



Butler County  
Rural Electric Cooperative

# ANNUAL REPORT

## 2022

# LETTER TO MEMBERS

DUANE RIECKENBERG, PRESIDENT,  
BOARD OF DIRECTORS



CRAIG CODNER, CEO

Powering lives was one of the many reasons the original Butler County REC board of directors began their mission in 1936. It is also one of the many reasons we continue their mission today. From your cell phones to your computers to your appliances, we are proud to provide the power that makes your life a little easier.

**Power of Membership** One advantage of being a Butler County REC member is patronage. In 2022, the board of directors elected to pay \$1,171,689.68 to current and former members. While investor-owned utilities pay dividends to shareholders, we pay patronage to the members we serve.

To show members our appreciation, in 2022 we held a member appreciation event in each of the four counties in our service territory. We served over 1,000 meals and had such a great time meeting and speaking with so many of you. The employees and board look forward to our 2023 events this summer!

**Power of Community** Our Butler County REC communities are an important part of who we are, which is why we are committed to providing loans through our United States Department of Agriculture loan fund programs and investing in our industrial parks. Shell Rock Soy Processing, located in Butler Logistics Park, Shell Rock, was named Iowa Area Development Group's Business of the Year. Katie LaBree, business development manager, was named to the Empower Rural Iowa executive committee by the governor and selected to participate in Leadership Iowa. These accomplishments bring resources and knowledge to continue development in the communities we serve.

We also donated to 57 organizations in 2022; held our annual employee raffle, with matching donations totaling \$1,400 given to a local community closet; and donated hats and mittens to a shelter and food and funds to a food pantry.

**Power of System** Our members' lives are impacted by our system, whether it is strong or weak. We are fortunate to have a strong system that includes almost 10 miles of new or rebuilt line and 2.5 miles of underground line constructed in 2022. In 2023, our system will benefit from 21 miles of overhead line strengthening as the result of a FEMA-approved project.

Last year we began deployment of a new metering system. These meters provide a number of system enhancements, including timelier member information and faster outage response and isolation. These enhancements extend to our SmartHub billing and payment system, offering members the opportunity to view usage, pay a bill, and contact us.

We also added two substations and a switching station to the Butler County REC system in 2022. The Bauman and Whalen substations and Feldman switching station came online in the Butler Logistics Park to help power this growing industrial area.

**Power of Employees and Board** In a business that involves potential danger, such as electricity, safety has to be the priority. Again in 2022, the employees of Butler County REC had no lost-time accidents.

The REC family welcomed a new member last year when Alesha Wedeking joined us as our billing clerk.

Our employees are invested in their volunteer time, volunteering over 1,150 hours to their communities last year, including eight employees who served a free meal on Kids' Day at the Butler County Fair. Our employees are involved in their churches, fire departments, schools, and a number of other community organizations.

Your board continually shows commitment to their education to ensure you receive the best possible service. In 2022, four directors earned Director Gold Renewal Certificates from the National Rural Electric Cooperative Association and one director earned a Board Leadership Certificate.

The nine directors elected by the membership are nominated and voted for by you. This is not an opportunity to take lightly, as it helps to steer the cooperative into the future. We encourage you to become involved in our member-owned business by running for the board and also by voting for directors.

We look forward to what is to come for the members, employees, and board of Butler County REC. To stay up-to-date, read your *InTouch* newsletter, visit our website at [butlerrec.coop](http://butlerrec.coop), and follow us on Facebook at [facebook.com/bcrec](https://facebook.com/bcrec) and Instagram at [instagram.com/butlercountyrec](https://instagram.com/butlercountyrec).

In 2023, we promise to continue our mission. Powering our members' lives. Powering YOUR life. That's why we are here.

# FINANCIAL REPORT

## INCOME STATEMENT

### REVENUE

Sale of Electricity	\$29,247,117	\$29,519,978
Miscellaneous Electric Revenue	2,055	
<b>TOTAL REVENUE</b>	<b>\$29,249,172</b>	<b>\$29,519,978</b>

### EXPENSES

Cost of Power	\$19,960,191	\$21,316,130
Operations & Maintenance Expense	2,004,479	1,979,585
Consumer Account Expense	535,310	445,747
Customer Service & Sales Expense	594,701	588,493
Administrative & General Expense	1,900,034	1,680,037
Depreciation	2,189,060	1,833,156
Taxes	(928)	25,031
Other Deductions	5,210	6,055
Interest on Long-Term Debt	1,081,619	1,038,242
<b>TOTAL EXPENSES</b>	<b>\$28,269,676</b>	<b>\$28,912,476</b>

### MARGINS

Operating Margins	\$979,496	\$607,502
Non-Operating Margin – Interest	218,298	135,261
Non-Operating Margin – Other	(31,238)	15,732
Corn Belt & Other Patronage Capital	3,514,471	1,633,659
<b>TOTAL MARGINS</b>	<b>\$4,681,027</b>	<b>\$2,392,154</b>

## BALANCE SHEET

### ASSETS

Cash	\$11,915,073	\$14,379,920
Patronage Capital from Associated Cooperatives	17,071,788	14,509,130
Investments in Associated Organizations	709,179	702,292
Investments in Economic Development Projects	5,343,030	4,977,764
Accounts Receivable	3,119,673	2,888,444
Materials & Supplies on Hand	1,538,555	1,203,274
Deferred Debits	113,400	287,792
<b>CURRENT ASSETS</b>	<b>\$39,810,698</b>	<b>\$38,948,616</b>
Total Cost of the System	59,454,066	54,979,574
less Depreciation Reserve	(18,474,328)	(16,792,755)
<b>FIXED ASSETS</b>	<b>\$40,979,738</b>	<b>\$38,186,819</b>
<b>TOTAL ASSETS</b>	<b>\$80,790,436</b>	<b>\$77,135,435</b>

### LIABILITIES

Patronage Capital	\$12,839,617	\$12,966,716
Non-Operating Margins	3,760,139	1,783,504
Other Margins & Equities	18,961,689	17,050,351
<b>MARGINS &amp; EQUITIES</b>	<b>\$35,561,445</b>	<b>\$31,800,571</b>

Accounts Payable	\$2,604,180	\$2,166,933
Notes Payable	5,000	5,000
Consumer Deposits	185,680	181,330
Other Current & Accrued Liabilities	1,065,120	1,160,346
<b>CURRENT &amp; ACCRUED LIABILITIES</b>	<b>\$3,859,980</b>	<b>\$3,513,609</b>

Long-Term Debt – RUS & Economic Development	\$39,114,980	\$39,944,872
Long-Term Debt – CFC	462,054	551,511
<b>TOTAL LONG-TERM DEBT</b>	<b>\$39,577,034</b>	<b>\$40,496,383</b>

Deferred Credits	1,791,977	1,324,872
<b>TOTAL LIABILITIES</b>	<b>\$80,790,436</b>	<b>\$77,135,435</b>



# CORN BELT POWER COOPERATIVE REPORT

KEN KUYPER, EXECUTIVE VICE PRESIDENT AND  
GENERAL MANAGER



DAVE ONKEN,  
PRESIDENT, BOARD OF  
DIRECTORS; PRESIDENT  
BOARD OF DIRECTORS,  
RACCOON VALLEY  
ELECTRIC COOPERATIVE

Corn Belt Power celebrated its 75th year of operation in 2022.

Rural Electrification Administration representative John Carmody announced Feb. 10, 1937 at the Hotel Waukonsa, Fort Dodge, Iowa, that the REA had allotted funds for two generating plants to serve the nine RECs in north central Iowa.

With Carmody's announcement, two generation and transmission cooperatives were the first in the nation to receive REA funds for electric generation. Central Electric Federated Cooperative Association — more commonly called Central — was formed by the partnership of four western cooperatives that decided to locate their headquarters and generating plant in Pocahontas. Those co-ops were Calhoun County Electrical Cooperative Association, Pocahontas REC, Humboldt County REC and Buena Vista County REC. Sac County REC joined Central in 1939.

The five cooperatives from the eastern area formed Federated Cooperative Power Association — known as Federated — with its generating plant near Hampton. Federated consisted of Hardin County REC, Franklin REC, Butler County REC, Grundy County REC and Wright County REC. Hancock County REC became a member in November of 1937.

These two organizations would later merge and become what we know today as Corn Belt Power Cooperative.

While our mission to provide safe, reliable and affordable electricity to our member-cooperatives remains the same, we face different and what some might consider mounting challenges.

In 2022, the North American Electric Reliability (NERC) released a report outlining their 2022 Summer Reliability Assessment, and later a winter assessment. In the reports, NERC raised concerns regarding several regional transmission organizations (RTOs) and their challenges related to electric generation and transmission this summer. The Southwest Power Pool and MISO system experienced energy emergency alerts (EEAs) just before Christmas. These alerts further display what we already know: the energy transition must consider all forms of generation.

More renewable energy sources like wind and solar power are coming online, while traditional sources like coal, nuclear and natural gas are retiring. While there are clear benefits to renewable energy, Corn Belt Power believes and advocates for an all-of-the-above energy approach. All-of-the-above promotes the idea that the United States depends on a reliable and sustainable fuel supply that includes developing and incorporating domestically produced renewable energy resources to supplement baseload generation that includes biofuels, natural gas, nuclear, hydropower and coal.

Corn Belt Power continues to work with policymakers and regulators on the state and federal level for a sensible all-of-the-above generation approach. The ongoing energy transition must recognize the need for time, and technology development, while including all energy sources to maintain reliability and affordability. A resilient and reliable electric grid that affordably keeps the lights on is the cornerstone of our rural economy.

While the challenges may seem steep, Corn Belt Power continues to endure. Our membership in the SPP regional market continues to produce positive economic results. We are able to upgrade and rebuild our electric system as a byproduct of that relationship. In 2022, crews completed more than 86 miles in transmission line rebuilds. With another 92 miles in progress, 2023 shapes up to be another busy year. Crews completed the Algona to Hancock to Klemme 41.5-mile line rebuild that began in 2021. Crews set poles for the 14.4-mile Humboldt Station to Weaver Station rebuild. Line will be strung in 2023.

Across the system electrical maintenance and meter crews electrified and/or built new substations and switching stations and replaced aging infrastructure where needed.

On the power supply side, Corn Belt Power installed its first battery project at its Hampton Substation location in December. The 1.425-megawatt battery will help manage load in times of peak demand and will pay for itself in 12 years.

Wisdom Station continued to stay on alert throughout 2022. In reliability mode, the plant isn't called upon as much as it once was. However, in December, when grid conditions tightened during the EEAs, Wisdom Station Unit 2 answered the call and provided power in the SPP footprint.

We began construction of a new vehicle storage facility in 2022. Our existing vehicle storage and warehouse facilities were built in the 1950s. At the time, line trucks were much smaller and digger derrick trucks weren't very common. In the past 70 years, equipment has become much larger and additional space is needed in which to safely store equipment.

Corn Belt Power continues to harden its cyber security infrastructure. The cooperative's information technology and electrical maintenance department installed a new uninterruptible power supply (UPS) system inside the cooperative's server room in November. The new system will help the cooperative run its critical systems during a power outage until the organization's generator turns on.

In addition to the UPS system, Corn Belt Power installed a new ransomware prevention tool called Rubrik, introduced a new Skyhelm security operations center, instituted a multifactor authentication program and began phase two of NRECA's RC3 program which included updates to the cooperative's disaster recovery and cyber incident plan.

As our first 75 years ends, Corn Belt Power Cooperative looks to the next 75. We stand strong as a power supplier and committed partner to more than 34,000 homes, farms, industries and 20,000 municipal customers. This achievement can be attributed to individuals with far-reaching vision who created the cooperative 75 years ago and to the dedicated people since that time who have worked to make it strong.

## 2022 BUTLER COUNTY REC FACTS

Total miles of line energized: 1,824  
Total number of consumers: 5,090  
Average number of consumers per mile of line: 2.79

Total kWhs purchased by cooperative: 291,050,962  
Total kWhs used by members: 284,735,290  
Deferred patronage distribution: \$1,171,689.68