

11,174,771  
 1,249,702  
 12,424,473

97,252  
 6,675,826  
 2,230,806  
 100,000  
 853,611  
 87,031  
 1,562  
 10,046,088

441,858  
 795,000  
 2,048,107  
 100,000  
 721,634  
 1,937  
 4,194  
 4,112,730

-

82,158

\$53,050,920

\$40,713,973

2022

2021

\$21,055,859  
 165,868  
 21,221,727

\$19,658,453  
 140,643  
 19,799,096

22,736,957  
 -  
 2,217,398  
 649,767  
 25,604,122

12,892,400  
 173,259  
 2,486,897  
 749,767  
 16,302,323

73,395

2,167

879,780  
 2,331,661  
 22,300  
 436,362  
 3,670,103

992,433  
 1,373,017  
 22,350  
 476,197  
 2,863,997

2,481,573

1,746,390

\$53,050,920

\$40,713,973



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 30, 2023**

**Redwood Area Community Center  
Redwood Falls, MN**

**RENVILLE  
SIBLEY  
CO-OP  
POWER**

Meeting begins  
at 6:00 pm

Drawings

Director elections

\$15 Energy credit for attendees

**EVERYONE IS WELCOME!**

Thursday, March 30, 2023, is the date for the 85th Annual Meeting to be held at the Redwood Area Community Center in Redwood Falls, Minnesota. The meeting will begin at 6:00 pm. A meal will be served following the 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.**



**A \$15 ENERGY CREDIT ATTENDANCE PRIZE  
will be given to members (one credit per member)  
who attend the annual meeting.**

Drawings for the early bird prizes will begin at 5:45 pm  
Drawings will be held at the close of the annual meeting.

Prizes will also be given to children in attendance.

Everyone is welcome to attend.