

Kansas
COUNTRYLiving



A Touchstone Energy® Cooperative 

2021 ANNUAL REPORT



**ANNUAL
MEETING**
April 26, 2022

Labette County High School Cafeteria
Altamont, Kansas

Registration & Meal at 6 p.m.
Meeting begins at 6:30 p.m.

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President's Report

It seems the annual meeting got here too quickly. After two years of delayed meetings, it's good to be back to our usual springtime schedule.

The 1,000 kW solar farm is operating as designed providing over 10% of our power during the daytime peaks, reducing the associated energy costs. When the remaining energy we purchase from Kansas Electric Power Cooperative (KEPCo), our power supplier, is calculated, Twin Valley receives more than 70% of our annual energy from carbon free sources. More than 50% of our electricity comes from our investment in the Wolf Creek Nuclear Plant and our long-term contracts for hydroelectric energy. The balance is wind energy and solar power purchased from the Southwest Power Pool.

Energy markets are seeing upward price pressure, as world events, production disruptions and the improving national and world economy all work together to drive prices higher. Although coal and natural gas only generate about 35% of the power purchased through KEPCo, those costs are unlikely to trend downward any time soon. Fortunately, the hydroelectric and nuclear power we receive have had very stable prices for several years, and I expect that to continue.

In the broader, long-term picture, the electric utility system is entering a period of significant change. As the governmental push for net-zero carbon generation continues to accelerate, increased investment in wind and solar generation, battery storage systems, and transmission lines will increase as well. While the fuel cost for renewable

generation is free, the significant investment costs will find their way into our rates.

Coal-fired power plants scheduled for retirement will be replaced where needed with natural gas generators, capable of allowing maximum use of solar and wind generation. Some coal plants are being retired early due to government environmental policies. Those stranded costs will also be left in power rates.

Changes in the price of natural gas and coal result in a monthly adjustment to the Energy Production Cost Adjustment, or PCA, on your monthly bill. As you may remember from last year's report, the February 2021 winter storm's excess costs are being spread out. That added to the PCA will continue until early 2023.

I first reported a couple of years ago that Twin Valley would be conducting a rate study. Twin Valley's rate structure has not been examined in several years. The steady march of inflation, and all the things previously discussed, make regular changes necessary. While the turmoil of COVID-19 delayed some of the preparations and data collection activities, I'm sure any rate changes required will be finalized in 2022.

As the line crew and administration at Twin Valley continue to provide safe, reliable electric service to Twin Valley members, the Twin Valley board will continue its efforts to plan for the future of your electric cooperative.



Bryan Coover
Board President

ANNUAL MEETING PROGRAM

6 p.m. | Meal & Registration
6:30 p.m. | Business Meeting

- Call to Order
- Welcome Address
- Report of Notice of Annual Meeting
- Proof of Mailing Notice of Annual Meeting
- Determination of Quorum
- Action on 2021 Minutes
- Report of Nomination Committee
- Election of Directors
- Business Reports:
 - ▶ **Bryan Coover** | Board President
 - ▶ **Dareld Nelson** | Treasurer
 - ▶ **Angie Erickson** | CEO
- Presentation of Awards
- Election Results
- New Business
- Old Business
- Meeting Adjournment

ANNUAL MEETING

April 26, 2022



A Touchstone Energy® Cooperative 

1511 14,000 ROAD, P.O. BOX 368, ALTAMONT, KS 67330 | 866-784-5500 | WWW.TWINVALLEYELECTRIC.COOP

2022 Board of Directors Candidates

DISTRICT 1



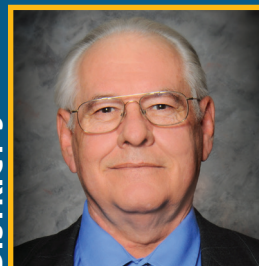
BRYAN HUCKE and his wife, Loretta, live in rural Parsons. They have two children. Hucke graduated from Wichita Automotive and Electronics Institute in 1985. He enjoys ranching and raising crops. Hucke has served on the Twin Valley Board for 12 years and is the current secretary. He has attended many classes as a director and has received the Credentialed Cooperative Director Certificate. Hucke and his wife have lived on the Twin Valley system for 29 years.

DISTRICT 2



JARED NASH and his wife, Kimy, live in rural Parsons and have two children. Nash is a graduate of Labette County High School, Coffeyville Community College in 1998 and a graduate of Kansas State University in 2000. He is a self-employed farmer and works as a crop insurance adjuster. He is currently a board member of the Kansas Soybean Association and Labette County Conservation District and is the Labette County 4-H Shooting Sports instructor. Nash would like to see Twin Valley's Board continue improving and maintaining the infrastructure of the electric cooperative. He would like to serve on the Twin Valley Board of Directors to give back to the community and help the members with fair utilities. Nash has been a member for 7 years.

DISTRICT 3



LARRY "DAVID" HUBBELL and his wife, Phyllis, live in rural Chetopa. They have one grown son. Hubbell attended Pittsburg State University and has a degree from both the university and the vocational technical school. He also served in the United States Air Force. He recently retired from the electrical field. In his spare time, he enjoys being with his granddaughter, family and raising cattle. He has attended many classes as a director and received the Credentialed Cooperative Director Certificate, Board Leadership Certificate and the Directors Gold Certificate. Hubbell also serves as Twin Valley's representative to the Kansas Electric Cooperatives, Inc. Board of Trustees. Hubbell has been a Twin Valley member for 44 years and an active director for 21 years.



Elections will be held at YOUR annual meeting on April 26. We hope to see you there!



FINANCIAL

Balance Sheet AS OF DEC. 31, 2021

ASSETS

	2021	2020
Total Utility Plant	\$33,712,487	\$32,333,772
Less Depreciation & Amortization	6,524,542	6,131,656
Net Utility Plant	27,187,945	26,202,116

INVESTMENTS

Patronage Associated Organizations	2,223,766	2,193,124
Local Economic Development Projects	371,768	331,231
Total Investments	2,595,534	2,524,355

CURRENT ASSETS AND DEBITS

Cash	339,531	225,548
Accounts Receivable	534,028	564,563
Current Assets	323,485	210,953
Other Deferred Debits	162,492	225,465
Total Current Assets and Debits	1,359,536	1,226,529

TOTAL ASSETS

\$31,143,015 \$29,953,000

LIABILITIES & MEMBER EQUITY

Long-Term Debt	\$21,599,976	\$20,682,850
Notes Payable	0	0
Accounts Payable	355,809	340,672
Consumer Deposits Held	273,232	266,952
Other Accrued Liabilities	313,142	303,700
Other Deferred Credits	149,522	126,508
Total Liabilities & Other Credits	22,691,681	21,720,682

MEMBER EQUITY

Memberships	9,775	9,700
Patronage Capital	7,598,607	7,555,678
Operating Margins	142,934	12,064
Non-Operating Margins	98,365	72,747
Other Margins & Equities	601,653	582,129
Total Margins & Equities	8,451,334	8,232,318

TOTAL LIABILITIES & MEMBERS EQUITY

\$31,143,015 \$29,953,000

REPORTS

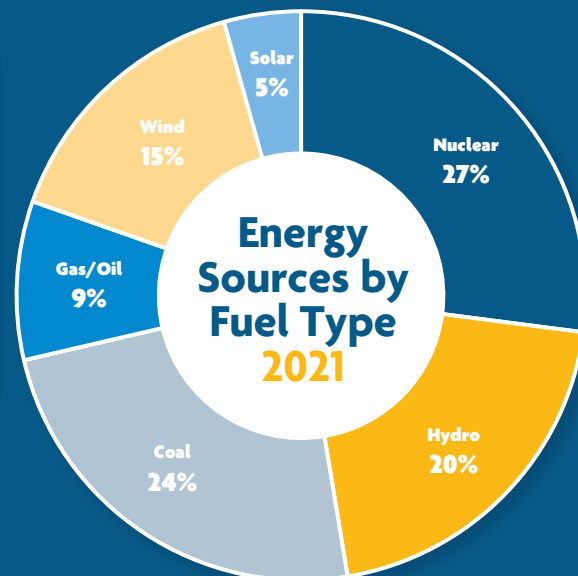
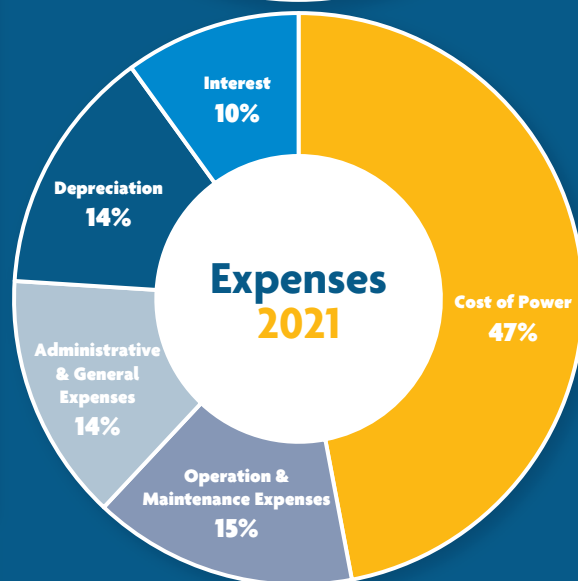
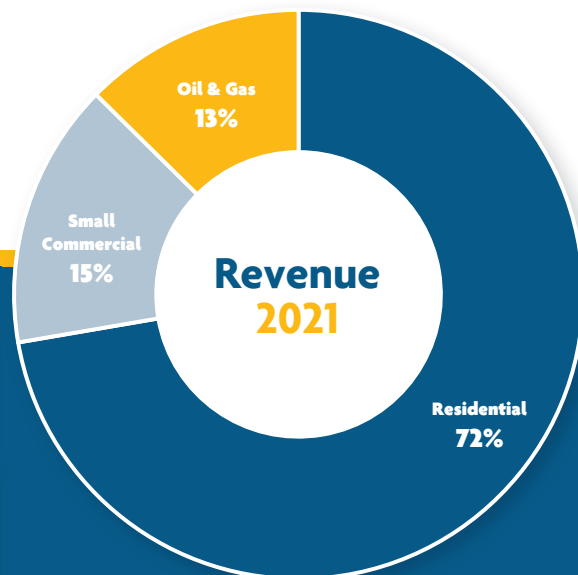
Statement of Operations

FOR YEAR ENDING DEC. 31, 2021

	2021	2020	2019
INCOME			
Total Revenue	\$6,406,384	\$5,794,866	\$6,074,401
EXPENSES			
Cost of Power	2,952,274	2,711,780	2,810,038
Operations & Admin. Expenses	1,809,703	1,556,505	1,588,718
Depreciation	885,300	904,416	839,950
Interest on Debt	616,173	610,101	603,778
Total Expenses	6,263,450	5,782,802	5,842,484
Operating Margins	142,934	12,064	231,917
Non-Operating Margins	98,365	72,747	108,650
Net Margin	\$241,299	\$84,811	\$340,567

Property Taxes Paid By County

County	2021	2020	2019
Labette	294,583	306,355	289,096
Neosho	41,962	42,557	31,948
Montgomery	11,834	11,718	9,252
Cherokee	1,102	1,195	517
Totals	349,481	361,825	330,813



Minutes of 74th Annual Meeting of Members TUESDAY, JULY 13, 2021

The 74th Annual Meeting of the Members of Twin Valley Electric Cooperative Inc., was held in the cafeteria on the campus of Labette County High School in Altamont, Kansas, on Tuesday, July 13, 2021.

The meeting was called to order by President Bryan Coover at 6:30 p.m. Trustees, employees, several guests and members were present.

President Coover welcomed the members and announced 78 members were in attendance. One member joined the meeting later.

Secretary Bryan Huckle declared that the notice of the annual meeting was deposited in the mail on June 10, 2021, at the Topeka, Kansas, post office.

President Coover then called for a motion to approve the minutes of the meeting in 2020 as mailed with the notice of this meeting. A motion was made by Marlene Richardson and seconded by David Hubbell to approve the 2020 minutes. Motion carried.

President Coover introduced Twin Valley attorney, Richard Hines, to conduct the election of trustees.

Mr. Hines announced Bryan Coover had been nominated by the nominating committee for District 1, Diane McCartney for District 2 and Jason Zwahlen for District 3.

Mr. Hines then asked for nominations from the floor for District 1. No nominations were made. After one minute there was a motion made by Quintin Saye and seconded by Dan Peterson to cease nominations. Bryan Coover is appointed by acclamation. Motion carried.

Mr. Hines then asked for nominations from the floor for District 2. No nominations were made. After one minute there was a motion made by Tom Shelton and seconded by Sara Dreisbach to cease nominations. Diane McCartney is appointed by acclamation. Motion carried.

Mr. Hines then asked for nominations from the floor for District 3. No nominations were made. After one minute there was a motion made by Bill Lassen and seconded by Thad Osgood to cease nominations. Jason Zwahlen is appointed by acclamation. Motion carried.

President Coover introduced the nominating committee.

President Coover gave the president's report.

In Dareld Nelson's absence, President Coover presented the treasurer's report.

CEO Angie Erickson presented the CEO's report.

The 2020 Youth Tour scholarship recipients Amber Ross and Elsie Sorrell were recognized. The 2021 winners were also announced.

Erickson presented certificates for years of service.

President Coover asked if there was any old business. There was none. President Coover asked if there was any new business. There was none.

David Sommers won the early bird prize of \$200. Four electric credits from Kansas Electric Power Cooperative (KEPCo) and KSI Engineering were distributed to winners by drawing. All members in attendance received electric credits as door prizes.

Motion was made to adjourn by Dan Peterson and seconded by Rodney Baker. Motion carried.

Meeting adjourned at 7:15 p.m.

BRYAN HUCKE, SECRETARY



A Touchstone Energy® Cooperative

BOARD OF DIRECTORS



BRYAN COOVER
Board President
District 1



DAVID HUBBELL
Vice President
District 3



BRYAN HUCKE
Secretary
District 1



DARELD NELSON
Treasurer
District 3



RODNEY BAKER
Director
District 1



TOM ELLISON
Director
District 2



DIANE MCCARTNEY
Director
District 2



JARED NASH
Director
District 2



JASON ZWAHLEN
Director
District 3

The Power Behind Your Power

Lineworker Appreciation Day is April 11



Angie Erickson

You've likely noticed Twin Valley's crews out and about, working on power lines and other electrical equipment on our system. It's no secret that a lineworker's job

is tough — but it's a job that's essential and must be done, often in challenging conditions. This month, as we celebrate Lineworker Appreciation Day on April 11, I thought I'd share some interesting facts about electric lineworkers with you.

The work can be heavy. Did you know the equipment and tools that a lineworker carries while climbing a utility pole can weigh up to 50 pounds? That's the same as carrying 6 gallons of water. Speaking of utility poles, lineworkers are required to climb poles ranging anywhere from 30 to 120 feet tall. Needless to say, if you have a fear of heights, this likely isn't the career path for you. In addition to these challenges, nearly all of their time on the job is spent outdoors, often in difficult conditions.

Lineworkers must be committed to their career — because it's not just a job, it's a lifestyle. In addition to their normal work week, lineworkers often work evenings, weekends, and holidays. During severe weather events that bring major power outages, lineworkers are typically the first ones called. They must be ready to leave the comfort of their home and families unexpectedly, and they don't return until the job is done, often days later. This requires that the lineworker's family accept this lifestyle and be just as dedicated to their service.

Linework is listed in the top 10 most dangerous jobs in the U.S. That's because working with high-voltage equipment requires specialized skills, experience and an ongoing mental toughness. Shortcuts are not an option, and there is no room for error in this line of work.

While the job does not require a college degree, it does require technical skills, years of training and hands-on learning. Did you know that to become a journeyman lineworker can take more than 7,000 hours of training (or about four years)? While this training builds knowledge and skills, a large portion of it focuses on safety. Lineworkers receive continuous safety training throughout their careers.

Today's lineworkers use technology daily. Line crews now use laptops, computerized tablets, and smartphones to get their daily assignments, obtain outage information, and document their work. At many utilities, the use of drones and other technologies has been implemented to map outages, survey damage and troubleshoot problems.

Being a lineworker may not seem like a glamorous job, but it is absolutely essential to the life of our community. Without the exceptional dedication and commitment of these hardworking men and women, we simply would not have the reliable electricity we need for everyday life.

Nationwide, there are approximately 120,000 electric lineworkers. Here in Twin Valley's territory, eight lineworkers are responsible for keeping power flowing 24/7, 365 days a year. To do this, they maintain just under 1,000 miles of power lines. Despite the many challenges, Twin Valley's lineworkers are committed to powering our cooperative members. They understand the importance of the job to the community.

So, the next time you see a lineworker, please thank them for the work they do to keep power flowing, regardless of the time of day or weather conditions. Lineworkers are the power behind your power. Join us as we recognize them on Monday, April 11, and follow “#ThankALineworker” on social media to see how others are recognizing lineworkers.

OUR LINEMEN



Joe Brooks



Tyler Kennett



Kendall Manners



Jordan Robison



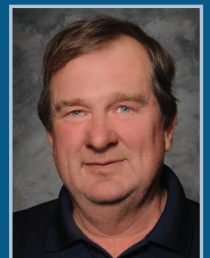
Eric Cornell



Ty Lahey



Seth Strasser



Kelly Walker

Smart Meters Improve Electric Service

BY PAUL WESSLUND

From quicker outage reporting to better use of renewable energy, advanced meters are revolutionizing the electric utility grid.

A gizmo hiding in plain sight just outside your home is innovating your electric service with quicker responses to power outages and more effective use of renewable energy sources.

It's your electric meter. And if it hasn't been switched from an analog model with a small metal wheel spinning behind its glass case to one with a digital readout, it likely soon will be.

Digital smart meters make up more than half the electric meters in the country, and electric cooperatives are leading the way. Fifty-eight percent of all U.S. utility customers use smart meters. For electric co-op members, that figure is 73% and climbing.

Two features make smart meters different. One is the ability to monitor energy use with the kind of detail that can give both the co-op and its members information to make more efficient use of electricity. The other is the ability to instantly send information back to the co-op either through low-power radio signals, or through power lines.

Those two capabilities create entirely new ways to improve your electric service:

► OUTAGES CAN BE DETECTED AND REPAIRED

FASTER. Smart meters can let the co-op know of an interruption, pinpointing the location, without waiting for someone to report it.

► ELECTRICITY CAN BE USED MORE EFFICIENTLY.

Smart meters can report unusual energy use, showing appliances that might be faulty or could be replaced with a more efficient version.

► ALTERNATIVE ENERGY CAN BE BETTER INTEGRATED INTO THE ELECTRIC GRID.

Smart meters can help cure one of the headaches of renewable energy — solar energy disappears at night and wind power stops in calm weather. Data from smart meters can be instantly analyzed by computers and coordinated with power plants, rooftop solar panels and wind turbines.

► CO-OP MEMBERS CAN BE INVOLVED IN A MORE DECENTRALIZED ELECTRICITY SYSTEM.

Rooftop solar panels and electric vehicles make complicated additions to a utility network. But those can be turned into benefits by analyzing the data provided by smart meters. For example, as electric vehicles become more popular, electric co-ops are exploring special rates to encourage charging at times when energy use is lower.

► CO-OP OPERATIONS CAN BE STREAMLINED.

Faulty equipment can be detected before it fails.

How Smart Meters Benefit Consumers

Ever wondered why electric utilities are replacing analog meters with smart meters? Despite a wealth of misinformation, smart meters provide many benefits to consumers.



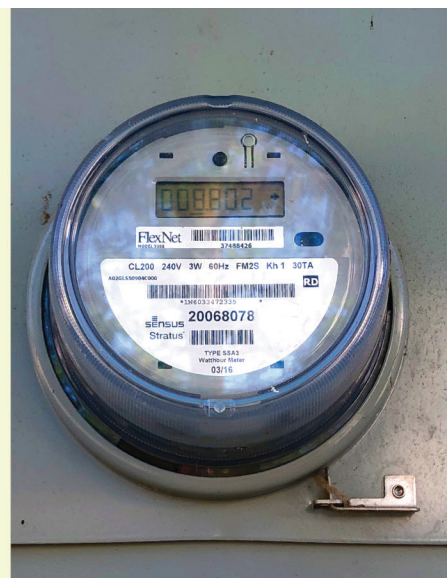
Smart meters are extremely accurate and provide real-time energy use data, eliminating the need to estimate billing.



Smart meters allow two-way communication from the meter to the utility. They pinpoint power outages and other disruptions in real time and limit the need to physically access the meter on your property.



As more smart meters are installed, utilities are better able to forecast energy demand, which will help improve our nation's grid.



Smart meters will help utilities and energy consumers transition into this new future. **TOLU OMOTOSO, NRECA**

Concerns about smart meters, including health effects of their radio signals, have been addressed by the American Cancer Society (ACS).

"The ACS suggests that because the amount of RF exposure from smart meters is much less than those from everyday devices, it is very unlikely that they could pose greater health risks," says Tolu Omotoso, the director of energy solutions for the National Rural Electric Cooperative Association.

Omotoso cites studies that show the strength of smart meter transmissions is far below those from a cell phone. They're even less than your TV's remote control. Smart meter signals also weaken with distances of even one foot, as well as when passing through the walls that separate most of us from our electric meter. Omotoso says smart meters aren't even on all the time. "They transmit data back to the co-op only a couple times in a day, and each transmission takes milliseconds."

Other concerns include privacy. However, electric co-ops have a long tradition of protecting the data of their members, says Omotoso.


"The co-op already knows your energy use because that's how you get billed," he says, adding, "but there are privacy policies which a lot of utilities and co-ops adhere to, to make sure that the data collected from these devices is used for its intended purpose."

Omotoso says electric co-ops adopted digital meters to avoid traveling long distances through rural areas just to read an electric meter. They've kept up that progress, adding other devices to create a new concept of the electric utility grid, from a one-way delivery of electricity, to an interactive network of power and data between the co-op and its members.

"In the utility industry of the future, you're looking at decentralized energy use and generation, digitization and decarbonization of the grid," says Omotoso. "Smart meters will help utilities and energy consumers transition into this new future."

PAUL WESSLUND writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives.





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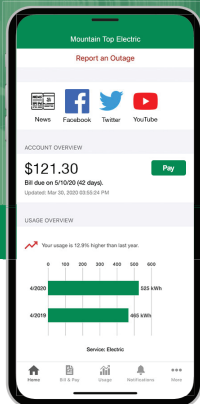
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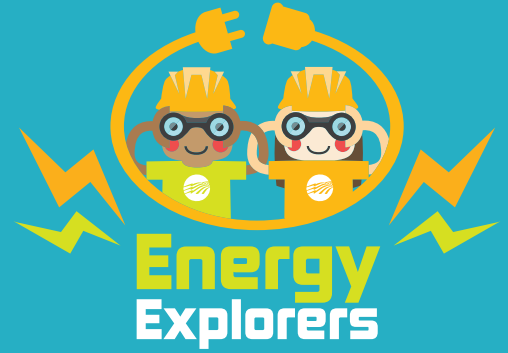
DO YOU KNOW ABOUT LINEWORKERS?

Every April, we celebrate lineworkers and the hard work they do to make sure we have electricity to power our lives.

How much do you know about lineworkers?

Take the quiz below to find out!

(Use the answer key to check your work.)



a. Lineworkers have to wear a lot of gear to do their jobs. A lineworker's gear can weigh up to ____.

- a. 15 pounds b. 50 pounds c. 80 pounds

b. Lineworkers maintain and repair electrical lines, but they do not install them.

- a. True (no installation) b. False (They maintain, repair and install lines)

c. There are approximately _____ lineworkers in the United States.

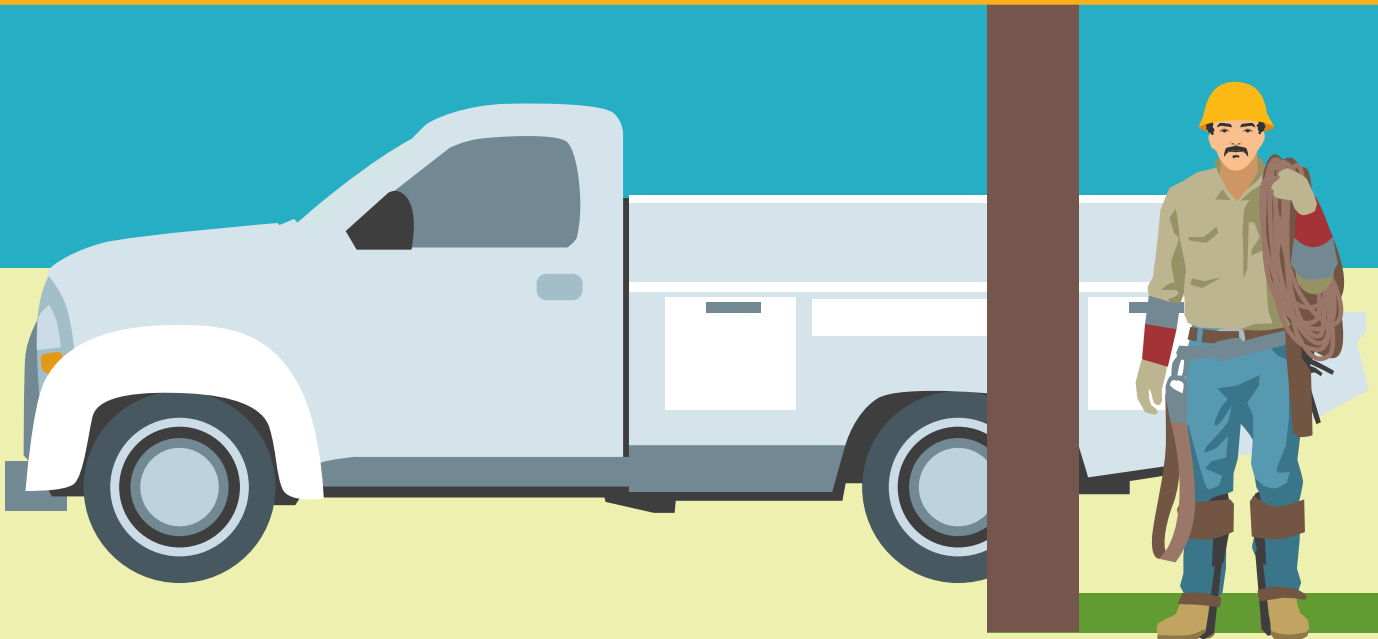
- a. 50,000 b. 90,000 c. 120,000

d. Lineworkers must wear _____ clothing to protect them from a possible electric arc while working.

- a. fire resistant b. extra thick c. leather or rubber

e. Lineworkers must wear special conductive boots when climbing a steel structure.

- a. True b. False



Answer Key: 1) b. 50 pounds 2) b. False 3) c. 120,000 4) a. fire resistant 5) a. True

Twin Valley Electric Cooperative, Inc.

Labette County High School Cafeteria
Altamont, Kansas

Registration & Meal at 6 p.m.
Meeting begins at 6:30 p.m.

Name of Member _____

BRING THIS PORTION WITH YOU TO THE MEETING

Annual Meeting Attendance & Drawing Entry

To help us plan the amount of food needed for the annual meeting supper on April 26, please indicate the number that will attend. **Return by: April 12, 2022**

Number Attending: _____

Name of Member: _____

Address: _____

CEO's Report

This year, our TVEC Annual Meeting will be back in April. We hope you consider attending the meeting and hearing about the activities of your cooperative.

2021 was an interesting year, financially, for TVEC. While temperatures much of the year were mild, one week of extreme cold in February resulted in high wholesale power costs, which are still under state and federal investigation. As with all utilities, those costs are passed on to the consumer. For TVEC members, the additional cost for that extreme cold is being spread over a two-year period. We estimate that our average residential consumer paid an additional \$54 during 2021 as a result of that weather event.

Fortunately, our Mound Valley solar facility provided savings in wholesale power costs. Our average residential consumer saved \$34 in 2021 as a result of reduced peak demand costs from our primary power supplier. Solar production during peak energy periods reduces the demand we place on our power supplier's system, thus reducing the associated costs.

Operationally, we continued to replace aging infrastructure and maintain our right-of-way in order to provide reliable energy to our members. As old poles and conductor are replaced, the distance between poles is shortened to strengthen the system. Shortages of certain materials needed to maintain our electrical system became a significant issue for us in 2021, as did inflation in the cost of the materials that were available to us. These issues are expected to continue through 2022.

To further ensure the safety of our employees, members and the public, Twin Valley joined the Rural Electric Safety Achievement Program (RESAP), a national safety program that focuses on continuous improvement to safety performance and culture. While we are still new to the program, we've already seen benefits from participating.

In 2022, in addition to our regular activities, we will complete our rate study and revamp our website. Progress on these projects will be covered in *Kansas Country Living*, which is sent out to members monthly.

Planning for the future used to be fairly straight forward. In the past, there were only a handful of significant variables, weather being the most unpredictable. Today, there are many different variables and challenges to address. We know we can expect significant increases in the cost of materials, and we must also plan for increases in wholesale power costs as carbon-free regulations force costly investments to be made. How much will these increases be, and for how long?

Extended supply chain lead times could have an impact on construction and system upgrades. Equipment shortages could impair our ability to provide service to our members. Cybersecurity measures needed to protect our members' personal information and protect our systems will be costly and could change how we interact with our members. How do we mitigate the risks these issues present while limiting the impact on the rates our members pay?

Emerging technologies are developing rapidly within our industry. Which ones will prove successful? And which will fail? Which ones are right for our co-op? What new technologies will our members choose to adopt for their households, farms and businesses? And what does TVEC need to do to prepare to support those choices?

As we move ahead, TVEC will keep abreast of these issues as we continually evaluate and prioritize the needs and wants of our membership.



Angie Erickson

2022 ANNUAL MEETING

Official Notice

APRIL 26, 2022

BRYAN HUCKE, SECRETARY

The 2022 Annual Meeting of the members of The Twin Valley Electric Cooperative, Inc. will be held at the Labette County High School Cafeteria located at 601 South High School, Altamont, Kansas, on Tuesday, April 26, 2022. The meeting will begin at 6:30 p.m. with an evening meal and registration beginning at 6 p.m.

- ▶ Reports of officers and directors.
- ▶ Election of three directors
BRYAN HUCKE – District 1
JARED NASH – District 2
DAVID HUBBELL – District 3.
- ▶ All other business which may come before the meeting.



Annual
Meeting
April 26, 2022

RSVP for the Annual
Meeting using the form on
reverse. Submit by April 12.

*All attendance forms submitted
to the office by **April 12, 2022**, will
qualify for a special early bird drawing.
Winner to be announced at the annual
meeting. Must be present to win.

CO-OP EMPLOYEES

- **ANGIE ERICKSON**
CEO
- **REBECCA HANIGAN**
CFO
- **ADAM MYERS**
Line Superintendent
- **KELLY WALKER**
Foreman
- **TYLER KENNETT**
Foreman
- **JENNIFER WINTERS**
Billing/Accounting Analyst
- **MARSHA MOSES**
Member Experience
Specialist
- **JOSEPH BROOKS**
Lineman
- **KENDALL MANNERS**
Lineman
- **SETH STRASSER**
Lineman
- **JORDAN ROBISON**
Lineman
- **TY LAHEY**
Lineman
- **ERIC CORNELL**
Lineman

