

Powering the Future - the Cooperative Way
Together Our Individual Puzzle Pieces
Form Your Cooperative



83rd Annual Report 2020



*Serving our Members with Integrity, Accountability, Innovation and a
Longstanding Commitment to Communities.*

T.I.P. RURAL ELECTRIC COOPERATIVE
Brooklyn, Iowa

A Touchstone Energy® Cooperative



T.I.P. RURAL ELECTRIC COOPERATIVE

ANNUAL MEETING OF MEMBERS

Saturday, August 28, 2021

Drive-Thru 8:00 A.M. - 10:00 A.M.

The content normally distributed at our Annual Meeting will be shared digitally this year. You can find all the content from our Annual Meeting on August 28th at: tiprec.com/content/annual-meeting

T.I.P. Annual Meeting Route



We recommend that you come to Brooklyn from the north on Highway 6. You will pull into the Annual Meeting entrance at the BGM campus on Jackson Street using the north parking lot next to the football field. From there you will be guided through the event by our employees. At the end you will exit onto Jackson Street at the south end of the BGM campus. Our goal is to move the vehicles through the event from start to finish in 10 minutes.

BOARD PRESIDENT AND GENERAL MANAGER'S REPORT

I would like to invite you to your 83rd Annual Meeting for the member-owners of T.I.P. Rural Electric Cooperative. The employees and your board of directors have decided to have a drive-through annual meeting again this year. We still feel that there are so many unknowns about the Coronavirus and wish to keep everyone safe. This decision did not come easy for the board; however, T.I.P. Rural Electric Cooperative feels it is the responsible choice to make. With the vaccines and new CDC guidelines, we are hoping to have the annual meeting in 2022 in the new BGM School Auditorium.

I am very proud of our employees at T.I.P. Rural Electric Cooperative for the sacrifices they have made this last year. Working with all the protocols and changes COVID-19 brought and the long hard hours they needed to put in during the Derecho Storm on August 10, 2020. Hats off to them for all their hard work, as they were still able to complete the budgeted items for 2020.

You can count on one thing that hasn't changed at T.I.P. REC, and that is our priority to provide our member-owners with safe, reliable electricity. We invested \$2.8 million in improvements to our distribution system in 2020. We also completed 7.1 miles of FEMA line projects in Iowa, Poweshiek, and Keokuk counties, along with all our yearly programs.

In 2021, Central Iowa Power Cooperative (CIPCO), our generation and transmission provider, supported renewable energy by owning six solar generation sites (0.3%) and purchasing the output from wind projects (30.2%), and solar, hydro, and biogas projects (9.8%). CIPCO sells, separately, the environmental attributes associated with this generation to third parties, and therefore does not claim the generation as renewable within our own supply portfolio. CIPCO also generates energy and capacity from owned coal (32.1 %) and natural gas facilities (2.3%). Other purchases (1.8%) and spot purchases from the energy market (23.5%) are also important as CIPCO meets the total energy required to serve member-owners and supplements the amount provided by secured resources.

This year, your cooperative again demonstrated one of the benefits of your member-owned, non-profit organization as it paid 25% of 2004, 75% of 2005, and 10% of 2020 patronage dividends. These dividends totaling \$571,013.55, were distributed in August as bill credits if you were an active member and with checks to inactive members. With this year's payment your cooperative has paid a grand total of \$11,000,073.68.

The financial position of your cooperative last year was strong. However, it represented the continuation of a trend towards lagging operating margins. While we continue to be an efficient and profitable cooperative, our annual cash flows have diminished over the last two years. Kilowatt hour sales are lower this year with some of our commercial and industrial loads still being scaled back due to the impacts of COVID-19 and the effect of the economy. As we have continued with an aggressive maintenance and construction plan as well as mitigation efforts to continue to improve system reliability, one of our many concerns is the rise in material costs and the uncertainty regarding when they might level off.

Because of our concerns regarding our diminished margins, we will be doing a Rate and Cost of Service Study in the near future to determine if there is a need for an increase in revenue to meet our financial requirements. We have not adjusted the rates since 2016 and with or without the effects of COVID-19, a rate increase may be on the horizon. The staff and board of directors go through a rigorous budgeting process that ensures your dollars are spent wisely and appropriately.

We have the greatest member-owners at T.I.P. REC, and we will continue to focus on our mission of providing safe, affordable, and reliable power to you.



Gene Von Ahsen,
Board President

MISSION STATEMENT

T.I.P. Rural Electric Cooperative strives to provide safe, reliable electricity at a competitive cost and will pursue excellence in technology, service and member relations, for the benefit of our members and the communities we serve.



Dean A. Huls,
General Manager

T.I.P. Rural Electric Cooperative 2020 Financial Report

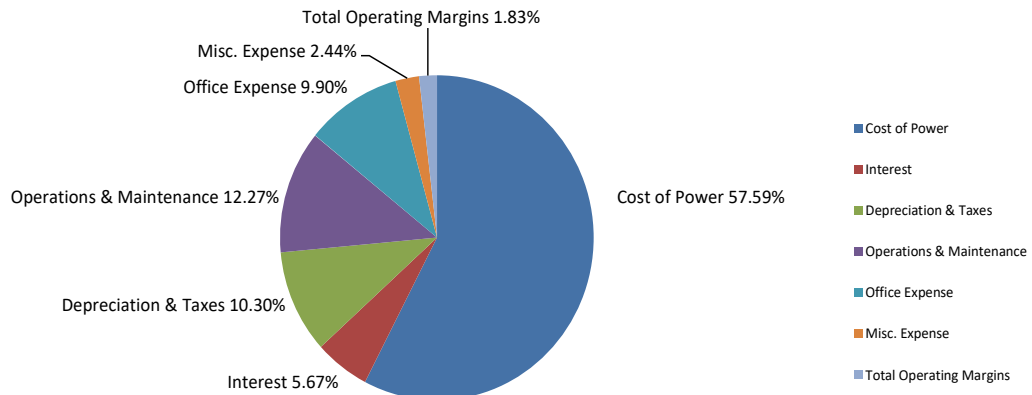
BALANCE SHEET as of December 31, 2020

	2019	2020
Assets		
Net Utility Plant	32,829,146	34,623,573
Other Property & Investments	5,998,752	6,166,876
Current Assets	5,114,344	4,740,275
Deferred Debits	58,608	86,115
Total Assets	\$ 44,000,850	\$ 45,616,839
Liabilities		
Long-Term Debt	16,915,925	17,389,109
Current Liabilities	2,049,479	2,003,383
Deferred Credits	279,667	316,102
Equity		
Margins & Equity	24,755,779	25,908,245
Total Liabilities & Equity	\$ 44,000,850	\$ 45,616,839

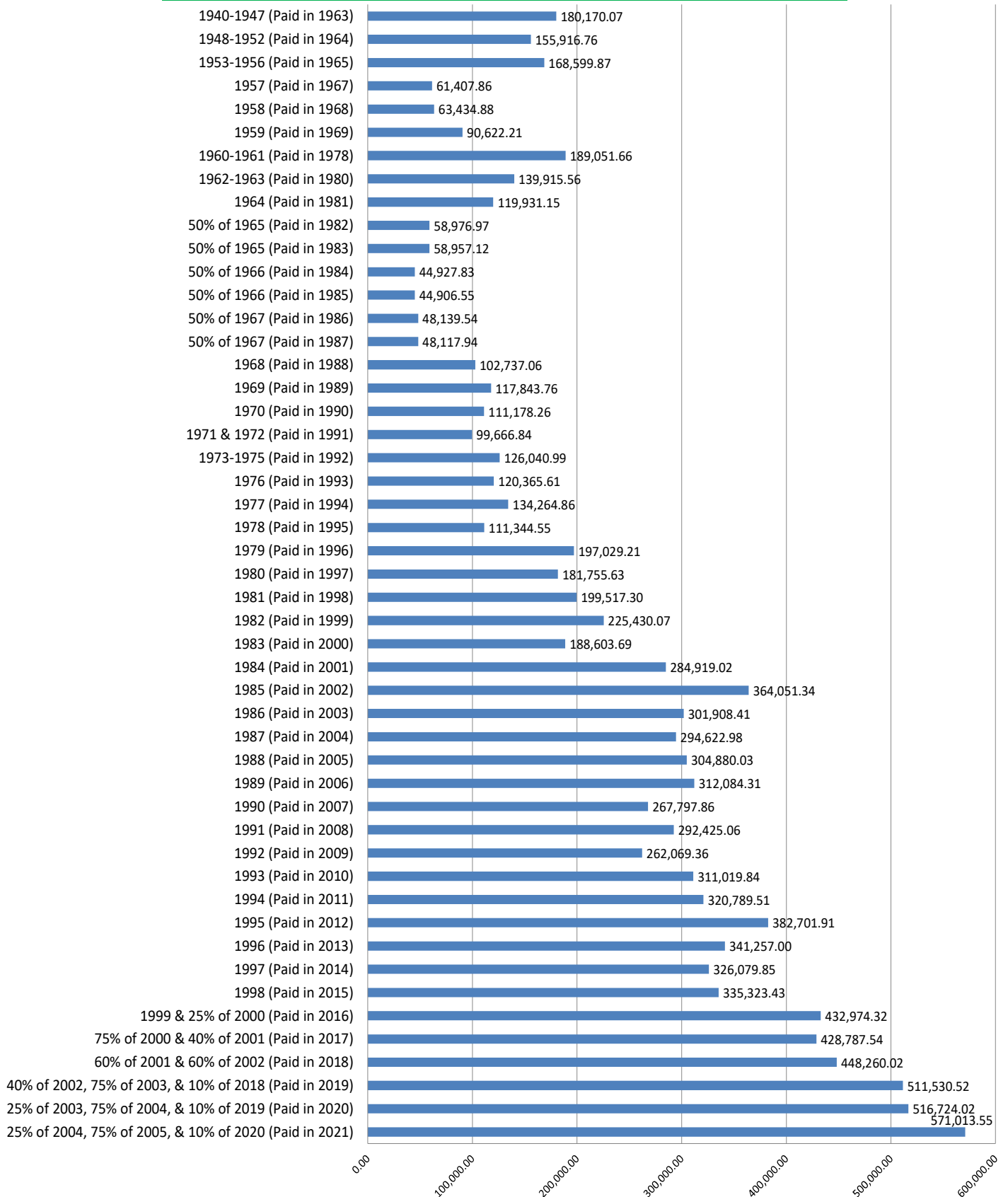
INCOME STATEMENT as of December 31, 2020

	2019	2020
Operating Revenues	\$ 15,915,925	\$ 15,045,489
Operating Expenses		
Cost of Power	9,166,723	8,662,840
Interest Expense	843,729	852,953
Depreciation & Taxes	1,509,100	1,550,285
Operations & Maintenance Expense	1,788,661	1,846,119
Office Expense	1,579,245	1,490,189
Misc. Expense	382,643	367,157
Total Expenses	\$ 15,270,101	\$ 14,769,543
Operating Margins	645,823	275,946
Non-Operating Margins	216,035	547,786
Generation & Transmission Capital Credits	665,545	734,819
Other Capital Credits	113,230	110,519
Total Operating & Non-Operating Margins	\$ 1,640,633	\$ 1,669,070

2020 Expenses As A Percentage of Operating Revenue



\$11,000,073.68 PATRONAGE DIVIDENDS PAID IN CASH



One of the Benefits of Your Member-Owned, Non-Profit Electric Cooperative

DIRECTOR CANDIDATES

Your nominating committee met on June 28, 2021, and have nominated the following as candidates for your Board of Directors to be voted on at your Annual Meeting August 28, 2021. You will vote for one candidate per county.

IOWA COUNTY

JAMES DE SMET (INCUMBENT)



James De Smet lives three miles northeast of Victor in Honey Creek Township, Iowa County, where with the exception of five years, he has resided on the family farm his entire life.

James and his wife, Susan, who is a Surgical Oncology Nurse at Mercy Medical Center in Cedar Rapids, have three children: Chris, of Center Point, who is a salesman for ABC Supply in Cedar Rapids; Bill, of Williamsburg, who is a Production Manager at Bayer; and Jenny, who is a high school Science teacher at Blair High School in Blair, Nebraska.

The De Smet's farm 600 acres which consists of corn, soybeans and hay. They also have a small herd of stock cows and previously had a dairy herd for 40 years. They have been REC members for 44 years.

James is a member of the St. Bridget's Catholic Church. He has been an active member of the Victor American Legion and served on the Iowa County Board of Review.

In his leisure time, James enjoys golfing, fishing, playing cards and just having good times with his family and friends.

UNOPPOSED

POWESHIEK COUNTY

GEORGE W CLINE



George Cline lives two miles west of Brooklyn in Bear Creek Township, Poweshiek County, where he has resided for 26 years.

George and his wife, Jane, a homemaker who is retired from Manatt's Inc. after 19 years of employment, have two children: Greg, of Des Moines and Seth, of Brooklyn.

George retired in 2017 after working at Victor Mfg for 11 years. He has farmed all his life and currently owns and farms 168 acres. George raises corn, beans and hay and has a 30 head cow/calf operation. They have been REC members for about 46 years.

George is a member of St. Patrick's Catholic Church in Brooklyn, a member of the Poweshiek County Farm Bureau and the Iowa Soybean Association.

In his leisure time, George enjoys collecting and showing Allis Chalmers tractors with the oldest being a 1927, 2035 Allis Chalmers tractor and the newest being a 1975, 7040 Allis Chalmers tractor. He also likes going to auctions, Allis Chalmers shows and playing cards with friends and family.

DAVID LEE KING (INCUMBENT)



David Lee King lives one mile south of Guernsey in Lincoln Township, Poweshiek County, where he has resided for 50 years.

Lee and his wife, Beverly, have three children: David, of Guernsey, who farms with his father; Douglas, of Guernsey, who works for the Poweshiek County Road Department; and Dianne, of Tiffin, who is a physical therapist at Oaknoll Retirement Residence in Iowa City.

The King's have a 380 acre farming operation. They also have a 125 cow herd and feed out 80 head of feeder cattle. They have been REC members for 61 years.

Lee is a member and trustee of the Guernsey United Methodist Church. As a Farm Bureau member, he has been a director and served on various committees over a number of years. Previously, Lee has served on the Poweshiek County Extension Committee, Poweshiek County Compensation Board and was on the board of directors of the Poweshiek County Pork Producers for 12 years.

In his leisure time, Lee enjoys attending his grandkids' sporting events, watching Iowa Hawkeye women's games, playing pepper and also dancing with his granddaughters.

TAMA COUNTY

RANDY J UPAH (INCUMBENT)



Randy Upah lives three miles west of Chelsea in Richland Township, Tama County, where he has resided for 41 years.

Randy and his wife, Julie, who is a florist and owner of the Country Flower Shop, have three children: Amber, of Tama, who is a ACF Certified Chef de Cuisine at Grinnell College; Katie, of Rose Hill, who farms with her husband; and Tanner, of Chelsea, who does carpentry work and owns Tanner Upah Construction.

Randy has owned and operated Randy Upah Construction for 21 years. He and his wife have been REC members for 41 years.

Randy has been a Chelsea fireman for 22 years, a previous board member of the Chelsea Community Center and served as a trustee for Richland Township for five terms.

In his leisure time, Randy likes to hunt in the winter and fish in the summer. He does woodworking all year round and enjoys hanging out with his four grandchildren.

UNOPPOSED

**T.I.P. RURAL ELECTRIC COOPERATIVE'S
ENERGY EFFICIENCY INCENTIVES
EFFECTIVE JANUARY 1, 2021**

Electric Water Heater Rebate40 gallon or larger, (EF 0.90) \$175
Go Electric Bonus when Replacing an LP or Natural Gas Water Heater with Electric\$100

Geothermal Heat Pumps

-Closed Loop \$400 per ton
-Open Loop..... \$300 per ton
-Unit Replacement (existing loop)\$150 per unit



Air Source Heat Pumps..... Standard ASHP \$200 per ton
Energy Star Bonus (add to standard ASHP rebate) \$250 per unit (not per ton)
Minimum SEER 15, HSPF 8.2, EER 12.5

Cold Climate Air Source Heat Pump\$400 per ton

Energy AuditApproximately \$649

- Contact TIP to set up your energy audit. TIP pays - **\$474**
- Commercial energy audit handled on individual basis. Member pays **\$175**



Central Air Conditioners (must be Energy Star Compliant)

- SEER of 15 and EER 12.5 or greater.....\$100

Appliance



Energy Star Appliance (must be Energy Star Compliant)

- Clothes Washer - with only an Electric Water Heater \$40
- Electric Dryer \$20

Lighting



Energy Efficient LED Outdoor Lighting (must be Energy Star Compliant)

- Total rebate cannot exceed 50% of installed cost.
- Maximum rebate up to \$600 per home annually.
- For outdoor LED fixtures see our website www.tiprec.com or call our office for assistance.

Your cooperative will rebate 50% of the installed cost, up to \$500.00, for a Residential Level II Electric Vehicle Charger.

The amount of the rebate will not exceed the amount of the invoice.

Rebate must be applied for within six months of date of purchase or it will not be accepted.

*You have a choice whether you want the rebate applied to your electric bill
(if the rebate is \$250.00 or less) or you may receive a check. For additional Residential,
Agricultural, and Commercial rebates and the Pull the Plug Appliance Recycling Program
see our website www.tiprec.com.*

Commitment to Community



The Live Line Demo in Brooklyn Flag Festival parade.



Cole Calkins, Staking Technician/ Member Service, and his sons, Kade, (left), and Kason, are pictured on the Live Line Demo trailer.



Sallie Ditzler, Customer Service Representative, is pictured with her children, Eva, (left), and Eli before the Brooklyn Flag Festival parade.



Due to Covid-19 the above electrical safety materials and a safety video were delivered to the schools in our service territory instead of having our in person safety presentations.



T.I.P. employees partnered with the Grinnell Food Coalition to help distribute food boxes and milk.



Donations were made to Big Hearts 4 Tiny Hands and First Resources Corp. on behalf of the above T.I.P. employees via our volunteer hours program.

\$500 Scholarship Winners



Clara Mews



Brayden Mikesell



Kayla Jack



Kayla D. York



Alyssa Chyma



Sydney L. Parizek



Luke Hammen



Taylor Callahan



Millie Peach



Paige Wieck



Cassandra Parsons



Max Meade



Kamryn C. Hoskey



Sidney Morse

Thanks to all the students who submitted scholarship applications.

EMPLOYEES OF THE COOPERATIVE

BROOKLYN EMPLOYEES

<u>Name</u>	<u>Title</u>
Dean Huls	General Manager
Scott Long	Operations Manager
Terry Kloppenburg	Financial Manager
Nate Hopwood	IT Manager
Cole Calkins	Staking Technician/ Member Service
Jason Jack	Accountant
Michael Kleitsch	Work Order and Material Clerk
Lee Rozmus	Administrative Assistant
Breanna McIlrath	Office and Billing Supervisor
Janet Faas	Staff Assistant/Communications
Sallie Ditzler	Customer Service Representative
Becca Coover	Operations Assistant

<u>Name</u>	<u>Title</u>
Joseph Kriegel	Brooklyn Line Foreman
Dana Kilmer	Journeyman Lineman
Andrew Kloppenburg	Journeyman Lineman
Nyle Kleine	Journeyman Lineman
Nate Egerton	Journeyman Lineman
Kendall Bunn	Apprentice Lineman
Tanner Meeks	Apprentice Lineman
Hunter Connelly	Apprentice Lineman

SIGOURNEY EMPLOYEES

Daniel Roller	Sigourney Line Foreman
Shane Morse	Journeyman Lineman
Sean Stutzman	Journeyman Lineman
Jacob Cook	Journeyman Lineman
Tyler Hanson	Apprentice Lineman

Your Board of Directors and General Manager (Years of Service)



Pictured above from left to right in the front row: Dean A. Huls, General Manager, (41 years), Ronald L. Hoffman, Secretary-Treasurer, Keokuk County, (31 years), Anne Axmear, Vice-President, Keokuk County, (2 years), and Gene Von Ahsen, President, Iowa County, (20 years). Back row from left to right: Randy Upah, Tama County, (6 years), James Hines, Tama County, (24 years), David Lee King, Poweshiek County, (27 years), Craig Stallman, Iowa County, (4 years), Jerry Henning, Poweshiek County, (1 year), and James De Smet, Iowa County, (6 years).

T.I.P. RURAL ELECTRIC COOPERATIVE
PO BOX 534
BROOKLYN, IOWA 52211

**Please bring this Registration
Card to the Annual Meeting
for us to Scan and Enter
your Name for Prizes.**

T.I.P. RURAL ELECTRIC COOPERATIVE

Drive-Thru Annual Meeting

Saturday, August 28, 2021

8:00 A.M. - 10:00 A.M.

BGM Schools Campus

1090 Jackson St., Brooklyn, Iowa

An Umbrella Will Be Given To Each Membership In Attendance.

**PRIZE #1 - 6,500W PREDATOR GENERATOR, PRIZE #2 - STORM PREPARATION
KIT: 58V 16" BATTERY-POWERED ECHO CHAINSAW, BAR OIL, LACROSSE
WEATHER RADIO AND LED LANTERN, PRIZE #3 - AIR FRYER, AND 79
ELECTRIC BILL CREDITS WILL BE RANDOMLY SELECTED FROM THE
REGISTRATION CARDS SCANNED THE DAY OF THE MEETING**



**1 - \$250 BILL CREDIT
3 - \$100.00 BILL CREDITS
75 - \$50 BILL CREDITS**

