

Mitch S. (Lisbon line crew foreman) supervises his crew as they safely change out a pole in the slough near Fort Ransom, North Dakota.



Cass County Electric
Cooperative

2020 Annual Report

Your Power - For Life



NOTICE OF ANNUAL MEETING

CONTENTS

- 3** Board of Directors
- 5** Letter to Members
- 6** Safety
- 9** Integrity
- 10** Accountability
- 13** Innovation
- 14** Community
- 16** Financial Reports

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Information about the cooperative, articles of incorporation,

bylaws, and more can be found at CassCountyElectric.com

The annual meeting of the members of Cass County Electric Cooperative Inc., will be held at the Delta by Marriott, located at 1635 42nd Street South, Fargo, North Dakota, at 6 PM on Thursday, June 24, 2021, to act upon the following matters:

1. The reports of officers and directors
2. The election of five directors
3. All other business which may come before the meeting, or any adjournments thereof

Pursuant to the bylaws, the following members have filed petitions for directorship of the Cooperative:

District 1	Marcy Svenningsen (I)
District 2	Doug Anderson (I)
District 3	Sid Berg (I)
District 3	Brian Gregor
District 5	Sonja Kaye
District 5	Wendy Loucks (I)
District AL	Douglas Kalianoff
District AL	Terry Kraft (I)
District AL	Barry Maring
District AL	Michael McMahon

Program:

5:00 PM	Registration* begins and doors open
5:30 PM	Meal
6:00 PM	Call to order and welcome
	Board chair's report
	Establish quorum
	Approve minutes of previous meetings
	Election of directors
	President's report
	Financial report
	Old and new business
	Open discussion
	Adjournment

***Only registered members are allowed to vote. Any person representing a corporation which is a member of the Cooperative shall present evidence of his or her authority to cast one vote on behalf of the corporate member.**

Dated this 25th day of May 2021.


Glenn D. Mitzel, Secretary

Board of Directors

Members of the Cass County Electric Cooperative board of directors are elected to three-year terms during the annual meeting. Directors must be members of the cooperative and be a bona fide resident of the director district in which they are seeking directorship. That means you, as a member, can have a say in cooperative operations by voting for your directors. Democratic member control is one of the principles that sets cooperatives apart from other types of businesses and utilities.



Marcy Svenningsen
District 1, Valley City
Board Chair



Jeff Triebold
District 4, Fargo
Vice Chair



Genn D. Mitzel
District 5(3), West Fargo
Secretary



Kalvin Hoff
District 6, Fargo
Treasurer



Douglas Anderson
District 2, Arthur



Sid Berg
District 3, Colfax



Terry Kraft
District-at-large, West Fargo



Wendy Loucks
District 5(1), Fargo



Tom Seymour
District 5(2), West Fargo

Director Expenses

2020 director expenses totaled \$129,003.84, \$2.41 per member. Directors' expenses include fees paid for attendance at regular monthly board meetings and monthly retainer (\$45,840.10), and other industry-related conferences and meetings, including training and reimbursable travel expenses (\$32,201.16).

Your Power - For Life



MISSION
*To serve our member's energy needs with
affordable and reliable electricity*

CORE VALUES
*Safety, Integrity, Innovation, Accountability,
and Commitment to Community*

Marshal Albright
President/CEO

Marcy Svenningsen
District 1, Valley City
Board Chair

2020 was a historic year as the world battled the COVID-19 pandemic, and society adapted to the impacts on life in a pandemic. Cass County Electric, like most businesses, changed our operations to function in a restricted and unprecedented environment.

Safety in a COVID-19 world was our number one priority, to make sure our employees were protected as much as possible and ensure there were no disruptions in the level of service we strive to provide. Employee acceptance of change and their commitment to serve our members was exceptional, and they didn't miss a beat, even in a remote work environment.

Our annual meeting date and format changed to protect members, the board of directors, and employees. For the first time, the cooperative held a virtual annual meeting, allowing members to vote absentee with a business meeting limited to the board of directors and director candidates. After the annual meeting, Director Froelich announced his retirement. The board appointed Director Svenningsen, who lives in District 1, to fill Director Froelich's seat and appointed Terry Kraft, one of the director candidates from the annual meeting, to fill Director Svenningsen's at-large board seat.

Affordability

Keeping the price of electricity affordable is essential for our members. The distribution cost (the cost to operate the cooperative) makes up about 25% of your electric bill. It has remained stable for the past 20 years because of growth, the use of technology to improve efficiency, financial management, process improvement initiatives, and committed employees. New load growth has been and hopefully continues to be one of the most significant factors in keeping our operational cost stable. In 2020, more than 900 new homes were added to our system. To spur growth and economic prosperity, we support and work with economic development organizations throughout our service area. In 2021, new loads like Amazon, expansions of Cardinal Glass, and the addition of Aldevron will result in robust new sales growth.

Reliability

In addition to safety and affordability, reliability is a primary focus for the cooperative. In 2020, we completed a long-term goal to install SCADA (remote monitoring and operating controls) in all substations. To enhance reliability, the cooperative also committed to using solid dielectric switches for all new installations and will be implementing additional system controls using artificial intelligence to reduce outage time. In 2020, the cooperative achieved national best-in-class reliability at 99.99% for cooperatives of similar size.

Giving back

Commitment to the communities we serve continues to be a focus for the cooperative. Operation Round Up is a program that 38,700 members participate in by rounding up their electric bill to the nearest dollar. In 2020, Operation Round Up paid out \$219,240 to support individuals in need and nonprofit organizations.

Also in 2020, the cooperative returned \$2 million in capital credits to our members and reduced members' bills by \$1.5 million in December, resulting in a record \$3.5 million given back to our members-owners.

Power supply

Currently, the cost of wholesale power is about 75% of your electric bill. Future federal power supply policy must include realistic, reasonable, and achievable timelines. Policies must ensure an affordable, always available electric supply for consumers, account for the regional differences in energy resources availability, mitigate the financial impact of stranded assets, and support investments in power supply infrastructure.

Mission to serve

Cass County Electric Cooperative has an engaged board of directors and excellent employees committed to our mission to serve our members' energy needs with affordable and reliable electricity.

Marcy Svenningsen
Board Chair

Marshal Albright
President/CEO

YOUR POWER - FOR LIFE

DELIVERED SAFELY

Safety is a mindset and something our industry cannot do without. At the center of every employee's job at Cass County Electric is a commitment to working safely. Every employee, regardless of position, is encouraged and empowered to speak up when they see hazards or ways to improve safety. As a member, you too have a role. If you see any potentially dangerous situations or practices, you should report them as soon as possible to Cass County Electric.

2020 is a year many of us are glad to see in the rearview mirror. It was a year branded with safety – safety beyond the typical workplace protocols and practices. The pandemic was a disruption to the co-op rhythm, but it drove change. We found innovative ways to make training effective by offering smaller hands-on and online training. Our employees spent almost 1,400 hours focused on safety – brushing up on skills like CPR, first aid and blood-borne pathogen knowledge.

Safety is a serious topic, but it can be made fun and engaging. Our lineworkers gathered a shirt, a hard hat, some old PVC pipe, and a permanent marker to craft their own pole-top rescue dummy.

We are proud to share we wrapped up 2020 with no lost-time injuries!

Unfortunately, the pandemic stopped us from visiting schools, first responders, and community members, so we started using safety videos. We sent out a “License to Live” educational video produced by Safe Electricity to teach people not to get out of a vehicle after an accident involving downed power lines. For our younger members, we produced a video and electrical safety demonstration featuring Neon Leon and Lightning Liz to provide an alternative way to learn about the dangers of electricity. You can view these videos on our YouTube channel at <https://www.youtube.com/casscountyelectric>.

Jessica M.
Manager of Human
Resources

Sarah R.
Human Resources
Specialist

Emily T.
Corporate Administrative
Assistant



Center: **Troy K.** (Manager of Engineering)
Left to right: **Dee D.** (Engineering Technician), **Brent H.** (Design and Construction Supervisor), **Daryl B.** (Design and Construction Supervisor), **Phil W.** (Design and Construction Supervisor), **CJ E.** (Design and Construction Supervisor), **Blake H.** (Design and Construction Supervisor), **Chuck A.** (Design and Construction Supervisor), **Will K.** (Design and Construction Supervisor)



YOUR POWER - FOR LIFE

DELIVERED WITH INTEGRITY

At our core, electric co-ops are mission-driven community leaders focused on driving economic development and opportunity. The key to spurring local economic opportunities is rooted in integrity and innovation. Cass County Electric encourages members to make smarter energy choices in their homes and businesses. In fact, we have a team of business accounts professionals committed to helping our members save energy.

Our business accounts team successfully assisted multiple businesses in applying for energy conservation grants through the state of North Dakota to upgrade to LED lighting. Here are a few examples of annual savings these businesses anticipate: Schlossman YMCA - \$12,000, Scheels Arena - \$8,000, Northern Cass School District #97 - \$8,200.

We recognize the positive impact that large commercial and industrial accounts have on our system can have on all our co-op members and their retail electric rates. We are proud to welcome some new industries to the co-op family, such as Amazon and Körber Medipak Systems, through these efforts. Several existing commercial members, with co-op assistance, undertook sizable expansions in their operations that created additional electrical load – Cardinal Glass and Abbiamo Pasta, to name just two.

It's time to power a small business comeback across America. Cass County Electric brings you the Co-op Connections® program, a benefit program designed to deliver added value. The program offers various discounts at participating local and national businesses while providing our consumer-members a real money-saving tool – that's value! In 2019, more than 500,000 special offers were added to the program nationwide, including entertainment and travel perks exclusives. Download the Co-op Connections app to start saving today!

YOUR POWER - FOR LIFE

DELIVERED WITH ACCOUNTABILITY

Our operations and engineering teams stayed busy all year long on impressively large construction jobs that served to build added strength into the cooperative's network of power lines. These improvements have a twofold purpose – to bring better service reliability to existing members and to position CCEC to meet the demands of added growth on our electric grid. In addition to these distribution-system projects, the co-op will energize a new substation in north Fargo to support the load growth in the Industrial Park for Amazon's new building.

Since 1996, we have been adding supervisory control and data acquisition (SCADA) technology in our substations. SCADA systems help to monitor and detect real-time issues, solve power outages more quickly, and identify potential outages before they occur. In 2020, we hit a major milestone of adding SCADA to all 41 of our substations – this means safer, more reliable electricity for you, the cooperative member.

Our top goal is to be accountable and provide reliable power. That's why we have an aggressive maintenance program. Our lineworkers maintain roughly 56,000 poles. There is no upfront glory by maintaining our equipment, but it's because of the behind-the-scenes work that we can continue to provide our members with the reliable power they expect from their cooperative.

We bring value to the member experience of the cooperative. By integrating new technologies to strengthen our grid, we focus on delivering reliable power of a different kind – because even small interruptions can feel like a big delay, and power is only reliable if you can count on it around the clock. In 2020, our members' power was on 99.99% of the time.

Left to right: **Bret D.** (Journeyman Lineworker), **Phil L.** (Journeyman Lineworker),
Justin G. (Journeyman Lineworker), **Cole L.** (Seasonal Apprentice Lineworker)



JR (Vernon) P.
Meter and Apparatus Technician



YOUR POWER - FOR LIFE

DELIVERED WITH INNOVATION

Innovation runs strong and powers the 5,723 miles of line connecting Cass County Electric to its members. It's the driving force that enables us to meet the changing needs of our members.

2020 provided a lot of "firsts" for the cooperative. Thanks to advanced technology and our innovative IT department, when the pandemic first hit, our member service representatives swiftly moved to collectively working from home for the first time in the history of the cooperative. Although we had to close our lobbies to walk-in traffic, we offered more convenient ways for our members to manage their energy usage, pay their bill, and report outages. Our member reps took 3,686 fewer calls than in 2019!

For the first time in 82 years, the board approved to host a virtual annual meeting. The virtual format not only provided a safe alternative to view the meeting, but also allowed more members to vote for their directors. Survey and Ballot Systems (SBS) managed the online election and allowed the option to vote electronically or by mail-in ballot.

Since 2000, our number of active accounts has more than doubled, yet the number of employees remains the same. We've improved our workflow efficiency with technology and continuous employee training to ensure that members get the most out of every penny you invest in the cooperative.

YOUR POWER - FOR LIFE

COMMUNITY

Volunteer work, getting out in our communities, and lending a hand where needed most was more challenging last year because of the pandemic. Despite the challenge, we still supported our communities and showed our cooperative spirit. As a local business staffed by your friends and neighbors, Cass County Electric found new ways to make a difference – beyond delivering electricity.

Throughout the summer, we sponsored the first drive-in movie nights at the Red River Valley Fairgrounds. Guests tuned in on an FM radio channel to listen! We hosted our 30th anniversary of the Contractor Brat Feed – drive-thru style. We typically feed between 500 to 600 folks, and 2020 was right on par with our usual attendance. We also sponsored the Red River Zoo's Holiday Nights event series, an outdoor event lasting four weeks. Spreading the event out over time allowed our monetary donation to last longer, impact more people, and help a nonprofit business member.

In 2020, Cass County Electric was proud to make a difference in the community with a \$5,000 donation to the Great Plains Food Bank. During the pandemic, emergency food boxes cost \$40 to prepare and consisted of 25 pounds of food. A gift of \$5,000 provided 125 emergency food boxes and provided 250 meals.

Since the inception of Operation Round Up in 1993 through the Cass County Electric Cooperative Foundation, our members have raised nearly \$3.5 million, making a direct impact in our communities. In 2020, the volunteer board of directors approved \$219,239 worth of grants to 52 organizations, seven individuals, and four emergency applicants.



Brent H.
Design and Construction Supervisor

Bob M.
Business Account Executive

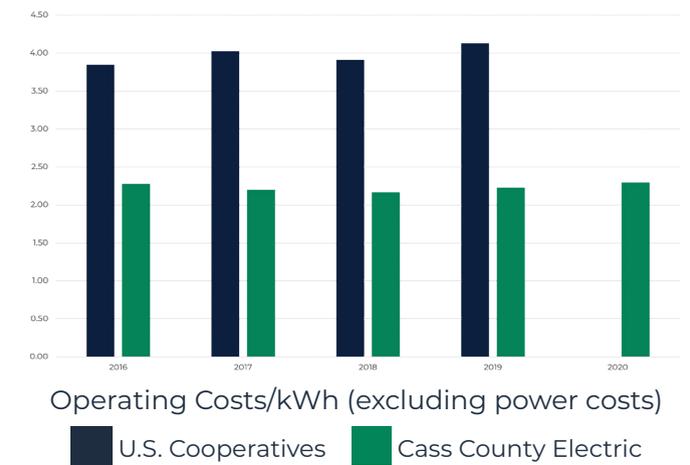
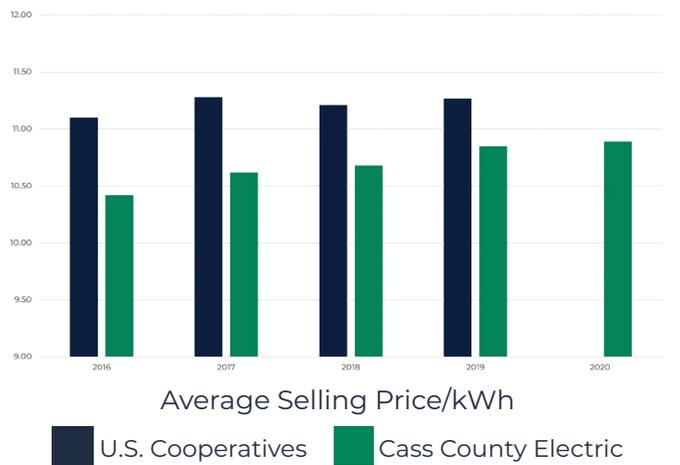
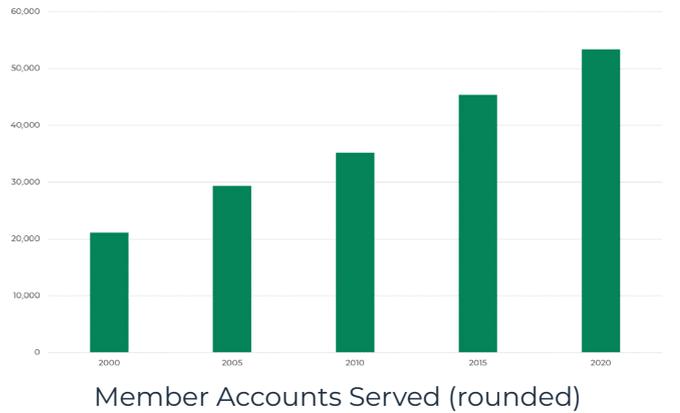


Colton H.
Journeyman Lineworker

Comparative Statistics

	2020	2019	% Change
Member accounts served	53,421	52,086	2.6%
Total energy (kwh) sold	1,259,066,507	1,290,084,673	-2.4%
Revenues	\$137,051,335	\$140,029,984	-2.1%
*Avg. selling prices per kWh sold	\$0.1089	\$0.1085	0.3%
**Power cost per kWh purchased	\$0.0783	\$0.0781	0.3%
***Operating cost per kWh sold	\$0.0230	\$0.0223	3.2%
Employees (full-time)	94	94	0.0%

*2019 U.S. median 11.27¢, **2019 U.S. median 6.69¢, ***2019 U.S. median 4.13¢



■ U.S. Cooperatives ■ Cass County Electric

■ U.S. Cooperatives ■ Cass County Electric

Statements of Operations

OPERATING REVENUES	2020	2019
Electric	\$136,561,334	\$139,127,200
Electric - deferred revenue	0	400,000
Other electric	490,001	502,784
Total operating revenue	137,051,335	140,029,984
OPERATING EXPENSES		
Cost of power	101,711,501	103,759,675
Operations and maintenance	8,346,128	8,335,087
Member accounting	1,781,027	1,852,364
Member service, informational and sales	1,151,079	1,179,327
Administrative and general	3,901,454	3,950,671
Depreciation	8,063,313	7,658,540
Taxes	1,049,342	1,074,197
Interest on long-term debt	4,585,779	4,631,331
Other electric	47,989	46,127
Total operating expenses	130,637,612	132,487,319
Operating margins before capital credits	6,413,723	7,542,665
Other cooperative capital credits	2,327,721	278,283
Net operating margin	8,741,444	7,820,948
NONOPERATING MARGIN		
Other	18,000	18,000
Lease income, net	220,844	220,844
Interest income	820,556	1,201,887
Net gain on sale of investments and property	56,080	118,309
Total nonoperating margins	1,115,480	1,559,040
NET MARGIN	\$9,856,924	\$9,379,988

MISSION STATEMENT
To serve our members' energy needs with affordable & reliable electricity.



Rich B.
Line Crew Foreman



Nick R.
Journeyman Lineworker



Mike M.
Manager of Safety

Balance Sheets

The financial statements for Cass County Electric Cooperative Inc., as of and for the years ended December 31, 2020 and 2019, have been audited by an independent accounting firm, Eide Bailly. An unmodified opinion was issued for each year. Copies of the complete audited financial statements are on file at the cooperative's office.

ASSETS	2020	2019
Electric plant		
In service	\$287,603,915	\$277,424,686
Electric plant under construction	9,214,514	11,435,728
Total electric plant	296,818,429	288,860,414
Less accumulated depreciation	74,490,316	75,788,440
Net electric plant	222,328,113	213,071,974
Other property and investments		
Investments in available-for-sale securities	4,291,540	3,927,469
Investments in held-to-maturity securities	0	13,000,000
Investments in associated companies	10,259,754	7,625,037
Other investments	298,757	283,384
Line extension loans	9,002	11,264
Special funds	4,900,000	4,900,000
Total other property and investments	19,759,053	29,747,154
Current assets		
Cash and cash equivalents	15,586,505	22,852,810
Current maturities of avail-for-sale securities	13,000,000	0
Accounts receivable, net	100,000	300,000
Material and supplies	13,121,488	15,014,735
Prepayments	4,225,869	3,158,110
Interest receivable	131,122	128,508
Total current assets	207,269	184,059
Deferred debits	46,372,253	41,638,222
Retirement security prepayment	702,001	1,053,025
TOTAL ASSETS	\$289,161,420	\$285,510,375

EQUITIES AND LIABILITIES	2020	2019
Equities		
Patronage capital	\$102,269,610	\$96,590,566
Other equities	23,569,574	21,311,871
Accumulated other comprehensive gain	246,481	67,982
Total equities	126,085,665	117,970,419
Long-term debt, less current maturities and cushion of credit	132,239,289	137,481,107
Other noncurrent liabilities		
Deferred revenue	4,900,000	4,900,000
Accumulated provision for pensions and benefits	2,062,860	2,135,497
Total noncurrent liabilities	6,962,860	7,035,497
Current liabilities		
Current maturities of long-term debt	6,414,000	6,144,000
Current maturities of post-retirement benefits	150,000	150,000
Accounts payable - general	1,009,498	722,381
Accounts payable to associated co. - power costs	9,124,572	9,609,783
Customer deposits	2,637,959	2,551,282
Accrued taxes	2,218,464	2,258,355
Accrued interest	15,773	13,006
Other current and accrued liabilities	843,161	784,992
Total current liabilities	22,413,427	22,233,799
Deferred credits		
Member energy prepayments	682,479	405,781
Demand waiver project costs	223,131	50,671
Estimated installation costs - special equipment	411,252	179,886
Consumers' prepayments on community solar garden	143,317	153,215
Total deferred credits	1,460,179	789,553
TOTAL EQUITIES AND LIABILITIES	\$289,161,420	\$285,510,375



Wanda T.
Administrative Assistant of
Engineering and Operations



Darrell H.
Facility and Grounds Technician



Steve C.
Fleet Supervisor



Cass County Electric Cooperative
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Bring this page with you for express registration!

2021 ANNUAL MEETING: YOUR POWER - FOR LIFE

Thursday, June 24, registration begins at 5:00 PM • Delta by Marriott, Fargo

VOTING INFORMATION

All cooperative members have the opportunity to vote for directors either in person or by a mail-in absentee ballot. Absentee voting opened May 1, 2021. Absentee ballots must be received at Vogel Law Firm by noon on Friday, June 18. If you prefer to receive an absentee ballot, please visit CassCountyElectric.com/AM2021 or call 701-356-4400.

PRIZES

Attend for a chance to win a Traeger grill, LED TV, or Yeti cooler.

LEARN MORE

Leading up to the annual meeting, you can submit questions and view addresses from the candidates. Quick links to the annual report, bylaw updates, and other noteworthy info is available for you to view at CassCountyElectric.com/AM2021.