

May 2024

Generator safety
Avoid deadly backfeed

ECE Fiber
Construction plans

Rebate
Heat pump water heater



CG-6P

ADVANTAGE

Members go "BEYOND THE BLUEPRINTS" 2024 ECE Annual Meeting

About 330 members gathered for their cooperative's 88th annual meeting April 18 at the Braham Event Center.



A wide variety of electric vehicles were on display in the parking lot, including the co-op's own Chevrolet Bolt and Ford Lightning, as well as vehicles of all sizes provided by members, employees, and local dealerships. Inside, discussion was lively at the ECE Fiber table as volunteers from the event center served fresh cookies and hot appetizers.

The meeting opened with an invocation from Ann Erickson, who participates in ECE's Member Resource Council. The Pledge of Allegiance was led by Distribution System Operator Bailey Rumreich, who serves as inactive ready reserve for the National Guard.



Board Chair Joe Morley facilitated much of the meeting, with President/CEO Justin Jahnz presenting highlights and financials from 2023 during the executive report.

"To meet the evolving needs of our members," Justin explained, "Our staff and board of directors ventured into unknown arenas, bringing forth a future-focused strategy of overall improvement, strong community relationships, and a host of groundbreaking projects."

During the financial portion of the meeting, Justin shared that ECE's total operating revenue in 2023 was nearly \$138 million, the majority of which was used to purchase and distribute energy.

"We're dedicated to maintaining the financial strength of the co-op for the benefit of all our members, and future members as well," he stressed.

Attendees were encouraged to ask questions at the microphone. Prizes were announced at the end of the meeting and included \$50 bill credits, countertop kitchen appliances, and power tools.



Congratulations to unopposed incumbent Greg Kvasnicka from District 1, as well as Rick Olson who was re-elected to a four-year term in District 3 and Jim Jesok who was re-elected to a four-year term in District 6. All candidates and election results were confirmed by the ECE Credentials & Election Committee and ECE's legal counsel.

A full recording of the annual meeting is available on our website.

The board met April 25 to elect officers for the coming year. Elected to their positions were Chair Jerry Tvedt, Vice Chair Greg Kvasnicka, Secretary-Treasurer Jim Jesok, and Assistant Secretary-Treasurer Thomas Schoenecker. Serving on industry boards include Lonnie Johnson and Linda Laitala (Great River Energy), and Jerry Tvedt (Minnesota Rural Electric Association).

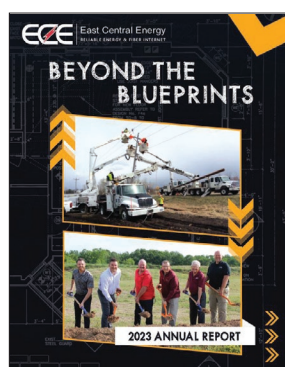
2023 FINANCIAL SUMMARY

EAST CENTRAL ENERGY

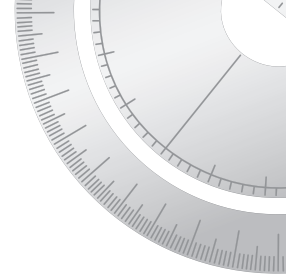
CONSOLIDATED BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

ASSETS (what we own)	2023	2022
Cost of our system	\$390,163,396	\$368,666,539
Construction work in progress	37,208,915	5,574,150
We estimate our system has depreciated	(142,575,500)	(130,951,075)
This gives our system a book value of	\$284,796,811	\$243,289,614
We have other property and investments:		
Loans to members, net of amounts due in the next year	\$1,127,519	\$1,073,928
Great River Energy capital credits	64,686,906	63,359,406
Non-utility property	16,003,192	2,396,771
National Rural Utilities Cooperative Finance Corporation Investments required to obtain long-term financing	2,763,456	2,778,675
Other investments in associated companies	3,494,817	3,213,666
Other	1,162,187	1,126,806
Total other property and investments	\$89,238,077	\$73,949,252
We have these current assets:		
Cash and cash equivalents	\$13,568,809	\$15,988,170
Payments due us in the next year on loans to members	405,000	437,900
Members owe us for electrical energy	16,909,661	19,284,620
Payments due us in the next year from FEMA	295,761	250,048
Material and supplies for line construction and maintenance	15,744,460	4,616,666
Prepayments	681,210	619,675
Interest receivable on investments	25,529	25,529
Total current assets	\$47,630,430	\$41,222,608
We have deferred debits	\$19,435	0
We have assets of discontinued operations (<i>Diversified Enterprises, LLC</i>)	0	\$24,900
TOTAL ASSETS WE OWN	\$421,684,753	\$358,486,374



A copy of the 2023 Annual Report can be found at eastcentralenergy.com.
To request a mailed copy, please call 1-800-254-7944 or email info@ecemn.com.



LIABILITIES (what we owe)	2023	2022
Long-term debt		
We owe Rural Utilities Service (RUS)	\$1,381,000	\$1,381,000
We owe Federal Financing Bank (FFB)	130,010,659	134,699,706
We owe National Rural Utilities Cooperative Finance Corporation (CFC)	5,583,466	6,079,819
We owe CoBank	79,795,111	36,979,986
We owe others	99,060	112,432
Payments on long-term debt due in the next year	(9,275,626)	(13,528,957)
Total long-term debt	\$207,593,670	\$165,723,986
We owe current liabilities for power, materials, services, taxes, payments on long-term debt due in the next year	\$44,569,635	\$33,804,580
We have deferred credits (<i>revenue, construction advances, unclaimed property, etc.</i>)	\$19,082,050	\$16,562,646
TOTAL LIABILITIES WE OWE	\$271,245,355	\$216,091,212
NET WORTH (members' equity in the cooperative)		
Your accumulated patronage capital	\$131,294,094	\$123,669,972
Other equities	19,145,304	18,725,190
MEMBERS' EQUITY IN THE COOPERATIVE	\$150,439,398	\$142,395,162
COMMITMENTS	\$421,684,753	\$358,486,374

2023 STATS

Employees	175
Number of members	67,069
Miles of line	8,536
Members per mile	7.86
kWhs sold	991,491,750
Member equity	35.68%
Total GRE and ECE plant investment per member	\$10,799

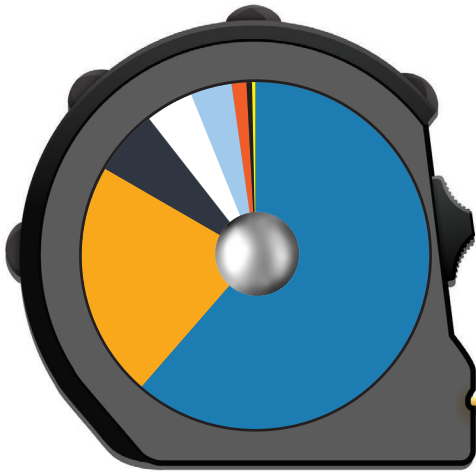
EAST CENTRAL ENERGY

**CONSOLIDATED STATEMENT OF
OPERATIONS AND PATRONAGE CAPITAL**

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

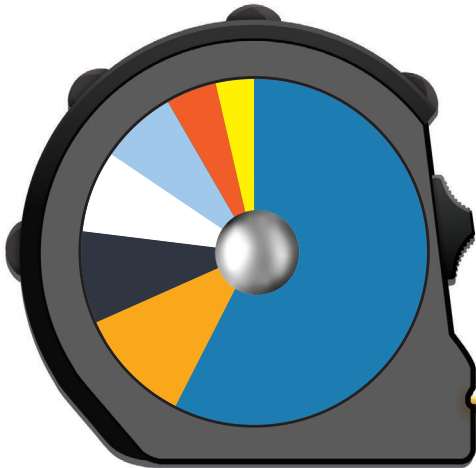
	2023	2022
REVENUES:		
Sales of electric energy to members	\$136,023,173	\$132,401,699
Miscellaneous electric revenue and penalties	1,039,956	955,507
Subsidiary net income <i>(ECE Net, LLC and Local Access Network, LLC)</i>	0	18,868
Non-operating and other net income	783,500	574,370
TOTAL OPERATING AND NON-OPERATING REVENUE	\$137,846,629	\$133,950,444
EXPENSES:		
Wholesale power <i>(majority paid to Great River Energy)</i>	\$82,843,323	\$80,146,380
Other operating expenses <i>(distribution, administrative services, customer accounts and service)</i>	30,393,573	28,604,281
Depreciation of utility plant	12,165,065	11,340,406
Taxes	522,025	829,366
Interest	6,548,851	5,816,876
TOTAL EXPENSES	\$132,472,837	\$126,737,309
Patronage capital income before capital credits from associated cooperatives <i>(total revenue less total expenses)</i>	\$5,373,792	\$7,213,135
Patronage capital from Great River Energy and other associated cooperatives	\$5,491,231	\$2,244,329
NET PATRONAGE CAPITAL (income)	\$10,865,023	\$9,457,464
ACCUMULATED PATRONAGE CAPITAL - beginning of year	\$123,669,972	\$117,793,846
Unallocated margins	(36,163)	(303,139)
Retirement of patronage capital	(3,204,738)	(3,278,199)
Net patronage capital (income)	10,865,023	9,457,464
ACCUMULATED PATRONAGE CAPITAL - end of year	\$131,294,094	\$123,669,972

2023 SOURCES OF REVENUE



Residential	61.50%
Commercial & Industrial (1,000 KVA or less)	22.01%
Commercial & Industrial (Over 1,000 KVA)	6.00%
Residential (Seasonal)	4.58%
Capital Credits	3.83%
Other Revenue	1.27%
Irrigation	0.50%
Public Street and Highway Lighting	0.31%

2023 USES OF REVENUE



Purchased Power	57.80%
Distribution	10.82%
Depreciation	8.49%
Margins	7.58%
Administrative Services	7.12%
Interest & Taxes	4.73%
Customer Accounts & Service	3.46%

2023 TOTAL REVENUE

Sales of electric energy to members	\$136,023,173
Miscellaneous electric revenue and penalties	\$1,039,956
Non-operating and other net income	\$783,500
Capital credit allocations	\$5,491,231
TOTAL REVENUE	\$143,337,860

Join us!

POLLINEIGHBOR PARTY at the 100 Acre Homestead



Join ECE and Great River Energy at our third Pollineighbor Party, scheduled for Saturday, June 15 from noon-5 p.m. at the 100 Acre Homestead (6360 60th Ave, Princeton, MN). Delicious food will be available to purchase from a farm-to-table food truck and free activities for the whole family—including trivia prizes, farm animals, and more—plus enjoy acres of wildflowers and honey hives. Don't forget to check out the farm's locally-crafted food and wares.

For the safety of the free-range animals, please leave your pets at home. Watch ECE's Facebook page for more info!

We hope you'll
bee there!



Powered by East Central Energy

Throughout the last year ECE Fiber has grown immensely, and this progress wouldn't be possible without the help of our contractors! Between local and out-of-town crews, our contractors are working hard to ensure ECE Fiber lines are built safe and are future-proof. Members throughout the 2023-25 construction areas will likely see these crews working in their neighborhoods. Here are a few reminders as we enter construction season.

- National Rural Telecommunications Cooperative (NRTC) and ITG Communications are our two out-of-state contractors that will be working on the fiber lines. These crews will have "Contractor for ECE Fiber" stickers on the side of their vehicle.



- All ECE Fiber representatives that will need to enter a member's home to install equipment WILL have official ECE identification badges. For your safety, do NOT allow someone without proper identification into your home.
- ECE Fiber representatives and contractors will NEVER come to your home and ask for a deposit to get you on the construction schedule. When in doubt, call us at 1-800-254-7944.
- A positive member experience is our main goal! If there is damage to your property due to ECE Fiber construction, our contractors WILL come out later and fix the damage.
 - » If you have concerns about your property, please email us at info@ecefiber.com, and we will route your concerns to our crew managers.
- To meet our 2024 goals, ITG will work on the weekends to construct the main fiber lines, and members may be able to schedule home installation on weekends as well.

We are looking forward to a great construction season and continued growth for ECE Fiber!

Interested in ECE Fiber internet service? Visit ecefiber.com and submit your address! If you...

- Are in an area we are currently connecting, you will be able to place an internet order and get connected this year!
- Are not in an already connected area, you can express interest by pre-registering your address. Once you are pre-registered, we can contact you when it is time to place your internet order!

Keep **your** linemen **safe**



Avoid deadly backfeed

Backfeed is when power flows in reverse from your home back onto ECE's power lines. This can be deadly. Never connect your generator or distributed generation system to a wall outlet! Planning on something permanent? Have a licensed electrician wire an automatic or manual transfer switch.

Remember, generators produce carbon monoxide, which is an odorless, colorless gas. Symptoms of carbon monoxide poisoning include dizziness, headaches, nausea, and fatigue. Never operate a generator inside your home or partially enclosed spaces, and always operate away from doors, windows, and vents. Direct the exhaust away from your home.

For more information visit eastcentralenergy.com > Safety > Generator use.

HEAT PUMP WATER HEATERS

\$500 REBATE*

**UP TO
\$2,000 TAX CREDIT**

***Minimum size 50 gallons;
must be ENERGY STAR® rated**

Upgrade your home with the revolutionary technology of a heat pump water heater, offering unparalleled efficiency and savings. Using ambient air temperature, these innovative systems transfer heat into your water tank, utilizing up to 60% less energy compared to traditional water heaters.

Embrace consistent hot water supply and enjoy extended durability with minimal maintenance requirements. With a heat pump water heater, you're not just investing in comfort; you're enjoying reliable performance and substantial cost savings for years to come. Call ECE to learn how you can experience the difference firsthand!

TREES CAUSE MAJORITY OF POWER OUTAGES



WHY DOES YOUR POWER PROVIDER PRUNE TREES?

Unobstructed power lines make it easier and safer for utility crews to repair or service lines.

Although most trees do not present a problem, some of them grow into or crowd power lines, poles or other utility equipment and cause service issues. Unruly and overgrown trees can:

- Cause outages.**
- Create fire hazards.**
- Break off and land on power lines.**
- Cause lights to flicker during high winds.**
- Get weighed down with ice and cause issues.**

Proper pruning techniques are used to preserve tree health, although sometimes a tree must be removed. This is a last resort, but it can be necessary if there are:

- Fast-growing trees directly under power lines.**
- Trees that are leaning into lines.**
- Trees that are declining, cracked or split.**

Power companies prune trees to better serve you.

FREE opportunity for veterans

No Barriers Warriors experience

America's rural communities are home to millions who have served in our armed forces, many of whom are living with a disability. ECE has teamed up with our financial partner, CoBank, to support local veterans with disabilities through the No Barriers Warriors program, which offers five-day expeditions in the Colorado Rocky Mountains. The program fosters camaraderie and helps veterans push through adversity. Activities are tailored to accommodate disabilities and PTSD.

To be eligible, veterans must be an ECE member and have a VA disability rating. No Barriers will evaluate nominations and select the final participants, and CoBank will cover the full cost of any veteran selected.

Do you know a veteran with a willingness to overcome challenges? For questions and to request the short application, contact Desiree Cuda 763-689-8031 or email desiree.cuda@ecemn.com. Applications are due May 27 and filled on a first-come, first-served basis, so don't delay!





Email: info@ecemn.com

East Central Energy
PO Box 39, Braham, MN 55006

Braham lobby hours
Monday-Friday, 8 a.m.-4:30 p.m.

1.800.254.7944
General business calls are answered Monday-Friday, 8 a.m.-5 p.m.

Emergency and outage calls are answered 24 hours a day.

The ECE Board of Directors meets monthly. Please call 1-800-254-7944 and ask to talk to our Executive Administrator to confirm meeting information. Monthly board meeting minutes and board operating policies can be found on SmartHub.

The Co-op Advantage newsletter is published by East Central Energy, your not-for-profit, member-owned, local electric cooperative.

ECE is an equal opportunity provider and employer.

Website: eastcentralenergy.com



Email: info@ecfiber.com

Website: ecfiber.com



As the landscape of technology and energy continues to evolve, East Central Energy is committed to progress, resilience, and bringing value to you. As we navigate these dynamic times, we're excited to share the latest strides in our journey.

One of our most significant projects today is the ongoing expansion of ECE Fiber, our revolutionary broadband product. With ECE Fiber, we're bringing blazing fast internet to communities that have been overlooked for decades by for-profit providers. By bridging the digital divide, we're ensuring that everyone has access to fast and reliable internet, unlocking new opportunities and possibilities for our members.

Simultaneously, we are strengthening our electric infrastructure with our largest construction work plan in history. From retiring aging conductors to upgrading substation equipment, our focus is on enhancing the reliability of our grid and integrating cutting-edge technologies to bolster resilience. These efforts are crucial for safeguarding your power supply, particularly in the face of growing demand and unforeseen challenges.

The goals of these two projects intersect as we work to ensure the clearance and integrity of the poles where fiber is being built. As we place fiber under the electric conductors, our engineers are using technology and site visits to keep our system safe and dependable. When upgrades are needed, our line crews replace poles and associated equipment to solidify reliability.

To support these capital-intensive initiatives, we're actively pursuing grants to offset associated costs. These grants are instrumental in accelerating our progress, enabling us to deliver the benefits of ECE Fiber and our grid resilience initiatives more swiftly and effectively.

At ECE we're not just building infrastructure; we're building a foundation for the future. Together, with your continued support, we're charting a course towards a brighter, more connected, and resilient tomorrow.

Thank you for the opportunity to serve you.

\$500 REBATE*

UP TO
\$2,000 TAX CREDIT

*Minimum size 50 gallons;
must be ENERGY STAR® rated

HEAT PUMP WATER HEATERS

Use ambient air temperature
to transfer heat into your water heater

- Consistent hot water supply
- Minimal maintenance
- Highly energy efficient
- Substantial cost savings

Call or visit our website for more information.

ECE is an equal opportunity provider and employer.

ECE 1.800.254.7944
eastcentralenergy.com