

# 2020 ANNUAL REPORT



## **Annual Meeting Agenda August 19, 2021**

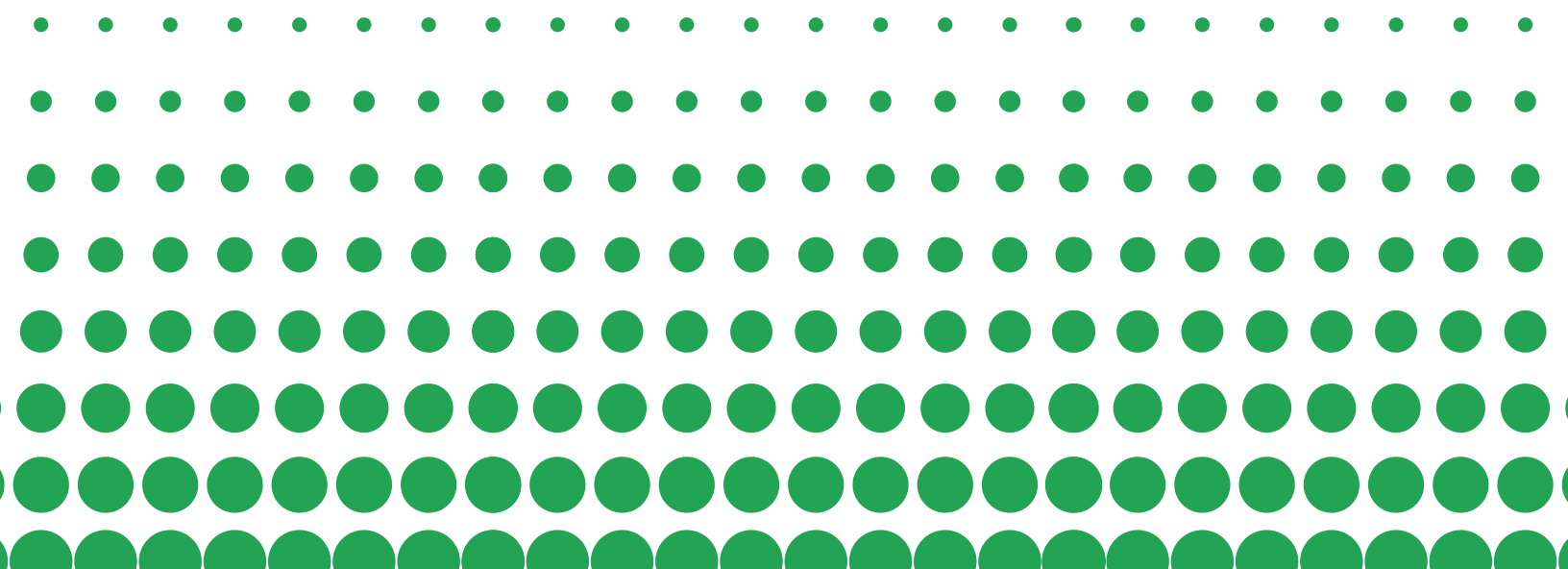
**Registration Open  
10:00 a.m. - 12:30 p.m.**

**Lunch  
11:30 a.m. - 12:30 p.m.**

**Business Meeting  
12:30 p.m.**

National Anthem  
Call to Order and Introductions  
Call of Role  
Reading of Notice of Meeting  
Reading/Approval of Minutes  
Report of Treasurer  
Election of Directors  
CEO Report  
Unfinished Business  
New Business  
Adjournment

**Awarding of Cash Prizes**





# Executive Message

**By President Ron Thielen and CEO Jeremy Richert**

Our Staff and Board of Directors are excited to host this year’s Annual Meeting in person! We missed being able to interact with you when we were unable to meet last year due to the COVID-19 pandemic, but it did force us to try something new when we conducted the Annual Meeting remotely via mail. We had a great response with almost 2,000 members returning their ballots. In an effort to allow the highest number of members as possible to participate, we allowed members to participate by mail or in person this year. We appreciate all members who participate in the governance of the cooperative to ensure their voice is heard.

The COVID-19 pandemic had a significant impact on the way we were able to conduct business over the last 12 months as we were forced to alter normal work practices in order to ensure the safety and health of both our employees and our members. While our mode of conducting business didn’t always look the same, we are proud to say we were able to continue providing the same high level of electric and broadband services that you have come to expect from us.

Five years ago at the Annual Meeting we announced the launch of MVlink to the membership. The last five years has been a bit of a whirlwind as we transitioned into a cooperative that offers both electric and broadband services. Our staff has worked extremely hard getting the fiber project launched and fully operational. The member response to MVlink services continues to be extremely strong and has reinforced our belief that access to high-speed broadband services can be a game changer for both the rural and urban areas we serve. We currently have constructed over 2,200 miles of fiber network and are approaching 5,500 members that have signed up for MVlink services.

In addition to MVlink activity, we continue to focus efforts on maintaining the electric grid to ensure we are able to provide energy services in a safe, reliable, and affordable manner. Last August, the Derecho caused significant damage to areas of our electric system. MVEC crews along with crews from other Cooperative’s across the state worked day and night to get service restored as quickly as possible. Overall, we continue to operate one of the most reliable electric grids in the state with outage time for our members being 40% lower than the average outage time experienced across Iowa. Exceptional services at affordable rates is a benefit we are proud to provide to our members.

In closing, we wish to thank our fantastic team of employees for their dedication to our members. They truly care about meeting the needs of our members and have worked in whatever manner necessary to do so over the last 12 months.

Ron Thielen, President

Jeremy Richert, CEO



# Minutes of 2020 Annual Meeting

The Annual Meeting of the Members of Maquoketa Valley Rural Electric Cooperative was held at the Maquoketa Valley Rural Electric Cooperative headquarters office in Anamosa, Iowa at 8:00 A.M. on the 20th day of August, 2020.

In person attendance at the meeting was limited due the COVID-19 health pandemic and social distancing was practiced for those in attendance. Member participation in the Annual Meeting was handled via US Mail.

President Thielen, having confirmed a quorum was present, called the meeting to order.

President Thielen then appointed attorney Phil Brooks as Parliamentarian for the meeting. Secretary Gene Manternach took the official minutes.

President Thielen indicated a roll call of the members was in order unless waived. A motion was duly made, seconded and carried, to waive the reading of the roll of the membership. The members listed in Attachment A (excluded but available upon request) had been previously checked against the records of the Cooperative and participated in the Annual Meeting.

The official notice of the meeting along with the Annual Report and voter response card was mailed to all members of record on August 4, 2020. A motion was duly made, seconded and carried, to waive the reading of the notice of the meeting.

President Thielen reviewed the nominating process that was followed for the director election. All members were notified through the Watts Current newsletter of the director election and the process for seeking a position on the Board. President Thielen stated that in accordance with the Cooperative's Articles of Incorporation and Bylaws, the Board of Directors had appointed an independent Nominating Committee consisting of the following three members of the Cooperative:

- Mr. Harry Althaus from Dubuque County, chairman
- Mr. John Stender from Jackson County, and
- Mr. David Aschbrenner from Jones County

The Report of the Nominating Committee was presented and the committee nominated the following members for a Director position:

- Gene Manternach for Region 1 including Jones, Cedar, and Linn Counties
- Robert Stoll for Region 1 including Jones, Cedar, and Linn Counties
- Charlie Peters for Region 2 including Jackson and Clinton Counties
- Judy Gotto for Region 3, Dubuque County
- Mary Goebel for Region 3, Dubuque County

No petitions were received from members asking to be included on the ballot.

President Thielen reviewed the voter response card that was used by the Cooperative's members to participate in the business of the Cooperative. The members voted on approving the 2019 Annual Meeting minutes, approving the 2019 Treasurer's Report, and the election of directors.

The counting of the ballots that had been returned by the membership was overseen by Attorney Phil Brooks and the results were presented to CEO Jeremy Richert.

The Cooperative membership voted to approve the 2019 Annual Meeting minutes, approve the 2019 Treasurer's Report, and elected the following members to a three year term on the Board of Directors: Gene Manternach – Region 1, Charlie Peters – Region 2, and Judy Gotto – Region 3.

President Thielen called for any unfinished business to be brought before the meeting at this time. No unfinished business was raised.

President Thielen asked if there was any new business to be addressed. No new business was presented.

Having concluded all the necessary business to come before the membership, a motion was duly made, seconded and approved to adjourn the meeting.



# Director Candidates

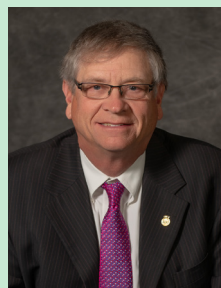


Jan Null  
Monticello

Husband: Bob  
Sons: 2  
Daughter: 1  
Grandchildren: 7

Jan Null- Region 1 (Jones, Cedar and Linn Counties)

- Co-owns and operates Timber's Edge Farm Corp. with husband
- Raises corn and soybeans and manages CRP and timber acres
- Master Gardener
- Sacred Heart Church member and pianist
- Innovative Ag Services Cooperative member
- Iowa Farm Bureau Member
- Iowa Farm Business Association member
- MVEC member since 1980
- MVEC board member since 2012; Finance Committee member; earned NRECA Credentialed Cooperative Director Certificate in 2013



Larry Swanson  
Manchester

Wife: Sandy  
Son: 1  
Daughter: 1

Larry Swanson - Region 4 (Delaware, Buchanan and Clayton Counties)

- Owns and operates corn and soybean farm north of Manchester
- Graduate of Iowa State University with a degree in Agricultural Business
- Member of First Lutheran Church, past church council president and served on various committees
- Former member of board of Delaware County Farm Bureau; served on legislative committee
- Former member of board of Foundation for Future of Delaware County
- Former member of Delaware County Extension Council and 4-H Youth Committee
- MVEC member since 1971
- MVEC board member since 1991, serving as President from 2006 to 2017; participated in NRECA training and education, earning NRECA Credentialed Cooperative Director Certificate, Board Leadership Certificate and Director Gold Credential

## REGION 1 - JAN NULL

### Why are you interested in serving another term on the board?

I bring both experience and the ability to effectively serve our membership and support the mission of the cooperative.

### What strengths will you bring to the Board if elected?

Being a good listener and an open-minded person are qualities I believe help me serve our members well. My experience on the Finance Committee aids me in making fiscally responsible decisions for the Cooperative.

### What is your greatest hope for the Cooperative's future?

My hope is that the Cooperative can always meet our Mission Statement to be the utility of choice by providing reliable, quality services in a safe, respectful, environmentally responsible, cost-effective manner that benefits our members' quality of life and promotes the success of their local communities.

## REGION 4 - LARRY SWANSON

### Why are you interested in serving another term on the board?

Maquoketa Valley started the fiber to the home project several years ago. It was challenging and exciting to be part of the decision making in that project. We are nearing the end of the initial build out and I would like to see it through to completion.

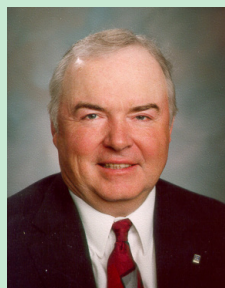
### What strengths will you bring to the Board if elected?

While serving on the board I have attended many board leadership classes and have served as vice president and president. I have also served on various other boards in our community.

### What is your greatest hope for the Cooperative's future?

If we learned anything this year it is the world is constantly changing. Electrical coops will keep up with power and technology innovations while continuing to provide outstanding customer service to our members.

# Director Candidates



Charlie McCullough  
Peosta

Wife: Mary Jo  
Sons: 4  
Daughters: 2  
Grandchildren: 12  
Great grandchildren: 5

Charlie McCullough - Region 3  
(Dubuque County)

- Works with family on their Century Family Farm
- Raises beef cattle, corn, soybeans, oats, and alfalfa.
- Member of Holy Family Parish
- Served on parish council and as parish trustee
- Previously served as director on several Cooperative boards
- The McCullough's have been MVEC members since 1963
- MVEC board member since 1997.
- Earned NRECA Credentialed Cooperative Director Certificate in 2003



John L. Murphy  
Dubuque

Wife: Stephanie  
Sons: 2  
Daughter: 1

John L. Murphy - Region 3  
(Dubuque County)

- Dubuque County Recorder (2014-Present)
- Employed with U.S. House of Representatives (2007-2014)
- Chairman, Governor's Commission on Community Action Agencies (2016-Present). Appointed by Gov. Branstad and Reappointed by Gov. Reynolds
- Board Secretary, Dubuque Labor Management Council (2016-Present)
- Executive Board Member and Registered State Lobbyist, Iowa County Recorders Association
- Volunteer-Court-Appointed Special Advocate (2019-Present)
- Planning Committee, Andrew Connolly Make a Difference Day
- Loras College graduate with B.S. in Criminal Justice
- Iowa Coaching Certified
- MVEC member since 2015

## REGION 3 - CHARLIE MCCULLOUGH

### Why are you interested in serving another term on the board?

I want to continue to help the present and future phases of the Cooperative's growth. The broadband fiber internet is nearing its final phase of construction and I would like to help see that through.

### What strengths will you bring to the Board if elected?

I have the ability to fairly represent all members of the Cooperative whether they are farmers, home or business owners. I have earned the Credentialed Cooperative Director Certificate and have several years of director experience; and we learn from experience. Through numerous training courses in the electric utility industry I have met many people across the state and the nation which is very beneficial as we handle mutual issues.

### What is your greatest hope for the Cooperative's future?

I have several hopes. First, to keep MVEC in as strong and as balanced a condition as it is right now. Second, to maintain the excellent workforce we currently have. They are talented and great to work with from a phone call to the office or a lineman in the field, they always check the right boxes. And finally, to get ready for the future with the surge of electric vehicle interest with more vehicle manufacturers and with charging stations becoming more numerous.

## REGION 3 - JOHN L. MURPHY

### Why are you interested in a director position?

Having been a member for only the past 6 years, I have been impressed with the service through MVEC. I have also been a member of a Financial Cooperative for over 20 years. In addition to the electrical service, I have been able to benefit from having the fiber internet offering in recent months. I would like to be a part of this organization that focuses on the best interests of its members. I believe in the business model of Cooperatives and want to be a part of it.

### What strengths will you bring to the Board if elected?

I always enjoy learning new things and bringing ideas to the table. I believe that every challenge is an opportunity and if selected to serve on the Board, I would look for every opportunity for members to benefit from the challenges that lie ahead. My past work with various local, state and federal government entities should be beneficial as MVEC continues to find the best opportunities for its members.

### What is your greatest hope for the Cooperative's future?

I currently serve as the Chairman of the Governor's Community Action Agency Commission with a focus on reducing home energy costs through investments in energy efficiency, energy conservation education and grant programs for low income residents. My hope is that the Cooperative can find ways to leverage its resources to utilize state and federal programs for its members.



<b>Assets</b>	<b>2020</b>	<b>2019</b>
<b>Electric Plant</b>		
In service	\$ 151,849,432	\$ 135,802,661
Under construction	6,506,810	10,015,395
Total electric plant	<u>158,356,242</u>	<u>145,818,056</u>
Less accumulated depreciation	<u>(41,679,225)</u>	<u>(37,936,100)</u>
Electric plant - net	<u>116,677,017</u>	<u>107,881,956</u>
<b>Other Assets and Investments</b>		
Investments in associated companies	8,937,962	8,364,105
Restricted investments	1,066,061	1,054,491
Special funds - deferred compensation	-	116,790
Special funds - revenue deferral	500,000	500,000
Non-utility property, net	<u>52,820</u>	<u>79,391</u>
Total other assets and investments	<u>10,556,843</u>	<u>10,114,777</u>
<b>Current Assets</b>		
Cash and cash equivalents	1,732,958	2,866,921
Accounts receivable, net	4,693,129	4,810,365
Materials and supplies	3,106,091	3,257,493
Prepaid expenses	462,703	385,293
Other current and accrued assets	<u>13,066</u>	<u>13,066</u>
Total current assets	<u>10,007,947</u>	<u>11,333,138</u>
<b>Deferred Debits</b>	<u>895,503</u>	<u>685,822</u>
Total assets	<u>\$ 138,137,310</u>	<u>\$ 130,015,693</u>
<b>Equities and Liabilities Equities</b>		
Patronage capital	\$ 15,172,853	\$ 15,113,046
Other equities	<u>22,372,516</u>	<u>19,394,749</u>
Total equities	<u>37,545,369</u>	<u>34,507,795</u>
<b>Long-Term Debt, Less Current Maturities</b>	<u>93,404,416</u>	<u>87,485,515</u>
<b>Accumulated Provision for Pension and Benefits</b>	<u>209,396</u>	<u>305,614</u>
<b>Current Liabilities</b>		
Current maturities of long-term debt	1,972,640	2,412,532
Accounts payable	1,998,997	2,510,102
Customer deposits	139,462	135,769
Other current and accrued liabilities	<u>1,390,390</u>	<u>1,472,083</u>
Total current liabilities	<u>5,501,489</u>	<u>6,530,486</u>
<b>Deferred Credits</b>	<u>1,476,640</u>	<u>1,186,283</u>
Total equities and liabilities	<u>\$ 138,137,310</u>	<u>\$ 130,015,693</u>



TREASURER'S REPORT

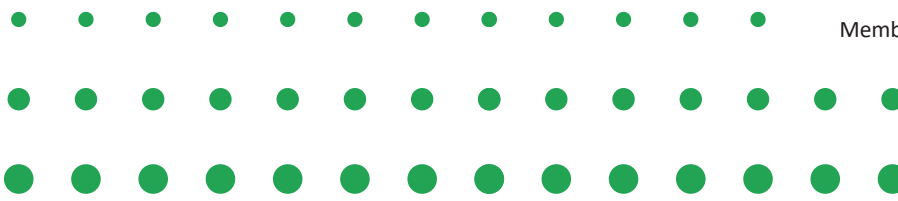
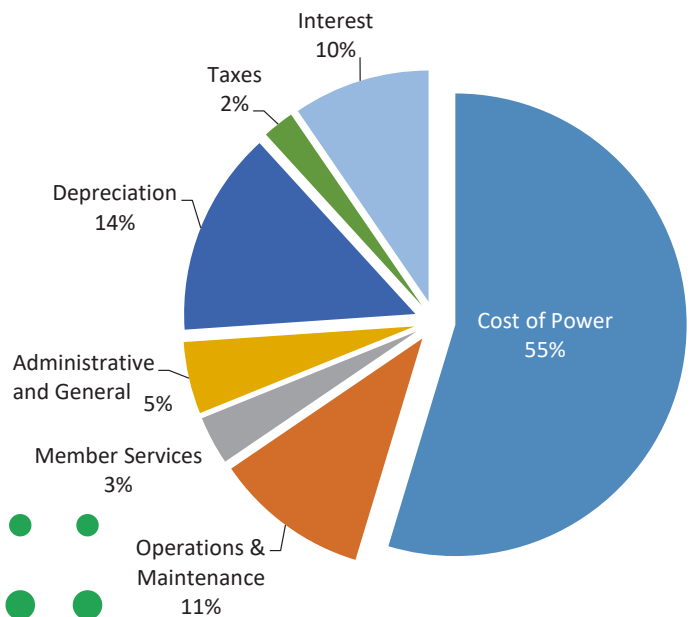
**Statements of Operations - Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>	\$ 35,814,426	\$ 35,162,100
<b>Operating Expenses</b>		
Cost of power	17,922,908	18,370,516
Operations	2,257,233	2,774,224
Maintenance	1,812,844	1,914,226
Customer accounts	762,649	803,805
Sales expense	675,518	796,573
Administrative and general	1,897,086	2,085,019
Depreciation	4,717,532	4,220,709
Taxes	833,249	812,426
Interest on long-term debt	3,129,542	3,006,384
Other	11,498	10,178
<b>Total operating expenses</b>	<u>34,020,059</u>	<u>34,794,060</u>
<b>Operating Margin Before Capital Credits</b>	1,794,367	368,040
<b>Generation and Transmission and Other Cooperative Capital Credits</b>	<u>1,721,683</u>	<u>1,485,070</u>
<b>Net Operating Margin</b>	<u>3,516,050</u>	<u>1,853,110</u>
<b>Nonoperating Margin</b>		
Interest income	88,625	197,022
Other nonoperating margins, net	7,166	4,573
Gain from disposal of electric plant	40,540	44,015
<b>Total nonoperating margin</b>	<u>136,331</u>	<u>245,610</u>
<b>Net Margin</b>	<u>\$ 3,652,381</u>	<u>\$ 2,098,720</u>

**Operating Statistics**

	<b>2020</b>	<b>2019</b>
Electric & Communication Members	13,447	13,231
Meters Connected (at year-end)	16,536	16,369
Distribution Miles Energized (at year-end)	3,282	3,275
Average Meters per Mile	5.03	4.99
kWh Sold	289,962,403	293,949,076
Wholesale Power Cost per kWh Sold	0.0618	0.0625
Average Revenue per kWh Sold (Total)	0.1116	0.1106
Average Patronage Dividend Payment	\$53.79	\$38.09
Full-time Employees (at year-end)	74	74
Outages - Total	271.72	177.42

**Your 2020 Dollars at Work**



# MVEC Service Area

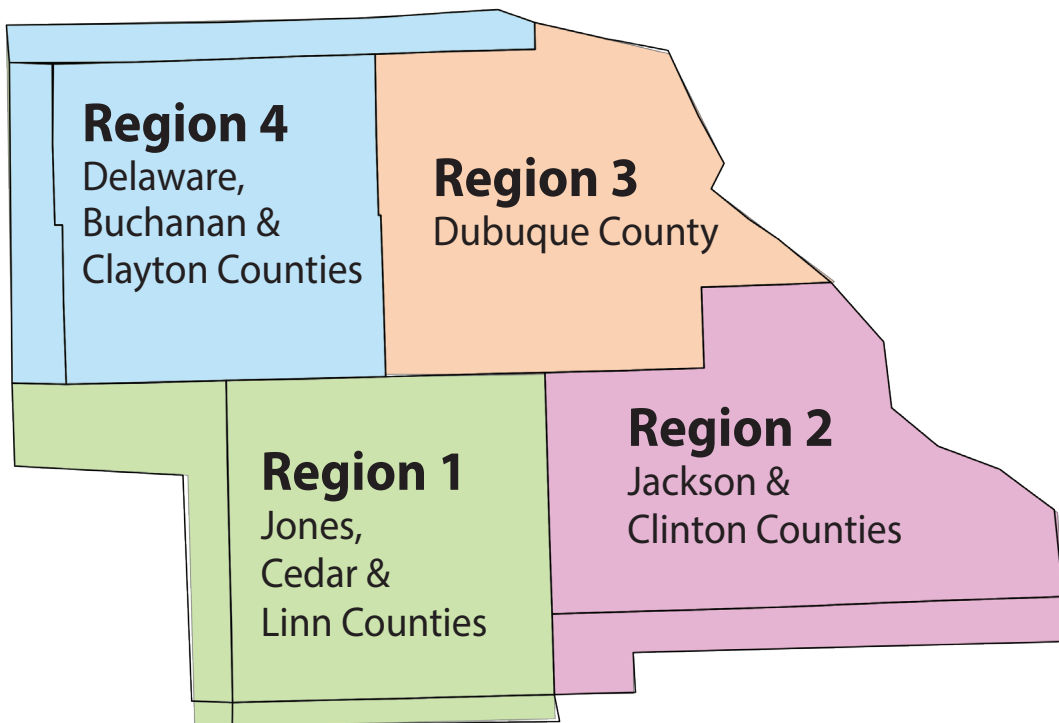
## Region 1 - Jones, Cedar & Linn Counties



Gene A. Manternach  
Secretary



Jan Null  
Director



## Region 2 - Jackson & Clinton Counties



Tom Stewart  
Vice President

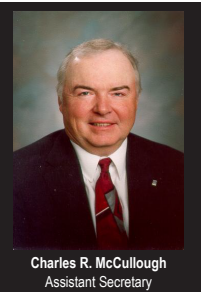


Charlie Peters  
Director

## Region 3 - Dubuque County



Ron Thielen  
President



Charles R. McCullough  
Assistant Secretary



Judy A. Gotto  
Treasurer

At-Large Director

## Region 4 - Delaware, Buchanan & Clayton Counties



Larry A. Swanson  
Director



Billie Zumbach  
Director

