

# MCREA 2021 ANNUAL REPORT

BY DAVID FRICK GENERAL MANAGER

On behalf of the board of directors, management staff and employees of Morgan County Rural Electric Association, Inc., we are pleased to bring you the 2021 Annual Report.

Morgan County Rural Electric Association is a not-for-profit electric cooperative and is dedicated to serving consumer-members by providing safe, reliable energy with a strong tradition and vision for the future. Under the cooperative business model, we are proud to be owned by those we serve. A member-elected board of directors guides the MCREA staff on the administration of assets and financial responsibilities of the cooperative.

Because we are a member-owned electric cooperative, it is the responsibility of Morgan County REA's board and management staff to provide our consumer-members with an annual report detailing the association's economic and operational condition. We encourage our membership to review the following pages, which contain comprehensive information about the state of your electric cooperative.

I want to personally extend an invitation to our consumer-members to attend Morgan County REA's 85th Annual Meeting on Tuesday, March 22, 2022, at 6 p.m. via Telephone Town Hall. You can register online on our website at [mcrea.org](http://mcrea.org).



DAVID FRICK

MCREA's board of directors and management staff look forward to reviewing the past year with you, discussing the future plans for our cooperative, and answering some of the questions you may have.

On behalf of the board of directors, staff and employees at Morgan County REA, we express our thanks to our consumer-members for your continued support of our electric cooperative and we look forward to our annual meeting later this month.

## MCREA STATISTICAL INFORMATION\*

As of December 31, 2021

Counties served . . . . .	Adams, Arapahoe, Logan, Morgan, Washington, Weld
Number of employees . . . . .	38
Year organized . . . . .	1937
RUS borrower number . . . . .	Colorado 15 Morgan
Power source . . . . .	Tri-State Generation & Transmission Association, Inc.
Monthly board meeting . . . . .	4th Monday
Total members . . . . .	4,793
Meters served . . . . .	9,215
Overhead line . . . . .	2,663 miles
Underground line . . . . .	203 miles
Transmission line . . . . .	53 miles
Total miles of line . . . . .	2,919 miles
Meters per mile . . . . .	3.16
Annual revenue . . . . .	\$43,828,575
Annual wholesale power cost . . . . .	\$28,902,797
Total energy purchased by members (kWh) . . . . .	379,751,007
Average residential usage per month (kWh) . . . . .	1,038
Annual avoided cost per kWh . . . . .	\$0.04132
Total plant in service . . . . .	\$76,213,879
Property taxes . . . . .	\$1,136,985
Interest paid . . . . .	\$1,506,760

\* 2021 preliminary unaudited numbers

## MCREA's 85th ANNUAL MEETING

**Tuesday, March 22, 2022**


**6 p.m. | Telephone Town Hall**

This year's meeting will once again be conducted by Telephone Town Hall.

**You can register for the meeting online at [mcrea.org](http://mcrea.org).**

Register and attend for your chance to win an electric lawnmower, gift cards and cash prizes!



 Register for the Telephone Town Hall Annual Meeting at [mcrea.org](http://mcrea.org).

## Morgan County REA Board of Directors



**Cary L. Wickstrom**  
President, District I



**Brian Pabst**  
Vice President, District III



**Terry Linker**  
Treasurer, District III



**Larry Hoozee**  
Secretary, District III



**Jim Bostron**  
District I



**Timothy A. Pegram**  
District I



**Randy Graff**  
District II



**David Arndt**  
District II



**Terry Tormohlen**  
District II

## FROM TERRY LINKER TREASURER, DISTRICT III

All consumer-members of the association are encouraged to carefully examine this annual report. Included are the balance sheet as of December 31, 2021, and the statements of revenue and expense for the same year. Also shown are the trends of the previous year.

In my opinion, the financial report fairly presents the financial position of Morgan County Rural Electric Association for the year ending December 31, 2021, and is in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year.

Terry Linker  
Treasurer

### BALANCE SHEET\*

	<b>December 31, 2021</b>
<b>Assets</b>	
Total utility plant	\$ 76,260,984
Accumulated provision for depreciation	<u>\$ 13,451,967</u>
Net utility plant	\$ 62,809,017
Non-utility plant	\$ 168,310
Investment in associated organizations – patronage capital	\$ 20,155,912
Investment in associated organizations – other	\$ 1,704,728
Cash	\$ 1,604,812
Temporary investments	\$ 11,551,582
Notes and accounts receivable – net	\$ 3,533,757
Materials and supplies	\$ 1,628,581
Prepayments	\$ 33,359
Current and accrued assets	\$ 13,719
Deferred debits	<u>\$ 1,077,004</u>
<b>Total assets</b>	<b>\$ 104,280,781</b>
<b>Liabilities</b>	
Margins and equities	\$ 48,634,636
Long-term debt – RUS	\$ 31,118,910
Long-term debt – other	\$ 16,774,801
Accumulated operating provisions	\$ 3,520,040
Notes and accounts payable	\$ 2,462,680
Other current and accrued liabilities	<u>\$ 1,769,714</u>
<b>Total liabilities and other credits</b>	<b>\$ 104,280,781</b>

\* 2021 preliminary unaudited numbers

# 2021 FINANCIAL INFORMATION\*

## Operating Statement

Revenue by class	2020	2021
Residential	\$ 9,368,761	\$ 9,550,976
Irrigation	\$ 10,028,227	\$ 9,103,430
Small power	\$ 2,719,754	\$ 2,785,525
Large power	\$ 13,311,845	\$ 15,435,276
Industrial	\$ 7,814,626	\$ 6,505,235
U.S. Air Force	\$ 265,731	\$ 263,036
Other electric revenue	\$ 106,562	\$ 185,097
<b>Total operating revenue</b>	<b>\$ 43,615,506</b>	<b>\$ 43,828,575</b>

Expenditures by account	2020	2021
Cost of purchased power	\$ 29,013,716	\$ 28,902,797
Operation and maintenance	\$ 4,174,846	\$ 4,327,654
Consumer and sales accounts	\$ 834,619	\$ 743,789
Administrative and general	\$ 2,070,496	\$ 2,082,427
Depreciation and amortization	\$ 2,016,657	\$ 2,093,302
Interest and other deductions	\$ 1,599,513	\$ 1,585,458
<b>Total cost of electric service</b>	<b>\$ 39,709,847</b>	<b>\$ 39,735,427</b>

Operating margin	\$ 3,905,659	\$ 4,093,148
Non-operating margin	\$ 273,662	\$ 252,226
Other capital credits and dividends	\$ 411,814	\$ 328,306
Tri-State G&T capital credits (allocated)	\$ 643,844	\$ 686,720
Extraordinary items	\$ -0-	\$ -0-
<b>Net margin or patronage capital</b>	<b>\$ 5,234,979</b>	<b>\$ 5,360,400</b>

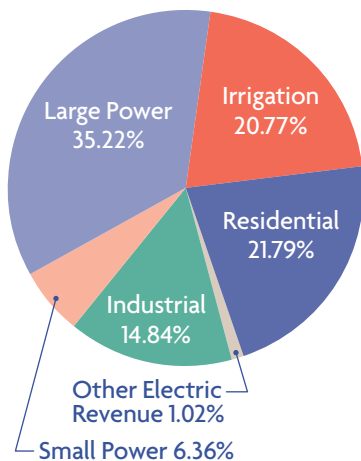
## Current MCREA Staff & Employees

Troy Baker	Travis Kallweit
Sergio Baquera	Brent Kliesen
Rob Baranowski	Angie Larson
Curtis Berg	Cheryl Lewis
Kristie Binder	Kevin Martens
Chuck Blackwelder	Alan Mason
Brad Boppe	Di McKenzie
Bobby Brenton	Susie Norton
Josh Bristol	Travis Petrino
Andron Brown	Maddie Pollart
Curtis Covelli	Rodney Rhoades
Zeque Chenoweth	Dean Segelke
Cirildo Estrada	Robb Shaver
David Frick	Steve Sundet
Joe Graves	Stacy Syphers
Amanda Green	Colton Unrein
Tim Hishinuma	Travis Varelman
Suzi Iungerich	Fabian Vigil
Tucker Jochim	Tammy Walker

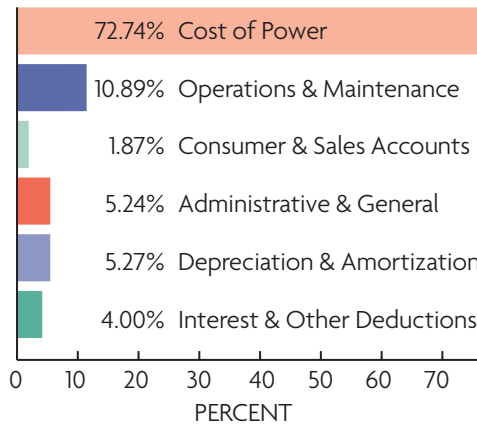


This institution is an equal opportunity provider and employer.

### 2021 ELECTRIC ENERGY REVENUE BY CLASS\*



### EXPENDITURES IN 2021\*



## Win \$25 Off Your Electric Bill

Each month Morgan County REA gives two lucky consumer-members a chance at a \$25 credit on their electric bill, just by reading *Colorado Country Life*.

Congrats Mike Klenda, you spotted your name in the January issue and received a \$25 bill credit. Sorry Taylor Cummings, you did not call to receive your \$25 credit. There are two more MCREA member names and their account numbers hidden somewhere in this issue. If you find your name and account number, call MCREA member services at 970-867-5688 by March 31 to claim a \$25 credit on your bill.

\* 2021 preliminary unaudited numbers

# MEET MCREA'S CANDIDATES FOR BOARD DIRECTOR

These three candidates submitted petitions to serve on the Morgan County REA Board of Directors. Board elections will take place at the MCREA Annual Meeting on March 22, 2022. Here is some background information about each of the candidates.

## DISTRICT ONE



**Jim Bostron** and his wife Susie live north of Wiggins in District One, and he has served on the MCREA Board since 2020. Jim has resided in Morgan County most of his life, and graduated from Wiggins High School in 1976. He is a lifetime member of the Wiggins Community Church.

After 20 years in the local fertilizer and ag chemical industry, Jim is currently in his 17th year with the Colorado Department of Transportation. (Russell Jones, acct. #xxx9800) Jim previously held a seat for eight years on the Wiggins School District Board of Education, serving as president during his last two years.

His wife, Susie, has been a flight attendant for 22 years for Frontier Airlines and they have two daughters. Jamie Hochanadel and her husband Tony live in Fort Morgan, and are both teachers for the Fort Morgan School District. Their daughter, Brooke, lives south of Wiggins and is a loan processor for High Plains Bank in Wiggins. They have three and a half grandchildren; Olivia, Ava and Luke Hochanadel...with Baby Hochanadel due early July.

One of Jim's favorite things to do when snow season is over is spending time with family and friends relaxing by the water — whether poolside or at the lake. Jim also enjoys fishing, water sports and traveling, along with listening to good ol' rock and roll music. Jim is looking forward to his retirement from CDOT in three years.

During the summer of 2021, Jim received the Credentialed Cooperative Director certificate from the National Rural Electric Cooperative Association.

## DISTRICT TWO



**Randy Graff** has been a Morgan County REA member since 1979, and has served on the MCREA Board of Directors since 2010. He represents District Two, and has achieved the Credentialed Cooperative Director and Board Leadership certifications. Randy also serves as MCREA's representative to Tri-State Generation & Transmission.

Randy was the owner/operator of Graff's Turf Farms, Inc. from 1979 to 2007. While building his turfgrass business he served on the Turfgrass Producers International Board of Directors for eight years, during which he worked his way up through the chairs, completing his presidency of that association in July 2009. During those years he earned many awards, including the prestigious Ernst and Young Entrepreneur of the Year in 1995. He also served as president of the Rocky Mountain Sodgrowers Association for three years.

Randy and his wife, Betsy, have two grown children and four grandchildren. He enjoys hunting, fishing, golfing, traveling and spending time with family and friends.

Being a director has been a welcome challenge for Randy, as he understands how increasingly difficult it is to maintain competitive rates. Therefore, he remains committed to MCREA members to work to keep those rates affordable.

## DISTRICT THREE



**Larry Hoozee** has served on the MCREA Board of Directors since 2002, and currently holds the position of secretary of the association. A former vocational agriculture teacher and ag loan officer, he returned to farming and ranching north of Snyder in 1981. Now in business for himself, Hoozee finds his experience and his degree from Colorado State University extremely beneficial.

Larry retired from the Morgan Conservation District board in 2019 after 25 years on local, regional and state boards. (David Smith, acct. #xxx6000) His involvement with the conservation district has included leadership positions on the Lower South Platte Watershed and Colorado Association of Conservation Districts boards, as well as serving as state president of CACD for two years. Larry is also a member of the pension board for the local fire district.

Larry and his wife, Karen, have two grown children, Kristen and Justin, and six grandchildren who are all involved in the family's operation. In his spare time, he enjoys camping and spending time with family and friends.

Hoozee says that he has found his time on the MCREA Board educational and challenging, adding, "I have grown to appreciate the cooperative business model and how it works for members."

Larry has achieved the Credentialed Cooperative Director, Director Gold Credential and Board Leadership certifications for education through NRECA while on the Morgan County REA Board.