

# 2024

# PKM ANNUAL REPORT

## ANNUAL MEETING

TUESDAY,  
APRIL 1, 2025



WARREN-ALVARADO-OSLO HIGH SCHOOL

Doors open at 5:00 p.m. | Warren, Minnesota

ENTER TO WIN ADULT AND  
KIDS' DOOR PRIZES!

MARCH-APRIL 2025 PKM NEWS / PKMCOOP.COM

# NOTICE OF ANNUAL MEETING



The annual meeting of the members of PKM Electric Cooperative will be held in the auditorium of Warren-Alvarado-Oslo High School in the city of Warren, Minnesota, at 5:45 p.m., on **Tuesday, April 1, 2025**, for the following purposes:

- To pass upon reports of officers, directors and committees.**
- 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**  
Paul Aakre  
Angus

**KITTSON**  
Mark Hatton  
Drayton

**MARSHALL**  
Tom Woinarowicz  
Stephen

Per the cooperative bylaws, nominees for open director seats must submit a petition at least 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. Given that there is only one nominee who properly petitioned for each open director position, the board has determined not to incur the costs associated with issuing mail ballots for the three uncontested elections. In accordance with the bylaws, the election of the three candidates to their respective open director seats will be moved upon at the Annual Meeting.

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

*Wayne Malm, Secretary  
March 6, 2025*

## MARCH/APRIL 2025 (VOL. 79, NO. 2)

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### 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

**OFFICE HOURS:**  
8 a.m. to 4:30 p.m.,  
Monday through Friday  
Phone: 218-745-4711  
or 800-552-7366

**ELECTRICAL AFTER-HOURS EMERGENCIES:**  
800-552-7366  
E-mail: info@pkmcoop.com  
Website: pkmcoop.com

**NEXT BOARD MEETING:**  
*Last Tuesday of the month*

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

## PKM ELECTRICAL INSPECTORS

Marshall County	Kittson County	Polk County
Nick Boman 651-627-2696	Ronald Ditsch 218-779-6758	Todd Knaack 763-516-0344

# ANNUAL MEETING MINUTES

The annual meeting of the stockholders (hereinafter referred to as members) of PKM Electric Cooperative was held at the Warren-Alvarado-Oslo High School in the city of Warren, Minnesota, at 5:45 p.m. on Tuesday, April 2, 2024, pursuant to the provisions of the bylaws of the cooperative applying to notice of meeting.

The 84<sup>th</sup> annual meeting was called to order by Mark Hatton, president of the cooperative, who presided, and Wayne Malm, secretary of the cooperative, kept the minutes of said meeting.

CEO Jeff Rustad introduced guests and visitors from other organizations in attendance.

The president read the annual meeting rules. The attendance of a sufficient number of members to constitute a quorum was established by a register showing the members present at said meeting and verified by the president and secretary of the cooperative. The president stated that at least 103 members were present in person and that there were 2,857 accepted members in the cooperative, which established a quorum under Article II, Section 5 of the bylaws of the cooperative. The secretary was directed to file a registration for the establishment of a quorum as part of the minutes.

The president called for a motion to waive the reading of the Notice of Meeting and Affidavit of Mailing. A motion was duly made, seconded and passed unanimously.

Since the minutes of the last meeting of the members held on April 16, 2023, were included as a part of the annual report mailed to members prior to the meeting and distributed to members registering at the annual meeting, a motion was duly made, seconded and passed that the reading of said minutes be dispensed with and that they be approved as distributed.

The annual report of the president was presented. The treasurer's report was presented in the annual report. The annual report of the CEO was presented.

Upon conclusion thereof, all reports heretofore presented were upon motion duly made, seconded, carried and received by the membership.

The president called on the attorney, Samuel Schmitz, acting secretary to the Nominating Committee, to read the Nominating Committee report.

The CEO called for a motion to waive the reading of the Nominating Committee report. A motion was duly made, seconded and passed unanimously.

Said report disclosed the nominations of the following members for the board of directors:

**POLK COUNTY** (For a three-year term)  
**Blake Owens** – Warren, Minn.

**KITTSOON COUNTY** (For a three-year term)  
**Christopher Mortenson** – Kennedy, Minn.

**MARSHALL COUNTY** (For a three-year term)  
**Wayne Malm** – Argyle, Minn.

The Nominating Committee consisted of the nine following members:

Chairman Jeff Chwialkowski – Argyle, Minn.

Secretary Garrit Winge – Kennedy, Minn.

Dale Huderle – Angus, Minn.

Bob Wimpfheimer – Warren, Minn.

Matt Linsley – Euclid, Minn.

Gary Jensen – Drayton, N.D.

Jeff Mortenson – Kennedy, Minn.

Troy Osowski – Argyle, Minn.

Ryan Rivard – Argyle, Minn.

The committee finalized their decision during a meeting held at the cooperative headquarters on Tuesday, March 5, 2024, at 8 a.m. The report of the Committee on Nominations was ordered to be certified by the secretary and annexed to the minutes of the meeting.

The CEO called on the cooperative's legal counsel to conduct the election. The attorney stated there are three vacancies on the board, one from each county, for a three-year term. He introduced all candidates starting with Polk, Kittson and Marshall counties. The attorney called for a motion to accept nominations. A motion was duly made, seconded and passed unanimously.

There were no additional questions from members attending the meeting.

The president thanked the members for their support of the cooperative and attending the annual meeting.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.



# PRESIDENT AND CEO'S REPORT



**Mark Hatton**  
President

We would like to invite everyone to our annual meeting taking place in the newly remodeled auditorium at Warren-Alvarado-Oslo High School on April 1, 2025. David Lee Catering will be serving Grandma Lee's chicken, cheesy potatoes and candied carrots with Special K bars and almond bars for dessert. The gift this year will be a coffee mug designed by local 17-year-old artist Willow Larson (you can see her work at [ivoryandsage.net](http://ivoryandsage.net)).



**Jeff Rustad**  
CEO

PKM Electric Cooperative ended 2024 with a \$2.2 million margin. Of this, \$800,000 was designated as non-operating. PKM has had adequate revenue to meet all our financial commitments. In 2024, we paid out 2001, 2002, and 35% of 2003 capital credits, totaling \$350,000 back to our members. This year, the board approved \$384,890, which includes the remaining 2003 balance and 60% of 2004.

This retirement credit will be applied to

your March billing and will hit your mailboxes in early April. We ended December 2024 with 22% increased sales compared to December 2023. We purchased 125.1 million kilowatt-hours (kWh) in 2024. Only a few Minnkota-system cooperatives ended the year with an increase in sales; PKM ended with a 1.2% increase compared to 2023 sales. American Crystal Sugar freeze piles and increased off-peak sales contributed to the increase. We added around \$3.6 million to our plant this year, totaling \$47.8 million in comparison to \$44.1 million in 2023. We also ended 2024 with a very good equity ratio of 56%.

PKM completed our LED yard light grant in 2024 and received \$60,000 in funding. We also received a Minnesota OSHA safety grant that covers half the cost of purchasing safety equipment and tools. This is the second grant we have received, totaling just over \$30,000. PKM completed the MREA RESAP (Rural Electric Safety Achievement Program) Observation in May 2024. There were 171 specific observations; PKM received eight "Exceeds Requirements," 161 "Satisfies" and two "Partially Satisfies." These are very good results – we're told receiving "Exceeds Requirements" is out of the norm. Great job to our PKM employees.

Our 2021-2024 construction work plan would have ended this year; however, PKM is extending it out into 2026. PKM has only drawn down half of our RUS funding so far that has been allocated for this workplan. Interest rates have not been

favorable to PKM on the funds we have drawn down to date. Our linemen took on two large three-phase workplan projects. They converted 8 miles of two-phase overhead to three-phase underground going north of Highway 11 by Drayton. This provides PKM a full three-phase back-feed between Robbin and Hallock substations. We also converted 4.5 miles of two-phase overhead to three-phase underground south of Robbin. This improvement increases the wire size, which helps with voltage and increased loads. A new digger truck that was almost three years in waiting, with a price of \$340,000, arrived at PKM this past year.

PKM converted a total of 26.8 miles of overhead to underground compared to 17.6 miles in 2023. We also added 12.5 miles of new underground compared to 7 miles in 2023. We replaced 11 miles of existing underground compared to 3 miles in 2023. The linemen completed 30% more work orders in 2024 than in 2023. PKM added 60 new services compared to 37 in 2023. Both the line crew and office did a great job, along with Olson Underground, completing all this work in 2024. This increased workload is a huge undertaking. The planning and installation of material also comes with a substantial amount of paperwork ensuring everything is charged out where it should be and work orders are completed. This makes a big difference when it comes to counting the inventory – a great job done by our PKM employees.

Operation Round Up has 2,403 active participants. The monthly contributions from your rounded-up billings are assigned to our PKM Electric Cooperative Trust. In 2024, 13 \$1,000 scholarships were awarded to service-area students attending college. To date, PKM has distributed 454 scholarships.

PKM subsidiary Carr's Tree Service broke \$30 million in total revenue for the second year in a row. They have 300 employees on average and opened a new outpost in east Harwood just north of Fargo. PKM is one of nine owners of Carr's Tree Service.

Last summer we did a trial run on an alternative work schedule of four 10-hour workdays in July and August. We will be returning to this work schedule effective June-August 2025. Our office hours will be **7 a.m. to 5:30 p.m.** Monday through Thursday, and we will be closed on Fridays. These extended hours will allow you to stop in earlier or later in the day if needed. On Fridays, if you need to report an outage, call **218-745-4711** or **800-552-7366**, as we will continue to be on call just like we are every weekend and holiday.

**17**  
employees

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**2,857**  
members

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**2,329**  
miles of distribution line

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**\$15.7M**  
2024 revenues

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**\$41.6M**  
total assets

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**8.12¢**  
average kWh rate

## JOINT SYSTEM POWER GENERATION PORTFOLIO



PKM Electric Cooperative distributes a diverse supply of electricity generated from coal, wind and water. The figures represent Minnkota Power Cooperative's generation in terms of capacity.

# PKM BOARD OF DIRECTORS



**Mark Hatton**  
President  
Drayton, ND  
Term expires 2025



**C.J. Peterson**  
Vice President  
Lancaster, MN  
Term expires 2026



**Wayne Malm**  
Secretary/Treasurer  
Argyle, MN  
Term expires 2027



**Paul Aakre**  
Director  
Angus, MN  
Term expires 2025



**Jerred Copp**  
Director  
Warren, MN  
Term expires 2026



**Steve Goodwin**  
Director  
Angus, MN  
Term expires 2026



**Chris Mortenson**  
Director  
Kennedy, MN  
Term expires 2027



**Blake Owens**  
Director  
Warren, MN  
Term expires 2027



**Tom Woinarowicz**  
Director  
Stephen, MN  
Term expires 2025



**Jeff Rustad**  
CEO

## PKM POLITICAL LEADERS

### Federal Legislators

#### President Donald Trump

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

#### Senator Tina Smith

720 Hart Senate Office Building  
Washington, D.C. 20510  
www.smith.senate.gov  
Phone: 202-224-5641

#### Senator Amy Klobuchar

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



#### Congresswoman Michelle Fischbach, U.S. House (7th District)

2229 Rayburn House Office Building  
Washington, D.C. 20515  
www.fischbach.house.gov  
Phone: 202-225-2165  
Fax: 202-225-1593

### MN State Legislators

#### Governor Tim Walz

Capitol Building, Room 130  
75 Rev. Dr. Martin Luther King Jr. Boulevard  
St. Paul, MN 55155  
Phone: 651-201-3400 or 800-657-3717  
www.mn.gov/governor

#### Minority Leader

#### Senator Mark Johnson (01, R)

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

#### Representative John Burkel (01A, R)

309 State Office Building  
St. Paul, MN 55155  
Phone: 651-296-9635  
rep.john.burkel@house.mn.gov

#### Representative Steve Gander (01B, R)

Centennial Office Building (2nd floor)  
St. Paul, MN 55155  
Phone: 651-296-5091  
rep.deb.kiel@house.mn.gov

# BOARD DIRECTOR CANDIDATES

## POLK COUNTY



**Paul Aakre**  
*Three-year term*

Director Aakre and his wife Janet have resided on their farm east of Angus since 1975. In addition to six children (and now 20 grandchildren), they raise small grains and row crops. Director Aakre taught Mechanized Agricultural courses at the University of Minnesota at Crookston for 42 years before retiring from his teaching role. Prior to that, he taught FFA/ Vocational Agriculture at Elbow Lake and Newfolden, Minnesota. Director Aakre has really enjoyed the opportunity to serve on the PKM co-op board the past nine years, noting that PKM operates efficiently and has a responsible, conservative board. He also serves as president of the Square Butte board. Square Butte operates the Unit 2 power plant at the Milton R. Young Station. If elected, Director Aakre promises to support board decisions that will maintain reliable power and reasonable electric rates and equip employees of PKM with the proper tools and training to ensure their safety and effectiveness. He will embrace renewable energy efforts where proven practical and fully supports Minnkota's current power-generating sources.

## KITTSOON COUNTY



**Mark Hatton**  
*Three-year term*

Mark Hatton serves the Kittson County membership of PKM. Director Hatton and his wife Debra reside in Teien Township, which is located in the southwest corner of Kittson County. Together Mark and Deb have six grown children and nine grandchildren. Director Hatton is a retired CPA, who continues to serve as a consultant during tax season. Mark has been on the PKM board since 2016 and has served as president of the Cooperative for the last five years. He is a firm believer in continuing education and has attained membership in the Director Gold Program of the NRECA. He would like your support to continue to serve the members of the cooperative to the best of his ability and would like to thank the members of the cooperative for the privilege of serving on the board for the past nine years.

## MARSHALL COUNTY



**Tom Woinarowicz**  
*Three-year term*

Tom Woinarowicz represents Marshall County on the PKM board of directors. He and his wife Ann have lived in Donnely Township since 1979. They have four grown boys who have given them 10 wonderful grandchildren that have given them great joy. Director Woinarowicz says it has been a privilege to represent you, the member-owners, on the PKM board. He also represents PKM on the Minnkota Power Cooperative board of directors, which is PKM's wholesale power provider. He is fortunate to have had the opportunity to work with your dedicated board of directors and great employees. One of PKM's top priorities has been and will continue to be providing reliable and affordable electricity to you the member-owners. Director Woinarowicz would like the opportunity to continue this mission and would appreciate your vote.



# THANK YOUR PKM LINEWORKERS!

## NATIONAL LINEWORKER APPRECIATION DAY

APRIL 14, 2025

On the earliest mornings and latest nights, in the coldest temperatures or on the hottest day, their work keeps reliable power flowing to every member.

Our system depends on those willing to brave the storm and keep the lights on. We are grateful for those whose dedication and service is endless.

*Thank a PKM Electric Cooperative lineworker.*



## April is National Safe Digging Month

Know what's below. **CALL BEFORE YOU DIG.**

Call: 8-1-1 | Visit: [Call811.com](http://Call811.com)



Planting a  
shrub?

**CALL 8-1-1.**



Installing a  
fence?

**CALL 8-1-1.**



Starting a  
garden?

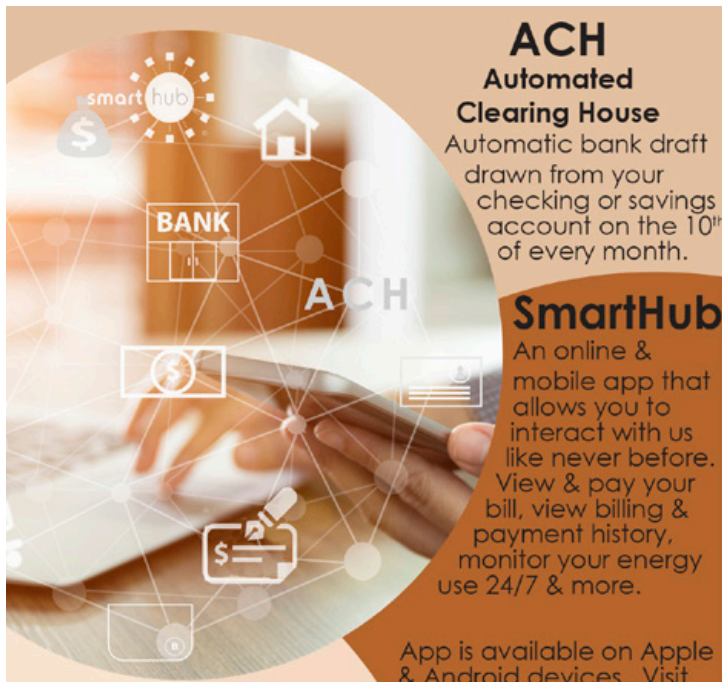
**CALL 8-1-1.**



# ACH / SMARTHUB USAGE

Members currently enrolled in ACH, SmartHub and Paperless Billing through February 2025:

**| ACH: 1,309 | SmartHub: 1,466 | Paperless: 259 |**



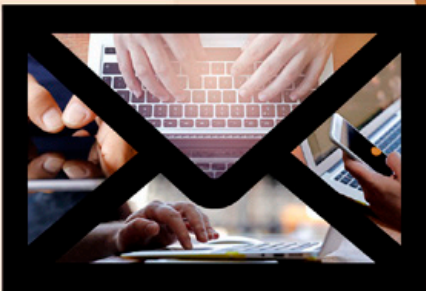
**ACH**  
**Automated Clearing House**  
Automatic bank draft drawn from your checking or savings account on the 10<sup>th</sup> of every month.

**SmartHub**  
An online & mobile app that allows you to interact with us like never before. View & pay your bill, view billing & payment history, monitor your energy use 24/7 & more.

App is available on Apple & Android devices. Visit [www.pkmcoop.com](http://www.pkmcoop.com) for additional information.

Skip the paper & enroll in paperless billing to receive a one-time

**\$5**  
**energy credit**




**ENERGY SAVING TIP**  
Spring is an ideal time to service your home cooling system with routine maintenance, ensuring it runs efficiently when the heat of summer arrives.

## STAYING SAFE DURING AN OUTAGE

We work hard to provide the most reliable service possible. Rest assured, if the power is out, we are on it!

The length of time it takes to restore your power depends on several factors, including the:




Extent of the storm's destruction    Severity of utility equipment damage    Number and extent of outages    Accessibility to damaged equipment

### STAY SAFE UNTIL POWER IS RESTORED

- Stay far away and keep others away from downed power lines, which could be live and deadly.
- If you come across a downed line, immediately call the utility or 9-1-1 to report it.
- Never enter a flooded room; the water could be energized.
- If you are standing in water, do not turn on/off power or flip a switch.



Prepare for a storm by gathering these items:

- |  |   |
|--|---|
|  Bottles of water       |  Extra batteries |
|  Nonperishable food     |  Pet supplies    |
|  Portable phone charger |  Blankets        |
|  Prescriptions          |  Warm clothing   |
|  Battery-operated radio |  First-aid kit   |
|  Flashlights            |  Hand sanitizer  |

THANK YOU for your patience during outages. When the lights go off, we are working safely and efficiently to restore power. The safety of our employees, as well as those we serve, is our TOP priority.

 Safe Electricity.org<sup>®</sup>



# SCHOLARSHIPS AVAILABLE / BILL ASSISTANCE

## 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, 2025**

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



## TIPS TO AVOID ENERGY SCAMS ⚠️

Don't fall for a power restoration rip off. Some scammers will offer to restore power quickly or in a preferential order if you make an immediate payment. These scams typically occur after major storms or disasters that cause widespread outages. We will never request or require payment to restore power after a natural disaster or storm.

Source: Utilities United Against Scams



## 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

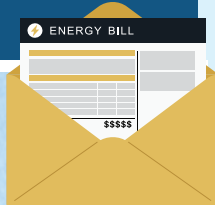
PO Box 67  
Badger, MN 56714-0067  
218-528-3258 or 800-568-5329  
[nwcaa.org](http://nwcaa.org)

#### TRI-VALLEY OPPORTUNITY COUNCIL, INC.

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



You can also apply online (scan the QR code):  
<https://energy-assistance.web.commerce.state.mn.us>



## Did you know?

APRIL							2025
SUN	MON	TUE	WED	THU	FRI	SAT	
		1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30				



**\$ FOR A DAY OF ELECTRICITY**

**=**

**\$ FOR A NEW TRAVEL UMBRELLA**

**VALUE OF ELECTRICITY**

\*comparison based on average household energy usage

# WHERE YOUR POWER COMES FROM



## ***FROM POWER PLANT TO LIGHT SWITCH***

**You flip the switch, and the light comes on. It's as simple as that, right? Not quite. It takes a great deal of effort from a lot of people to keep your power flowing. It comes from numerous sources and flows over a complex grid of connections. It's generated, transported and maintained by people across the country whose work all has one final destination: your home.**

Just like corn, cattle and soybeans, energy is a commodity. It is a product that is generated, consumed, bought and sold. Sure, you can't see it, but you can measure it, deliver it and shut it off. In today's world, energy is a necessity.

Like other commodities, energy is transported, but not by trailer, plane or rail. Instead, it flows on a grid, a massive system of power plants and transformers across the country, all connected by hundreds of thousands of miles of transmission lines. From these high-voltage lines, power flows to substations and onto lower voltage distribution grids, where it ultimately ends up at homes and businesses.

Energy differs from many other commodities in that it cannot be easily stored. Instead, it's continuously fed onto the grid in order to match high-demand areas with high-production areas virtually instantly.

The entire United States power grid is split into three smaller grids, called interconnections. The Eastern Interconnection covers the area east of the Rocky Mountains, the Western Interconnection covers the area west of the Rockies, and the Texas Interconnection covers most of Texas.

The grids are further broken down into more manageable chunks, which are assigned to organizations that coordinate,

control and monitor the system covering the smaller region. These organizations are known as regional transmission organizations (RTO) and independent system operators (ISO).

Though individual utilities often own transmission and distribution lines, the success of the U.S. power grid requires cooperation from everyone. After all, the extensive network of connections can technically be considered the largest machine in the world. In recent years, much focus has been put into updating the grid with cutting-edge computer technology, which allows more efficient monitoring and maintenance along with upgraded security and reliability.



So what exactly does this massive grid mean to us on a local level? PKM Electric Cooperative and our power supplier, Minnkota Power Cooperative, represent small pieces of the overall grid. PKM is a distribution cooperative, meaning our focus is bringing power to you; we distribute power to our membership. On the other hand, Minnkota is a generation and transmission (G&T) cooperative. Their focus is obtaining power and transmitting it for distribution. So how does Minnkota obtain power?

Much of it is generated at coal power plants or from various other nonbaseload sources, like hydro and wind. G&T co-ops and other utilities generate energy and deliver it to their customers. Still, it is not likely that the amount of energy being produced will ever exactly match the amount of energy being consumed at any given point.

For example, during an extremely cold winter stretch, local consumers require more

energy to keep their homes warm. To be prepared for these unexpected demand increases, Minnkota has additional tools at hand. Load control may be enabled, allowing electric heaters and other interruptible loads to be remotely shut off. This enables them to manage demand and keep cost stable. Additionally, energy may be purchased from the energy market.

If energy demand outweighs energy production in our part of the country, during the same period of time, another generation facility located elsewhere may be experiencing higher production than demand. The excess energy from this facility is placed on the market and facilities experiencing high demand, like Minnkota Power Cooperative, can purchase it.

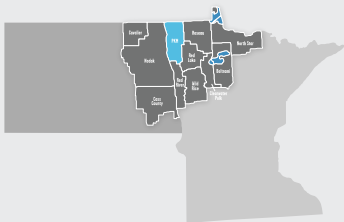
Of course, if their demand is low, excess energy is made available for sale on the market as well. During times of high demand, they utilize load control, market purchases or

both in order to provide energy in the most cost-effective way possible.

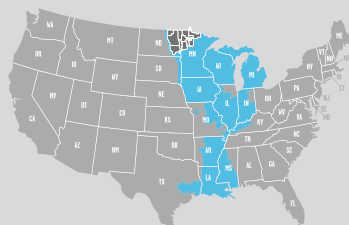
The chunk of the grid that we currently belong to is managed by Midcontinent Independent System Operator (MISO). The MISO section of the grid covers much of the Midwestern United States and Ontario, Canada. It also includes a southern region, covering much of Arkansas, Mississippi and Louisiana. Along with monitoring the grid itself, MISO also directs the energy market. It is responsible for managing the supply and demand issues of energy across its territory.

Working with providers across a large region is just one way that Minnkota and PKM ensure that there is always enough energy supply to meet demand. It's a complex system that operates on one chief principle — cooperation, with one ultimate goal — providing safe, affordable and reliable electricity to members every day.

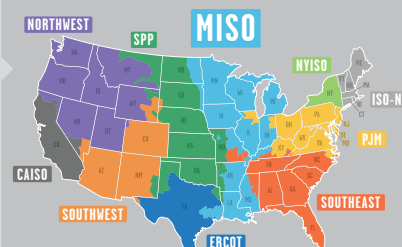
### Minnkota Power Cooperative system



### Where Minnkota Power Cooperative fits into MISO (Midcontinent Independent System Operator)



### Where MISO fits into the nation's grids









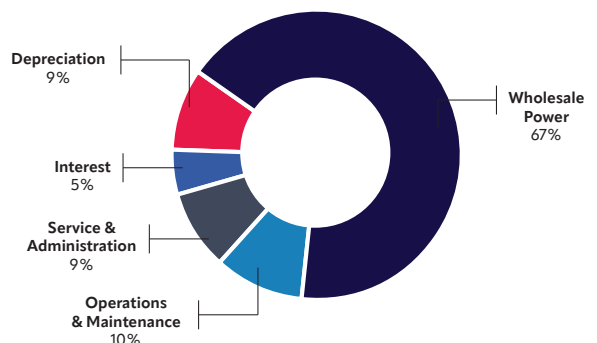
# STATEMENT OF OPERATIONS

	2024	2023
<b>OPERATING REVENUE:</b>		
Electric	\$ 15,547,507	\$ 14,522,695
Other	207,245	189,904
<b>Total Operating Revenue</b>	<b>\$ 15,754,752</b>	<b>\$ 14,712,599</b>
<b>OPERATING EXPENSES:</b>		
Cost of Power	\$ 9,614,043	\$ 9,560,584
Distribution – Operation	518,024	396,839
Distribution – Maintenance	922,928	1,019,948
Customer Accounts	295,985	327,962
Customer Service and Informational	164,555	196,207
Administrative and General	868,755	876,320
Depreciation	1,211,860	1,148,209
Interest on Long-Term Debt	718,653	655,596
Tax Expense – Other	-	-
Other Income Deductions	5,902	6,810
<b>Total Operating Expenses</b>	<b>\$ 14,320,705</b>	<b>\$ 14,188,475</b>
<b>OPERATING MARGIN</b>	<b>\$ 1,434,047</b>	<b>\$ 524,125</b>
<b>NON-OPERATING MARGIN:</b>		
Non-Operating Margins – Other	\$ 393,090	\$ 670,170
Interest Income	293,355	236,240
Generation & Transmission Capital Credits	59,431	194,459
Other Cooperative Capital Credits	61,677	52,322
<b>Total Non-Operating Margin</b>	<b>\$ 807,553</b>	<b>\$ 1,153,191</b>
<b>NET MARGIN</b>	<b>\$ 2,241,600</b>	<b>\$ 1,677,316</b>

For the years ended Dec. 31, 2024 and 2023.  
Minnesota 87 Marshall  
PKM Electric Cooperative, Inc. Warren, Minn.

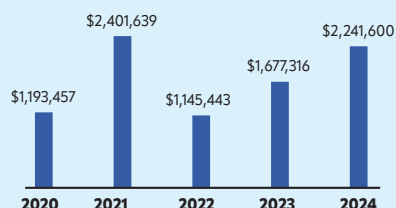
	LED LIGHTS INSTALLED			SCHOLARSHIPS AWARDED	
	<b>2024</b> 806	<b>2023</b> 91		<b>2024</b> 13	<b>TO DATE</b> 454
	POLE REPLACEMENTS			WIND ENERGY SURCHARGE	
	<b>2024</b> 61	<b>2023</b> 82		<b>2024</b> 341,771	<b>2023</b> 322,771

## Operating Expenses



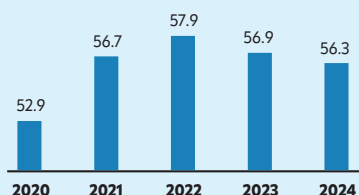
# PKM BALANCE SHEET

## Margins



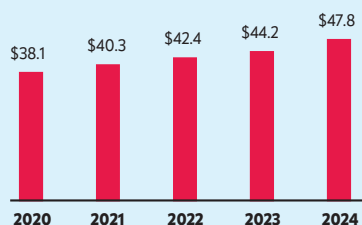
## Equity

(Percent)



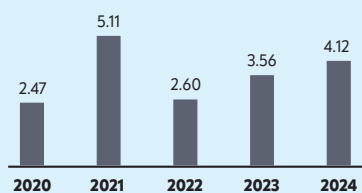
## Electric Plant Investments

(Millions of Dollars)



## TIER

(Times Interest Earned Ratio)



We invite you to study the financial statements in this report.

## Assets

2024

2023

### ELECTRIC PLANT:

In Service	\$ 46,709,842	\$ 43,791,839
Under Construction	1,109,590	402,366
<b>Total Electric Plant</b>	<b>47,819,432</b>	<b>44,194,205</b>
Less Accumulated Depreciation	16,049,675	15,557,093
<b>Electric Plant – Net</b>	<b>\$ 31,769,757</b>	<b>\$ 28,637,112</b>

### OTHER PROPERTY AND INVESTMENTS:

Investments in Associated Companies	\$ 2,142,139	\$ 2,079,068
Other Investments	2,565,858	2,464,021
<b>Total Other Property and Investments</b>	<b>\$ 4,707,997</b>	<b>\$ 4,543,089</b>

### CURRENT ASSETS:

Cash – General	\$ 1,232,434	\$ 1,133,989
Temporary Investments	1,089,654	1,044,456
Accounts Receivable	1,699,160	1,298,690
Materials and Supplies	989,947	1,381,974
Prepayments, Other Current & Accrued Assets	101,898	81,507
<b>Total Current Assets</b>	<b>\$ 5,113,093</b>	<b>\$ 4,940,616</b>

### DEFERRED DEBITS

	\$ 27,703	\$ 27,340
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### TOTAL ASSETS

	\$ 41,618,550	\$ 38,148,157
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## Equities and Liabilities

### EQUITIES:

Memberships	\$ 20,415	\$ 20,320
Patronage Capital	10,147,854	10,108,847
Other Margins and Equities	11,035,070	9,880,323
Current Year Margins	2,241,600	1,677,316
<b>Total Equities</b>	<b>\$ 23,444,939</b>	<b>\$ 21,686,806</b>

### LONG-TERM DEBT

	\$ 16,485,599	\$ 15,123,911
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### CURRENT LIABILITIES:

Accounts Payable	\$ 1,093,850	\$ 942,573
Consumers Deposits	17,850	18,050
Other Current Liabilities	576,312	376,817
<b>Total Current Liabilities</b>	<b>\$ 1,688,012</b>	<b>\$ 1,337,440</b>

### TOTAL EQUITIES AND LIABILITIES

	\$ 41,618,550	\$ 38,148,157
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# PKM EMPLOYEE/STAFF DIRECTORY



**Nolan Buchner**  
*Journeyman Lineman*



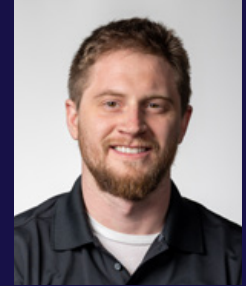
**Megan Dagoberg**  
*Administrative Assistant*



**Chelsy Davey**  
*Billing Coordinator*



**Chris Derosier**  
*Line Crew Foreman*



**Matt Kazmierczak**  
*Operations Assistant*



**Nolan Knott**  
*Journeyman Lineman*



**Joe Marcotte**  
*Operations Manager*



**Caleb Novak**  
*Journeyman Lineman*



**Karen Olson**  
*CFO*



**Ben Pahlen**  
*Sub-Line Crew Foreman*



**Riley Pahlen**  
*Apprentice Lineman*



**Danny Schmidt**  
*Member Service Manager*



**Scott Slusar**  
*Line Crew Foreman*



**Josh Tutt**  
*Journeyman Lineman*



**Sara Wurtzel**  
*Billing Clerk*

## **PKM Electric's** **advisors**

**Randy Vetter**  
*Engineer*  
MEI Engineering Inc.  
Fargo, N.D.

**Minnkota Power**  
**Cooperative**  
*Legal Counsel*  
Grand Forks, N.D.

“ We are here to  
serve you, our  
member-owners. ”



# SAVE MONEY AND ENERGY

**PKM Electric Cooperative members** who volunteer to participate in our load management, also known as off-peak, programs are able to take advantage of reduced rates for their electric heat in exchange for allowing our power supplier, Minnkota Power Cooperative, to control their energy use during peak demand times. Working together, Minnkota and PKM are able to strategically use the program to shield members from price volatility from the energy market during peak demand periods. Participating members are eligible for cash rebates when installing or converting existing equipment. PKM works together with our members to identify programs that best fit you and your family's needs. Please contact our Member Services Department for more information and program details at **218-745-4711** or visit our website at **www.pkmcoop.com**.

## REBATES

## Equipment

## PKM Rebate Only



### ELECTRIC HEATING EQUIPMENT *(must be part of PKM's off-peak load management program)*

Baseboard/cove heater, plenum heater, hanging unit heater, radiant underfloor heat \$50/kW

### ELECTRIC THERMAL STORAGE HEATING *(must be part of PKM's off-peak load management program)*

Electric boiler, brick storage room unit, brick storage electric furnace/boiler, slab storage electric cable \$80/kW



### HEAT PUMPS

Air-source heat pump (ASHP) <17 SEER \$300/ton

Air-source heat pump (ASHP) >17 SEER \$500/ton

Supplemental heating source ASHP \$500/unit

Ground-source heat pump \$500/ton



### WATER HEATERS

55 gallon or smaller \$300/unit

56-99 gallon \$500/unit

100 gallon or larger \$600/unit

New construction (50 gallon) FREE unit

Conversion from gas/propane \$250/unit





# ANNUAL MEETING SCHEDULE

TUESDAY, APRIL 1, 2025



## Warren-Alvarado-Oslo High School

**5:00 p.m.**

- Doors open for member registration
- Meal served by PKM directors

## BUSINESS MEETING

**5:45 p.m.**

- Meeting Called to Order.... President Mark Hatton
- Invocation.....Paul Aakre
- Introduction of Guests..... CEO Jeff Rustad

## BUSINESS SESSION

- Notice of Annual Meeting
- Establishment of Quorum
- 2024 Meeting Minutes .....Mark Hatton
- President’s Report .....Mark Hatton
- Treasurer’s Report ..... Included in Report
- CEO’s Report ..... Jeff Rustad
- Nominating Committee Report ..... Adam Bothun,  
Minnkota Power Cooperative Counsel

PKM will gift a custom-designed mug by artist Willow Larson from Fertile, Minnesota, per membership for attending this year’s annual meeting.

- Approval of Nominated .....Adam Bothun  
Director Candidates
- New Business
- Adjournment of Business Meeting
- Guest Speakers.....Dan Inman, *Vice President & Chief Information Security Officer* and Stacey Dahl, *Vice President of External Affairs – Minnkota*
- Prize Drawings (*must be present to win*)

**GRAND DOOR PRIZE:** \$500 energy credit (toward your electric bill)

**KIDS’ PRIZE:** Summer fun gift basket valued up to \$100

*Registration, meeting and dinner will be at the Warren-Alvarado-Oslo High School auditorium and cafeteria. Please use the north entrance door #12.*

