

WE NEVER STOP.



Midland Power Cooperative
2020 Annual Report

Leadership Report



Nishnabotna Valley REC assists with derecho storm recovery



CEO Bill McKim



Board President Jack Runge

Unprecedented. Disruptive. Challenging. The backdrop of 2020 included a pandemic, derecho and ice storm, yet we powered through, because at Midland Power Cooperative, We Never Stop in pursuit of our mission of giving you the power to better your lives.

Never stopping meant adapting as your Midland Power team has stayed “on-the-job” throughout the COVID-19 pandemic. To accommodate safety measures such as social distancing, our team navigated the challenges of working together, while apart. Crews’ shifts were staggered, employees no longer shared vehicles, and many employees transitioned to working remotely.

The Value of Co-op Membership

Recognizing the economic hardship some member-consumers were facing due to the pandemic, to assist in keeping you, our members, moving forward, the Midland Power Board of Directors approved paying out the co-op’s 2020 patronage retirement of \$1 million in the spring of 2020 instead of the fall. To further support the membership, the \$1 million patronage retirement in 2020 consisted primarily of dividends from 2019 business activities. This meant more current members received larger amounts of patronage retirements than in a typical year, and they received the funds in June, instead of November. Having a locally elected board that is responsive to the needs of the membership is one of the many benefits of being a member of a not-for-profit electric co-op.

Powering through storm recovery

Storms were plentiful in 2020. In August a derecho brought sustained winds of over 100 mph to our area, causing destruction and nearly 4,000 power outages to Midland Power members across nine counties. Fortunately, the storm spared the co-op’s service territory in Humboldt and Kossuth Counties allowing the crews from this area to join crews from our shared services co-op Nishnabotna Valley REC, Harlan, Iowa, as well as Iowa mutual aid electric co-op crews from Calhoun County REC, Rockwell City, Iowa, and Iowa Lakes Electric Cooperative, Estherville, Iowa, to assist with storm recovery. We were also thankful to have our line construction partner dispatch crews to assist.



Humboldt area ice accumulation

During the derecho recovery, crews cleared numerous branches and debris, repaired numerous miles of power line and replaced approximately 115 poles in Midland Power's service territory. Team members patrolled over two-thousand miles of power lines, identifying hazards and making repairs along the way so the lines could be reenergized. Crews worked 16-hour days, which enabled Midland Power to restore power to 95% of its members who experienced an outage due to the Monday morning derecho by mid-day Friday.

Many of the Midland Power members that were spared storm damage from the derecho in August, experienced an ice storm that hit the Humboldt and Algona areas in November. Crews from our Boone, Iowa Falls and Jefferson service centers were dispatched to help with ice storm recovery in Humboldt and Kossuth Counties. They worked late into the evening and started early the next morning to ensure all ice storm damage was repaired quickly.

When it comes to crews and co-ops working together to get every light back on, we are always grateful for the overwhelming support and compassion of co-op members.

In the time between the two storms that Midland Power experienced in 2020, Hurricane Laura made landfall in Louisiana on August 27, 2020. It knocked out power to the 43,000 members-consumers at Beaugard Electric Co-op (BECi) headquartered in DeRidder, La. On Sept. 18, 2020, Midland Power linemen Cody Buscher and Jordan Bos, along with 19 other Iowa electric cooperative line workers, hit the road to join a massive number of mutual aid crews from across the country in working 16-hour days since Hurricane Laura struck to restore power. They were paired to work with a local lineman, who was one of 30 local electric co-op employees from across Louisiana whose home was left uninhabitable by the storm.

Reliability

In 2020, your cooperative invested more than \$2.7 million in maintenance programs, which support system reliability. Programs such as vegetation management, which includes tree trimming and removal of vegetation growth in distribution line right-of-way across one fifth of the co-op's service territory every year. Additionally, every power poles and electrical cabinet is individually inspected on a rotating ten-year schedule. The balance of the system is driven and inspected by Midland Power crews on an annual basis. These 1-, 5- and 10- year inspection rotations help the co-op maintain a reliable system. As we continue to focus on maintaining a reliable distribution system, Midland Power's distribution maintenance budget has been increased to more than \$3 million in 2021. This includes a \$200,000 increased investment in tree trimming efforts.

Sustainability

At Midland Power, we support protecting our natural environment, while driving innovation and not compromising on giving our membership and its future generations the power to better their lives. That's why we support our affiliated generation cooperatives' operation of a balanced, reliable and sustainable generation portfolio. Locally, we offer members the opportunity to participate in our community solar program – via our own 150-kilowatt solar farm – or to take part in our green pricing program, which supports new construction of alternative energy resources. Through our affiliate cooperatives, we have supported projects including the largest solar

generating facility in Iowa, a 100-Megawatt solar facility constructed in Louisa County in 2020, and a 150-Kilowatt solar facility near Spencer, Iowa, that will compare the energy production and output of two differing styles of 75 KW solar arrays. The 150 KW project was completed by Iowa Choice Renewables (ICR), Midland Power and eight other electric distribution cooperatives' solar contractor. If you're considering investing in your own solar facility, we encourage you to contact Midland Power Cooperative about how ICR can assist in helping you meet your energy goals.

Our co-op encourages the efficient use of electricity. In 2020, Midland Power Cooperative invested \$230,835 in energy efficiency measures that saved at least 1.3 million kilowatt-hours. In addition to energy-efficiency rebate programs, the co-op offers educational resources in person, printed and via online video to help members use energy wisely.

Information

When it comes to using energy wisely, information is key. Members that sign up for online account access through SmartHub can manage their account, view and pay their bill, monitor usage 24/7, report service issues and receive important notices all in the palm of their hand or online!

Safety

Despite the pandemic, the co-op was able to maintain monthly employee safety meetings via small, socially distanced groups or virtual platforms, depending on the subject matter. Employees lived safety in 2020, working 99,762 hours without a single accident resulting in lost time from work. The entire team worked safely through the 16-hour days of the derecho storm recovery, as did our two linemen that traveled to Louisiana to assist with Hurricane Laura recovery.

In 2020, three of our linemen completed professional training programs to refresh and confirm their power line knowledge, joining 10 of our linemen that completed training programs in 2019. This commitment to continued education and information exemplifies our team members' dedication to safe practices.

While 2020 brought its share of challenges, we remain steadfast in our mission to safely provide reliable, affordable, and responsible electric service while enhancing the communities we serve. We never stop.


CEO Bill McKim


Board President Jack Runge

Board of Directors



COOPERATIVE PRINCIPLES

THE SEVEN FOUNDING VALUES OF CO-OPS

- OPEN & VOLUNTARY MEMBERSHIP**
Cooperatives are voluntary organizations, open to everyone who is able to use their services and is willing to accept the responsibilities of membership.
- DEMOCRATIC MEMBER CONTROL**
Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions.
- MEMBER ECONOMIC PARTICIPATION**
Members contribute equitably to, and democratically control, the capital of their cooperatives.
- AUTONOMY & INDEPENDENCE**
Cooperatives are independent, self-help organizations controlled by their members.
- EDUCATION, TRAINING & INFORMATION**
Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.
- COOPERATION AMONG COOPERATIVES**
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together.
- CONCERN FOR COMMUNITY**
While focusing on member needs, cooperatives work for the sustainable development of their communities.

Your board has a responsibility to ensure the legal rights of the cooperative, act in the best interest of the membership, plan for the future of the business, ensure availability of resources including personnel, finances and electric power, and monitor the health of the cooperative. This dedicated board is composed of members, elected by members.

District 1 Directors



Randy Christensen
Secretary,
Scranton



Paul Heineman,
Ogden



Kim Rinker,
Ogden

District 2 Directors



Jim Byriel,
Ames



Bill Harleen,
Madrid



Doug Robey
Ames,

District 3 Directors



Mike Coleman,
Vice President
Humboldt



Rick Thompson
Treasurer
LuVerne



Joel Skow,
Asst. Sec./Treas.,
Wesley

District 4 Directors



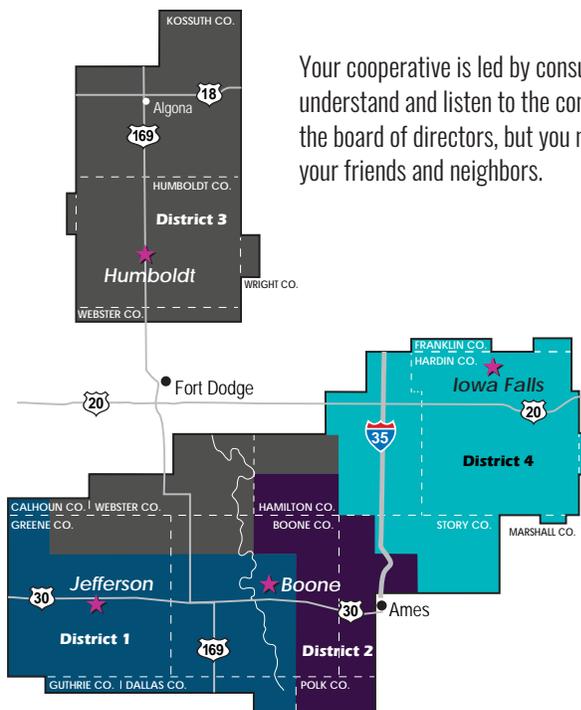
Jack Runge,
President,
Alden



Charlie Gilbert,
Iowa Falls

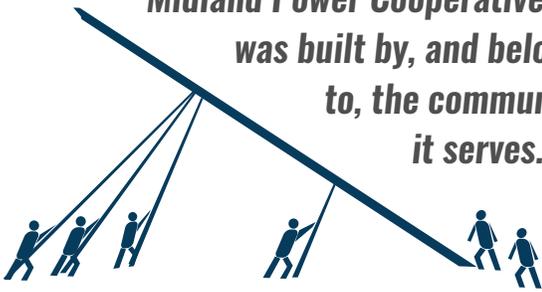


Tom Ingebritson,
Hubbard



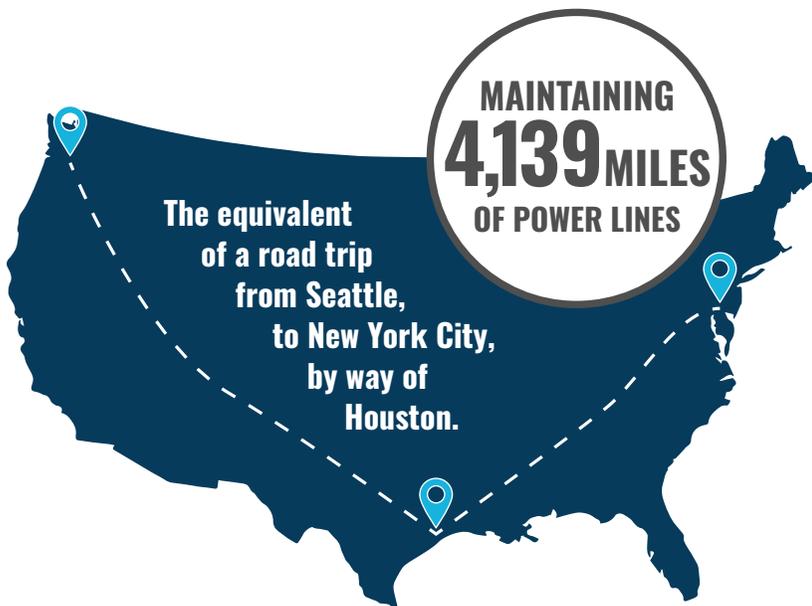
Your cooperative is led by consumers like you, who understand and listen to the community. We call them the board of directors, but you might know them as your friends and neighbors.

**Midland Power Cooperative
was built by, and belongs
to, the communities
it serves.**



Your cooperative

3 serves an average of
consumers per mile of power line



49 employees



9,186 members

12,963 meters



**491,410,941 kWh
consumed in 2020**



Iowa crews restoring power in Louisiana

Meet our team



Installing a new substation transformer



Boone Crew

Linemen John Kruckenberg and Wyatt Tharp, Mechanic Devin Boettcher, Linemen Asa Wayland, Tim Kurth and Colton Zalesak and Foreman Scott Benz.



Humboldt Crew

Linemen Noah Larson, Adam Smith, Rudy Halvorson, Jason Haukoos and Foreman Justin Kirchhoff.



Iowa Falls Crew

Linemen Cody Buscher, Jordan Bos and Scott Ahrens, and Tanner Dreier, Foreman Barry Munson (back) and Lineman Ben Sanders.



Jefferson Crew

Linemen Rhett Lammers and Luke Shipley, Warehouse Foreman Chris Swank, Linemen Duane Delp, Justin Schmidt and Gerod Shafer.



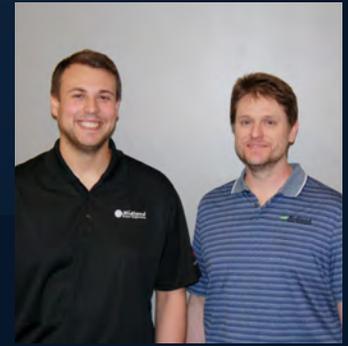
CEO Bill McKim



Operations Assistant Rachel Snyder, Future Line Superintendent Brian Killeen and Director of Line Operations Dan Kyle.



Director of Finance Jill Gannon and Accountant Melanie Beste.



IT Specialist Noah Snyder and IT Coordinator Cliff Gray.



Member Care

Member Care Specialists Janelle Wright, Beth Wirtz, Kimberlee Vitzthum, Kristin Bednarik and Linda Illg.



Member Services

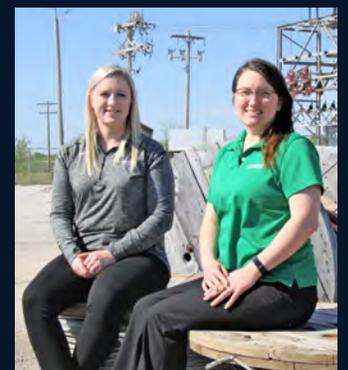
Member Service Rep. Dan Olson, Member Service Manager Roger Hammen and Member Service Rep. Larry Beilke.



Meter Data Analyst Caleb McKim, Staking Techs Todd Leemkuil and Chad Reinholdt and Director of Engineering Casey Huff.



Senior VP of Business Operations Norm Fandel, Executive Assistant Talynn Griggs and Safety Coordinator Chase Bachman.



Talent & Business Development Specialist Kara Boyle and Director of Corporate Relations Abbey Sprague.

Community



Humboldt County Memorial Hospital



J & J Custom Meats



St. Mary's Catholic School

Economic Development Loans

Utility-sponsored Revolving Loan Funds (RLFs) and USDA Rural Economic Development Grants and Loans (REDG & REDL) can make a crucial difference to community infrastructure and business growth. These programs exist to promote rural economic development and support job creation, and Midland works hard to put that money to use to strengthen our community.

In 2020, Midland Power Cooperative was proud to provide loans to Humboldt County Memorial Hospital of Humboldt, J & J Custom Meats in Whittemore, Iowa, and St. Mary's Catholic School of Humboldt.

Since 1997, Midland Power Cooperative has sponsored 58 RLF loans, all of them initially funded from eight USDA grants. Recipients of the funding include medical facilities, fire and rescue organizations, manufacturers, educational projects, housing developments, speculative buildings, and industrial parks as well as many other commercial businesses and industries throughout our communities. Once the loans are repaid, a new recipient is chosen and the process repeats, resulting in several local recipients benefiting from the same initial grant.

Midland Power has also assisted with 11 Rural Economic Development Loans (REDL), also known as pass through loans, which are passed to the recipient and back to the USDA through Midland Power. These three programs combined have allowed \$13.8 million to be loaned out to businesses and organizations throughout our communities.

Youth Programs

Every dream starts somewhere, and Midland Power Cooperative is proud to be a partner on the path to achieving those dreams for a few of our younger members each year. In 2020 we received dozens of applications for our program. Our independent committee selected two college-bound members to receive \$1,000 scholarships to put toward their educational goals.

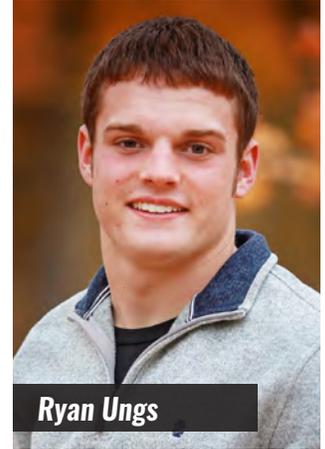
Nathan Patel, son of Kevin and Kristi Patel of Ames, was a 2020 scholarship recipient. He plans to major in mechanical engineering. He has a passion for the sciences and interest in working with cutting edge technology.

Ryan Ungs, son of Jayme and Shawne Ungs of Boone, was also selected to receive a scholarship in 2020. He plans to major in chemical engineering at Iowa State University, Ames. Ungs aspires to solve issues including plastic waste in oceans and ways to feed people around the world.

Scholarship Winners



Nathan Patel



Ryan Ungs

Legislation

When our members succeed, we all benefit. Midland Power Cooperative is proud to serve multiple ethanol-producing facilities, and worked to support the passage of Senate File 2403, which expanded and extended Iowa's biofuel tax differentials to June 30, 2026. Representatives from Midland were honored to be on hand to see the legislation signed into law by Governor Kim Reynolds on June 30, 2020, at Pine Lake Corn Processors LLC in Steamboat Rock, IA. Supporting Iowa jobs and Iowa's economy, the legislation gives a tax credit for higher ethanol fuel blends (E-15 up to E-85). It reduces the consumer price of these fuels at the pump and helps to stabilize the industry.

Donations

Midland Power Cooperative also invests in the community through donations. In 2020, the co-op was proud to support the Dayton Museum, the Dayton Community Club's basketball court fundraiser, and the Boone County Historical Society.

Back to Normal

Sadly, the realities of the COVID-19 pandemic meant that Midland Power Cooperative was unable to safely hold a number of cherished traditional community activities in the past year. Among these were member favorites like Midland Power's Annual Member Appreciation Events, participation in the 2020 Farm Progress Show, and the National Electric Cooperative Youth Tour of Washington D.C.

We are thrilled to announce that Midland plans to recommence these activities and more as we move past this challenging period. Look for announcements of upcoming events in your mailed or e-newsletters. We hope you can make it out. We can't wait to catch up with all of you again!



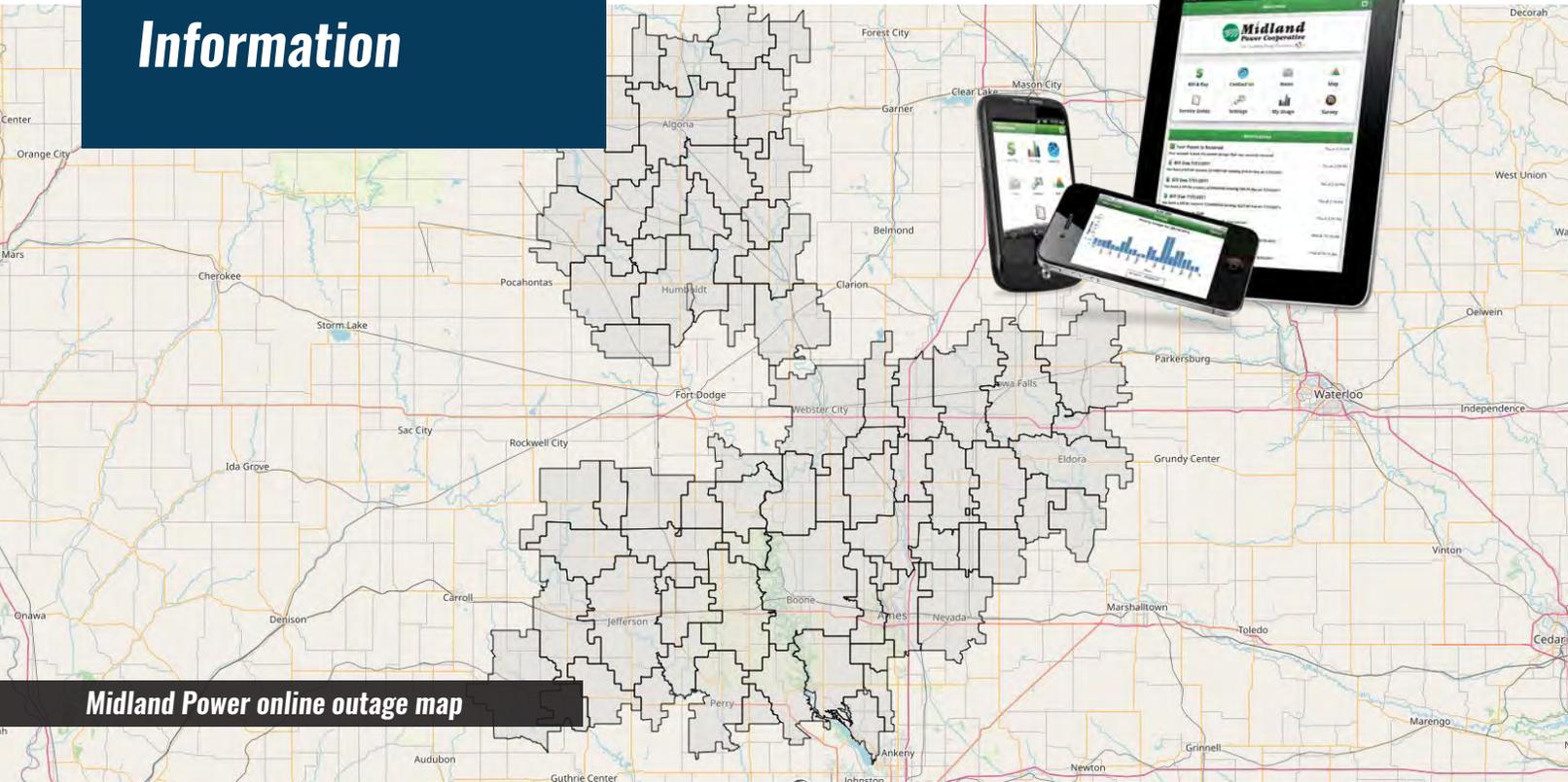
Signing of SF 2403



Dayton Museum Donation

Since 1997, Midland Power Cooperative has assisted businesses and organizations in rural Iowa in receiving \$13.8 million in low- and no-interest loans, which supports vital services and jobs in our communities.

Information



Midland Power online outage map

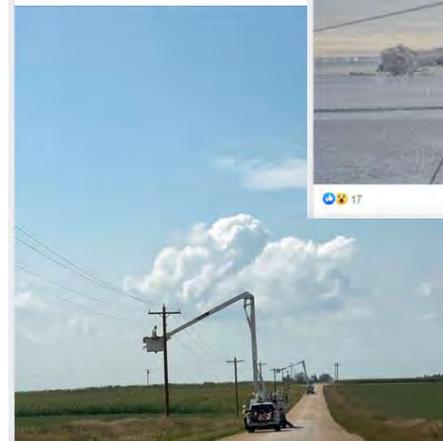
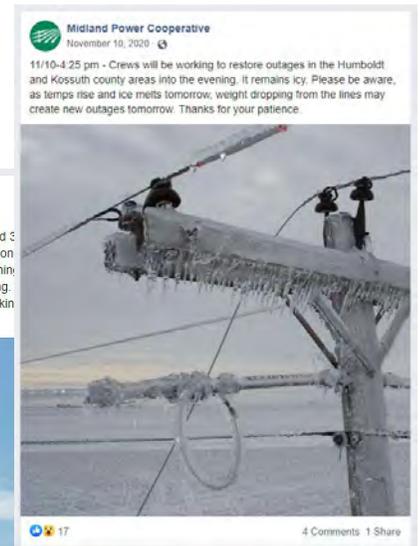
Communication with our members is a fundamental part of what makes Midland Power Cooperative the best at what we do. In the last year, we've raised that bar, creating new and powerful ways to get you the information you need, when you need it.

This February, we launched our new, faster, and more streamlined automated outage reporting phone system. Now, many users can learn instantly if the outage they're calling about has already been reported, and learn how long they can expect to wait before power is restored.

We've also enhanced the integration of our SmartHub online outage reporting system, available through the web or by mobile app. With this new functionality, our members can sign up to receive texts or e-mails alerting them to an outage and letting them know that our crews are on their way fix it.

But Midland Power's communication initiatives go beyond just responding to emergencies. We want to connect with our members to help them get the most out of every watt. Are you thinking about installing an energy efficient heat pump or water heater? Are you considering investing in solar panels? Visit us at www.MidlandPower.Coop and learn about our commitment to energy efficiency and renewable power, and how we can work with you to improve your home's electric usage.

And if you haven't already, please follow us on Facebook and Twitter for the latest updates on what we're doing.



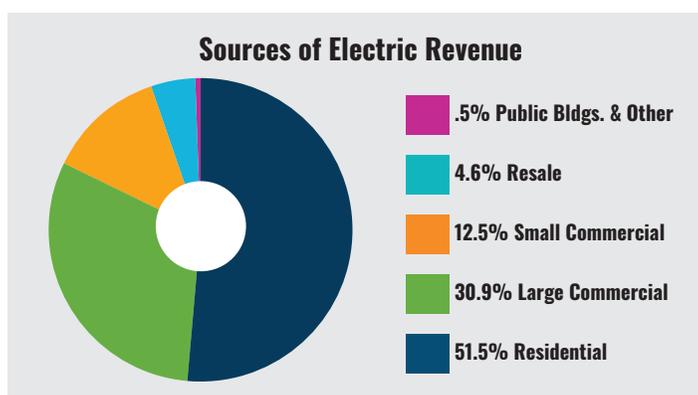
IOWA CHOICE
RENEWABLES
your trusted energy partner

Balance Sheet

ASSETS	2020	2019
ELECTRIC PLANT		
In service	\$ 134,956,476	\$ 125,762,701
Under construction	4,780,726	8,989,410
Total electric plant	139,737,202	134,752,111
Less accumulated depreciation	(42,563,398)	(44,814,540)
Electric Plant - Net	97,173,804	89,937,571
OTHER ASSETS AND INVESTMENTS		
Investments in associated companies	22,330,431	21,070,761
Other investments	107,534	94,205
Special Funds - revenue deferral	300,000	-
Restricted investments	5,819,782	3,958,032
Total other assets and investments	28,557,747	25,122,998
CURRENT ASSETS		
Cash and cash equivalents	2,014,970	4,903,721
Accounts receivable, net	5,333,198	5,446,500
Materials and supplies	1,345,492	1,213,906
Other current and accrued assets	290,401	302,398
Total current assets	8,984,061	11,866,525
DEFERRED DEBITS	1,402,979	918,010
TOTAL ASSETS	\$ 136,118,591	\$ 127,845,104
EQUITIES AND LIABILITIES	2020	2019
EQUITIES		
Patronage capital	\$ 19,429,943	\$ 18,227,593
Other equities	47,957,913	44,918,847
Total equities	67,387,856	63,146,440
LONG-TERM DEBT, less current maturities	60,089,157	56,074,887
ACCRUED POST-RETIREMENT BENEFITS	377,707	450,025
CURRENT LIABILITIES		
Current portion of long-term debt	2,721,900	2,541,196
Accounts payable	3,280,306	4,133,566
Consumer deposits	195,431	216,556
Accrued taxes	679,327	620,003
Other current and accrued liabilities	652,688	417,068
Total current liabilities	7,529,652	7,928,389
DEFERRED CREDITS	734,219	245,363
TOTAL EQUITY AND LIABILITIES	136,118,591	\$ 127,845,104

Revenue & Expense

	2020	2019
OPERATING REVENUES	\$ 48,076,274	\$ 49,168,085
OPERATING EXPENSES		
Cost of power	33,304,856	34,223,268
Distribution expense - operations	1,172,272	1,186,518
Distribution expense - maintenance	2,707,518	2,800,862
Consumer account expense	701,465	667,062
Consumer service and information expense	314,633	258,549
Sales expense	223,832	227,355
Administrative and general expense	2,182,015	2,148,602
Depreciation	3,750,199	3,561,354
Taxes	46,158	56,549
Interest on long-term debt	1,893,944	1,961,417
Other	15,192	33,124
Total operating expenses	46,312,084	47,124,660
OPERATING MARGINS BEFORE CAPITAL CREDITS	1,764,190	2,043,425
GENERATION & TRANSMISSION AND OTHER CAPITAL CREDITS	3,186,318	2,923,987
NET OPERATING MARGINS	4,950,508	4,967,412
NON-OPERATING MARGINS		
Interest and dividend income	146,433	312,880
Gain on disposal of general plant	43,785	99,961
Other non-operating margins, net	(139,526)	(163,113)
Total non-operating margin	50,692	249,728
NET MARGINS	\$ 5,001,200	\$ 5,217,140



**Midland Power Cooperative belongs to the communities it serves.
In 2020, the co-op retired \$1 million in patronage dividends to
past and present members.**



(800) 833-8876

www.midlandpower.coop

Boone | Humboldt | Iowa Falls | Jefferson

Midland Power Cooperative is an equal opportunity provider and employer.