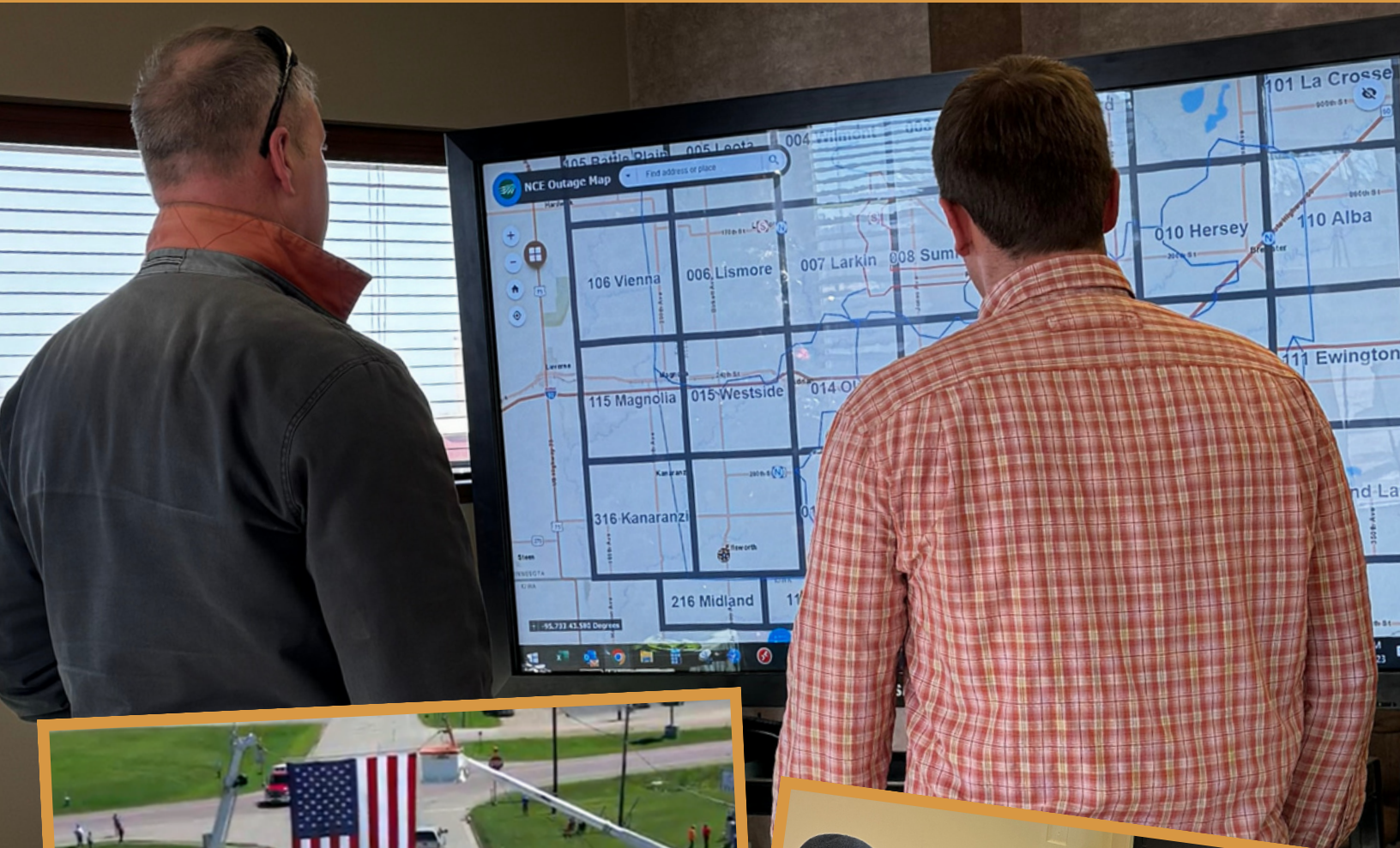




Nobles Cooperative
Electric

® Your Touchstone Energy® Cooperative 

CO-OP LIFE
BETTER TOGETHER



2023
ANNUAL REPORT

WE power YOU... ...YOU power US!

Every one of us has the desire to belong and be a part of something bigger. It is a fundamental aspect of human nature. For many of us, that means family connections or involvement in various groups or businesses.

That sense of belonging is what we want you to feel as a member of Nobles Cooperative Electric. Being part of a cooperative means being part of something special. We live and work in your community and while we power you—you power us.

The cooperative is all about the people. Your participation in electing the board of directors gives your voice and vote significant weight and meaning. Your opinions and concerns are highly valued, and your best interests are always a top priority.

While Nobles Cooperative Electric is committed to delivering exceptional member service and reliability at a reasonable cost, we acknowledge the constant opportunity for improvement. We urge you to remain involved and empowered within your cooperative. Your engagement drives our operational practices and communication strategies.

Remember, as much as we provide power to you, you also empower us!

Ronald Schwartau, President
Adam Tromblay, CEO/General Manager

2023 HIGHLIGHTS

- Implemented a new software platform (NISC) that will impact all aspects of our operations, enhancing efficiencies and elevating customer service.
- The City of Bigelow joined as members in September 2023.
- New Worthington Substation.
- Rebuilt the Chandler Substation.
- Successful Grab-n-Go event that served 549 members with 2,101 meals.
- Distributed \$1.5 million in capital credits.
- Hosted two holiday open houses.



NOBLES COOPERATIVE ELECTRIC BOARD OF DIRECTORS



Ronald Schwartau
District 1 - President
Elected in 1991



Lee York
District 2 - V. President
Elected in 1993



Cindy Hokeness
District 5 - Sec./Treas.
Elected in 2013



Jerry Beckering
District 4 - Director
Elected in 2017



Timothy Bickett
District 6 - Director
Elected in 2021



Gary Clarke
District 3 - Director
Elected in 2019



Vacant
Director Position
District 7 - Director



OUR TEAM

NOTICE OF ANNUAL MEETING OF MEMBERS

The annual meeting for Nobles Cooperative Electric members will be held via conference call on Monday, April 15, 2024, at 7 p.m. Members can call 800-717-1738 to join the meeting. Be sure to enter the Conference Call ID: 07978.

The business to be conducted at the annual meeting shall include, but is not limited to the following:

1. Approval of 2023 Annual Meeting Minutes.
2. Business and Fiscal Reports, which will be provided to the membership prior to the annual meeting.
3. Announcement of the results of director and nominating committee elections.
4. All other business which may come before the meeting, or any adjournment, or adjournments thereof.

Voting will only be done by mail ballot for director and nominating committee elections. Please watch the mail for your ballot package.

Cindy M. Hokeness, Secretary
Dated: February 15, 2024

Annual Meeting Agenda

Via Conference Call
April 15, 2024
7 p.m.

- Welcome
- Call to Order
- Approval of Agenda
- Approval of April 11, 2023, Annual Meeting Minutes
- Establishment of a Quorum
- Proof of Publication of Notice of Meeting
- Explanation of Balloting
- Results of Election
- Adjournment of Meeting



Nobles Cooperative
Electric

® Your Touchstone Energy® Cooperative

OFFICIAL BALLOT

Annual Meeting
April 15, 2024 • 7 p.m.
Three-year terms
(Nominated by committee)

Instructions for Voter

1. If you are a business/entity, we must have a resolution designating your authorized voter on file at the office or attached to your ballot.
2. The ballot must be received on or before April 15, 2024. All members must send back the properly executed ballot in the enclosed envelope. Nobles Cooperative Electric (NCE) will not be accepting or counting any ballots that are mailed directly to NCE or dropped off at any NCE buildings or drop boxes.

Nobles Cooperative Electric
Annual Meeting
April 15, 2024 • 7 p.m.

Ballot
SAMPLE
Nominating Committee Candidates
District 4
(Vote for one by placing an "X" in the box)

- ☐ 1. Phillip Feikema
☐ 2. Kolin Kontz



All members can vote for the nominating committee positions in this election, regardless of the district they live in. The ballot will be sent in the mail.

DETAILS FOR THE 2024 VOTING PROCESS

Efforts were made to secure more candidates for director candidates in Districts 1, 2, and 7, but unfortunately, no additional candidates came forward. Consequently, the sole candidate for each of these districts will be elected by acclamation.

Similarly, in District 6, where only one candidate stood for the nominating committee, that candidate will be elected by acclamation. On the other hand, elections will take place for the nominating committee candidates in District 4. Be sure to cast your vote to elect a nominating committee member for District 4.

Your ballot will be sent to you via the mail.

2024 DIRECTOR ELECTIONS

District One Candidate

Ronald Schwartau

District Two Candidate

Lee York

District Seven Candidate

Randy Donahue

2024 NOMINATING COMMITTEE ELECTIONS

District Four Candidates

Phillip Feikema

Kolin Kontz

District Six Candidate

Benjamin Krohn



District 1 Board Candidate - Ronald Schwartau

Tell us a little about yourself:

I have been a member of Nobles Cooperative Electric since 1981. My wife, Connie, and I live in Skandia Township where we retired from operating the family farm, Coorain, Inc. I graduated from the University of Minnesota with a Masters Degree of Agriculture-Food Technology. Prior to farming, I was a research project coordinator at the University of Minnesota. I served in the Army and Air National Guard. While serving as a director of NCE, I completed all of the required courses from NRECA to earn Credentialed Cooperative Director and Board Leadership certificates. I have been on the board since December 1991.

Occupation and responsibilities:

I have recently retired from farming in rural Balaton, but maintain a supporting role in the operations of Coorain Inc.

Community involvement/service:

I am active in Sillerud Lutheran Church, having served on the council multiple times and I sing in the choir. My wife and I are members of and support the activities of the Balaton Chamber of Commerce and Shetek Lutheran Ministries. I have also served several times as an international volunteer helping develop and improve cooperatives in third-world and developing countries.

Leadership positions:

I serve as president of Nobles Cooperative Electric and am a member of the Minnesota Rural Electric Association Board of Directors. From 2004 to 2020, I served on the board of the National Rural Electric Cooperative Association (NRECA) and chaired the NRECA International Foundation.

What are the primary issues facing the electric industry and Nobles Cooperative Electric?

The challenges facing all electric cooperatives are getting more difficult each year. Federal and state legislation and regulations are potentially putting the reliability and affordability of our grid at great risk. Even recent actions by the EPA, run counter to the goals set for the national clean energy goals.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

I want to do all I can to continue to ensure that Nobles Cooperative Electric remains financially secure and relevant to our members and communities.



District 2 Board Candidate - Lee Andrew York

Tell us a little about yourself:

I've been a lifelong resident of Murray County, specifically the Lake Wilson area. I'm married to my wife Joan, and we have two children, Brian and Kayla. I graduated from Southwest State University with a Bachelor of Arts degree in Ag Economics. Upon graduation, I started a farming operation that continues today. I've been a Nobles Cooperative Electric member since 1974.

Occupation and responsibilities:

We operate a diversified grain and livestock operation with my son and brother.

Community involvement/service:

I'm a member of Lake Wilson United Methodist Church, the Lake Wilson Community Club, Lake Wilson Post 285 Sons of the American Legion and Slayton Post #64 Legion Riders. I currently serve as director for District 2 on the Nobles Cooperative Electric Board.

Leadership positions:

I currently serve on the Nobles Cooperative Electric Board, having served as secretary/treasurer and currently vice president. I also serve as the Nobles representative on the board of Great River Energy, serving as board treasurer. I've served as past president of Hadley Farmer Co-op Elevator, past president of the Lake Wilson Economic Development Authority, past president of Lake Wilson Community Club and currently chair of the administrative board of Lake Wilson United Methodist church.

What are the primary issues facing the electric industry and Nobles Cooperative Electric?

One issue that will impact our system and our members is the transition from fossil fuel to renewable sources for generation, as well as self-generation or distributed generation. The challenge is maintaining reliability and affordability for all of our members. Our power supplier, Great River Energy, is ahead of schedule in this transition. Another issue is keeping costs down which affects rates, but spending on maintenance and equipment will continue to maintain reliability.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

I would like to serve to be able to help shape the policies that will keep our electric service reliable and affordable into the future for our members. Also, the promotion of economic development in our service territory for the benefit of our members.



District 7 Board Candidate - Randy Donahue

Tell us a little about yourself:

I was born and raised in the Brewster, MN, area and graduated from Brewster High School. I attended Buena Vista University obtaining a bachelor's degree majoring in criminal justice and agency administration. My wife, Lorna, is an ER Nurse and we have two adult children and one grandson.

Occupation and responsibilities:

I worked a career in law enforcement, beginning as a Deputy Sheriff in Texas and finally retiring in 2014 from the Murray County Sheriff's Office as their Chief Deputy Sheriff. Today, I own and operate Viper, LLC. The focus of the business is consulting on various law enforcement issues, mainly public safety technology. I consult with the National

Center for Missing and Exploited Children on missing and abducted cold cases, as well as do public speaking on internet child safety issues.

Community involvement/service:

I am a member of the local Civil Air Patrol, as well as various herpetological and exotic animal associations. I am USDA and MN DNR licensed to deal in exotic animals with a focus on reptiles.

Leadership positions:

I am the current board chairman for the Leading Edge Credit Union.

What are the primary issues facing the electric industry and Nobles Cooperative Electric?

I believe the changing political climate pushing towards renewables and more electric vehicles could put considerable strain on electrical production. Also, ensuring a well-maintained electrical grid will be a constant area of growth and will pose financial strains as we move to prepare an infrastructure that can handle increasing demands.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

I was delighted to be contacted by Mr. Funk as I am always looking for areas where I can be of service to the community. I believe living in the area has been very good for my family and I desire to give back where my talents and educational background can be helpful.



District 4 Nominating Committee Candidate Phillip Ray Feikema



Tell us a little about yourself:

I was born and raised right here in the NW corner of Nobles County, just outside of Leota. After graduating from Dordt University in 2013, I moved out to the Rochester, MN, area where I worked at CHS Inc. as an agronomist and location manager. In 2017, I was given the opportunity to be the 4th generation on our family farm. A few years later in 2020, I met and married my beautiful wife, Katherine. Together we have welcomed into our growing family 2 sons, Colin (2) and Frank (6 mo.). We have enjoyed raising our boys on the farm while we reside in the small town of Leota.

Occupation and responsibilities:

I actively own and manage a 4th generation row crop operation 2 miles east of Leota. My skills and responsibilities include all that it takes to run a profitable farming business from maintaining and repairing equipment to logistics, decision making, strategizing, and accounting.

Community involvement/service:

I'm convinced it's necessary to actively serve our community in order for it to be a friendly and inviting place to work, live, and raise a family. To that extent I enjoy giving dedicated time and energy to our community. I am currently serving as a board member for the Leota Sewer District. In 2023 I completed my term as deacon at the church my wife and I are members at. There I served as treasurer and chairman. I also enjoy helping lead our church youth program.

Leadership positions:

Leota Sanitary District Board Member 2022 - Present. First CRC Deacon 2020 - 2023 (treasurer & chairman). Church Youth Group leader 2022 - present.



District 4 Nominating Committee Candidate Kolin Kontz



Tell us a little about yourself:

I am 29 years old. I'm married and have two kids. I've lived east of Leota for the last 6 years.

Occupation and responsibilities:

I work at Edgerton Ag. I'm in charge of all chemical and sprayer sales. I also own a liquid manure hauling business.

Community involvement/service:

I am on the Leota Park Board.

Leadership positions:

In charge of chemical and sprayer sales and buying own manure hauling business.



District 6 Nominating Committee Candidate Benjamin Krohn

Tell us a little about yourself:

My family and I live south of Worthington on our family's 3rd generation farm. My wife, Stephanie, and I have two kids, Will (14) and Ashlyn (11).

Occupation and responsibilities:

I am a crop and livestock insurance agent at Compeer Financial in Worthington, MN. I work with producers in SW MN, NW IA and SE SD. I also farm corn and soybeans in southern Nobles County.

Community involvement/service:

I am a board member of the Frosty Riders snowmobile club.

Leadership positions:

Currently serve on the nominating committee for Nobles Cooperative Electric.

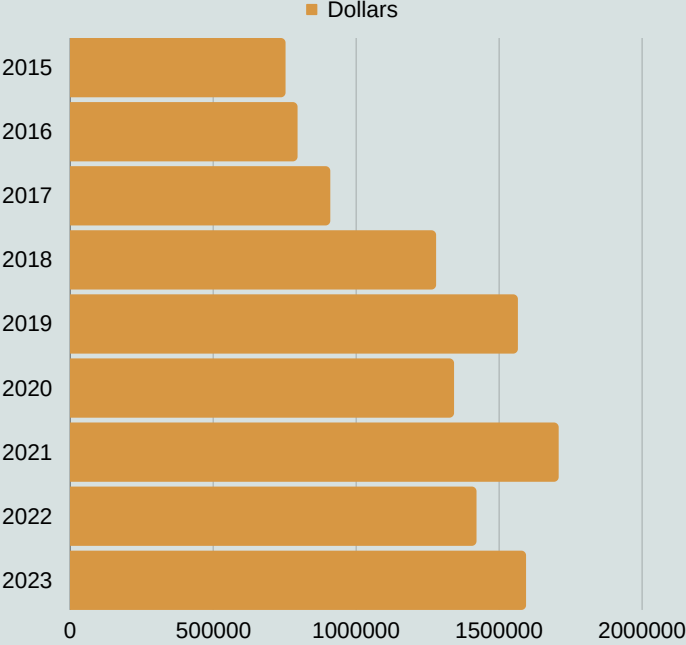
MANAGER'S COMMENTS

The preliminary financial statements for the 12-month period ending on December 31, 2023, and December 31, 2022, are provided below. The audit for 2023 is scheduled for the week of March 18, 2024, conducted by CliftonLarsonAllen, LLP, following US Comptroller General issued government auditing standards and generally accepted auditing standards.

These financial statements are summarized, and the auditor's report will be available at the cooperative's office. Please note that the audit was not completed at the time of printing.

FINANCIALS

CAPITAL CREDIT RETIREMENT

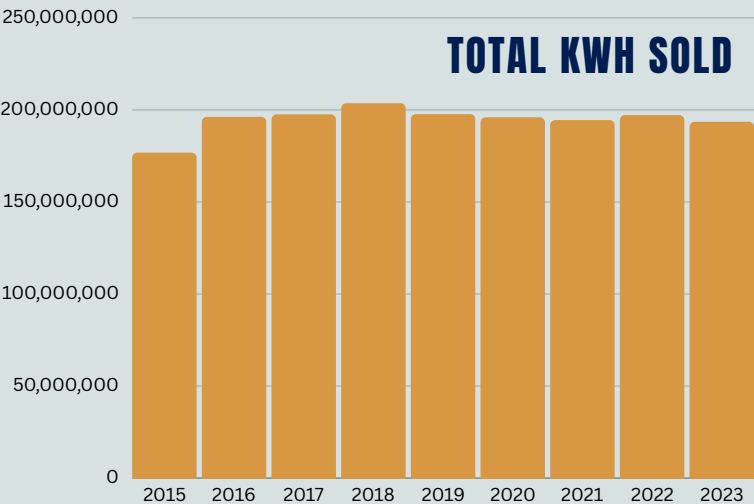


STATEMENT OF OPERATIONS

	2023	2022
OPERATING REVENUES	21,442,526	23,375,426
Operating expenses		
Purchased power	13,325,845	13,901,877
Power production expense	12,667	33,506
Operations	930,024	991,105
Maintenance	1,146,261	1,207,932
Customer account expense	728,207	679,667
Administrative and general expense	1,311,001	1,207,677
Depreciation expense	2,130,781	2,074,353
Interest on long-term debt	892,291	875,674
Other income deductions	23,097	18,017
Total operating expenses	\$20,500,174	\$20,989,808
NET OPERATING MARGINS	\$942,352	\$2,385,618
Generation and transmission plus other cooperative capital credits	726,658	342,658
NET NON-OPERATING MARGINS	813,978	38,136
TOTAL PATRONAGE CAPITAL AND MARGINS	\$2,482,988	\$2,766,412

BALANCE SHEET

	2023	2022
UTILITY PLANT		
Lines, buildings, and equipment	77,181,507	73,124,663
Less: provisions for depreciation	27,372,068	26,319,263
Net utility plant	\$49,809,439	\$46,805,400
CASH AND INVESTMENT ACCOUNTS		
General funds	9,845,570	10,738,422
Investments	9,118,456	9,746,624
Accounts receivable	1,846,344	2,816,969
Materials and supplies	1,572,909	1,407,894
Prepayments	168,735	98,325
Deferred debits	95,449	204,449
Interest receivable	7,985	23,331
Total cash and investments	\$22,655,448	\$25,036,014
TOTAL ASSETS	\$72,464,887	\$71,841,414
LIABILITIES		
Accounts payable	3,331,635	3,520,631
Long-term debt	35,936,660	35,874,421
Deferred credits	157,045	143,340
TOTAL LIABILITIES	\$39,425,340	\$39,538,392
EQUITY		
Patronage capital	25,973,825	25,076,872
Capital reserve and other equity	7,065,722	7,226,150
TOTAL EQUITY	\$33,039,547	\$32,303,022
TOTAL LIABILITIES AND OWNER EQUITY	\$72,464,887	\$71,841,414



YOUR CO-OP BY THE NUMBERS



400,158

kWh Energy Savings
from member efficiency improvements

193,563,031

kWh Sold in 2023

3.28

Services per mile of line

\$45,029

Energy Efficiency Rebates
Paid to Members

7,535

Active Services

19

Substations

2,295

Miles of Line
1,281 miles underground
1,014 miles overhead

3,492

Facebook followers

\$1,594,224

2023 Capital Credits Returned
to the Members

23

Employees

FOR EVERY DOLLAR PAID
BY MEMBERS,
THE MONEY GOES TO

\$1

=

64.6¢

COST OF
WHOLESALE
POWER

6.4¢

ADMINISTRATIVE
AND GENERAL
EXPENSE

4.3¢

INTEREST
EXPENSE

4.5¢

OPERATIONS

2.0¢

CONSUMER
ACCOUNTS

2.2¢

TAXES

10.3¢

DEPRECIATION
EXPENSE

5.6¢

MAINTENANCE

WE ARE COMMITTED TO PROVIDING SERVICE TO OUR COMMUNITIES

OPERATION ROUNDUP

Nobles Cooperative Electric's "Operation Round Up" program, started in 2001, offers financial aid to local non-profit organizations through member donations. Volunteer directors on the Nobles-Murray Rural Electric Trust Board meet biannually to review applications and select causes to support.

\$507,408

CO-BANK SHARING SUCCESS

CoBank's Sharing Success program doubles the contributions we make to various charitable organizations and causes.

\$60,000

ECONOMIC DEVELOPMENT

Apart from contributing to charitable organizations and causes, we also contribute to improving our local communities.

\$1,214,768

K-12 PROGRAM

Nobles Cooperative Electric is proud to serve the members of our local community and give to children who need a little extra help.

\$147,447

COMMUNITY EVENTS

You'll see us sponsoring various community events too!





Front row: Chad Schultz, Lyle Kramer, Charles Vasgaard
Back row: Jess DeKam, Benjamin Krohn, Stacy Barstad, Matthew Funk



2023 ANNUAL MEETING MINUTES

The annual meeting of the members of Nobles Cooperative Electric was held via a conference call at 7 p.m. on April 11, 2023. This was pursuant to notice duly published 15 days prior to the holding of the meeting, as required by Nobles Cooperative Electric's Articles of Incorporation and Bylaws.

Ronald Schwartau, president of the board of directors, welcomed the members.

The meeting was called to order by Chairman Schwartau, who presided. Director Cindy Hokeness, secretary of the cooperative, kept the minutes of the meeting.

The agenda and annual meeting notice were mailed to each member of the cooperative. A motion was made, seconded, and carried to approve the agenda.

President Schwartau stated that the annual report had been provided to the membership prior to the annual meeting and constitutes the business and fiscal reports of the cooperative.

The minutes of the last annual meeting of the members, as held on April 5, 2022, were printed in the 2022 Annual Report. There being no corrections, additions, or deletions, a motion was made, seconded, and carried to approve the minutes as printed.

Nobles Cooperative Electric's Bylaws state that a quorum is established when a question is submitted to a vote by mail and there are 50 or more mailed votes received on behalf of the cooperative. Secretary Hokeness stated that before the April 11 Conference Call Annual Meeting, more than 50 mail-in ballots were received and a quorum was established as per Article II, Section 7 of the Bylaws.

Chairman Schwartau appointed Attorney Chad Felstul as parliamentarian for the meeting.

Chad Felstul, attorney for the cooperative, stated that the Notice of Annual Meeting was published in the Murray County Wheel-Herald and the Southwestern Peach for one week starting on March 6, 2023, and the Worthington Daily Globe for one week starting on March 8, 2023.

The Notice of Annual Meeting was also in the Annual Report mailed to members on March 10.

The balloting and voting procedures for the election of directors and nominating committee members were explained by Attorney Felstul. Ballots were mailed to 5,268 members on March 17 at their last known address as shown by the records of the cooperative, proven by a Certificate of Mailing by Dairyland Power Cooperative. The ballots were sent to Pemberton Law, P.L.L.P. for counting.

Attorney Felstul announced the ballot totals, which were as follows:

Director District Four		Votes	Nominating Committee District Five		Votes	Nominating Committee District Seven		Votes
Jerry Beckering		393	Gregory Kruger		289	Matthew Funk		524
Justin Feikema		333	Chad Schultz		486	Terry Nelson		241
Ronald Honken		69						

There were 835 total ballots counted with 1 spoiled ballot.

The minutes of the 2023 Election Ballot Count certified by Pemberton Law, P.L.L.P. are attached to these minutes.

There being no further business to come before the meeting, President Schwartau thanked the members for their participation in the conference call and the meeting was adjourned.

Respectfully submitted, Cindy M. Hokeness, Secretary



**Nobles Cooperative
Electric**

Your Touchstone Energy® Cooperative 

22636 U.S. Hwy. 59 - P.O. Box 788
Worthington, MN 56187-0788

PRSRT STD
U.S. Postage
PAID
DPC

NOBLES COOPERATIVE ELECTRIC'S ANNUAL MEETING APRIL 15, 2024 - 7:00 P.M.



**THE ANNUAL MEETING WILL
BE HELD IN A CONFERENCE
CALL FORMAT**

Toll Free Dial-In Number: 800-717-1738
Conference ID is needed: 07978

Join the annual meeting conference call
on Monday, April 15 at 7 p.m.:

- Before the conference call start time, dial in using the dial-in number provided.
- Please wait for the conference call to begin.

If you would like to submit a question for the annual meeting conference call, please email us no later than 3 p.m. on April 15 at nce@noblesce.com.

KEEP AN EYE ON YOUR MAILBOX FOR YOUR BALLOT

AT THE 2024 ANNUAL MEETING, THERE ARE NO BOARD OF DIRECTOR POSITIONS UP FOR ELECTION. DESPITE EXTENSIVE EFFORTS, NO ADDITIONAL CANDIDATES WERE SECURED FOR DISTRICTS 1, 2 AND 7. AS THERE IS ONLY ONE CANDIDATE FOR THESE DISTRICTS, THEY WILL BE ELECTED BY ACCLAMATION.

WITH ONLY ONE CANDIDATE FOR THE NOMINATING COMMITTEE IN DISTRICT 6, THAT CANDIDATE WILL BE ELECTED BY ACCLAMATION.

YOUR VOTE WILL BE NEEDED TO ELECT A NOMINATING COMMITTEE MEMBER FOR DISTRICT 4.

