

**ANNUAL REPORT | APRIL 2025**

## The Future of Affordable Electric Service

An important role as your electric cooperative manager is to do everything I can to keep your service affordable. In fact, I spend a lot of time working with our wholesale power provider, Great River Energy, and our state legislators to ensure we do everything possible to meet our mission of providing safe, reliable and affordable energy services to our members.

While the employees, staff and board of directors at Lake Country Power do an outstanding job at promoting our mission and vision, the forecast of long-term costs for both wholesale power prices and distribution-related costs has me concerned.

### Clean Energy Mandate

There is no question that the push for alternative energy is a positive thing, but the state's 2040 carbon-free mandate has posed questions of feasibility and more importantly for most ratepayers when it comes to power generation, affordability.

In order to meet this deadline and provide an affordable generation alternative, most utility managers and legislators agree that lifting Minnesota's nuclear moratorium is the best way to support the baseload power needed to replace fossil fuels with carbon-free energy sources.

### Transmission Costs

For the most part, reliance on alternative energy sources and the retirement of fossil fuel baseload generation means there will need to be an aggressive build-out of transmission lines to carry power from its source to our homes in northern Minnesota.

The cost of construction will be immense and is sure to affect rates at both the wholesale and distribution levels. It is estimated that GRE will need to invest \$2.1 billion in transmission construction as part of MISO's (the Midwest's power grid operator) more than \$30 billion transmission build-out.

### Distribution Costs

We've seen prices for distribution materials reach record levels during the COVID-19 pandemic. Supply and demand were huge drivers and although these costs have leveled some they are not expected to come back to pre-COVID prices.

In addition, the replacement of age-related infrastructure, effective right-of-way clearing for reliability, and the maintenance of distribution equipment continue to be a large part of our annual budget.

While the future affordability of electric service is concerning, rest assured that the management and board of directors at LCP will continue to work hard for members to meet these challenges.



**Sincerely,**  
Mark Bakk  
General Manager

# Excellence Defines LCP Now and Into The Future

Among the six values adopted by Lake Country Power is excellence. That the cooperative, its employees and directors strive to excel in every aspect of business and focus on improving day in, day out.

With so much going on around energy production in our state and nation, this value is one that I lean on during the challenging times. Lake Country Power has faced numerous hurdles over the years when considering the cost of providing and maintaining safe and reliable electricity to our members. This year was no different.

Last year, the LCP board of directors was able to defer revenue and avoid any rate increases for our members. Unfortunately, a continued increase in wholesale power supply costs resulted in a necessary rate increase for commercial and residential members in 2025.

It's the value of excellence and continued improvement that provide optimism for the future. The team at Lake Country Power is always striving for better ways to serve members, innovating and adapting to new technologies or processes to lower the cost to members — without sacrificing safety and reliability.

The local people leading and working at an electric cooperative like LCP is one of the many benefits of being a co-op member. We are all part of the same community. The board represents you and makes decisions that best reflect the needs of the membership, like rate impacts, co-op projects, capital retirements and more, to shape LCP's energy future.

Being a cooperative member also opens the door to unique opportunities provided by Lake Country Power.

The cooperative awards dozens of Les Beach Memorial Scholarships to local high school seniors each year to help them toward their future goals. LCP also sponsors high school students on the Electric Cooperative Youth Tour each summer.

This year, Lake Country Power is again hosting the Power Supply Tour to help educate members on how electricity is generated and distributed to their homes through its wholesale power provider, Great River Energy.

Cooperative employees are also out helping improve their community. Last year, employees volunteered more than 1,015 hours around the LCP service territory. That included an organized cleanup of McCarthy Beach State Park through GreenTouch™ a statewide cooperative, environmental and community outreach program sponsored by Minnesota's Touchstone Energy® Cooperatives. They'll be returning to the park for another clean up this year.

Thinking about Lake Country Power's energy future, I also think about the future of the cooperative spirit. They go hand-in-hand in making this a place members can rely on year after year. The value of excellence displayed by everyone at the cooperative is a reason why, and makes for a bright future for everyone at Lake Country Power.

*Craig Olson was elected by members in Lake Country Power District 7. He can be reached at 218-393-2276 or [colson@lcp.coop](mailto:colson@lcp.coop).*



**Sincerely,**  
Craig Olson  
District 7 Director

## 2024 Breakdown of Total Cooperative Expenses

### COST OF POWER



### LABOR & BENEFITS



### DEPRECIATION



### INTEREST EXPENSE



### OTHER EXPENSES



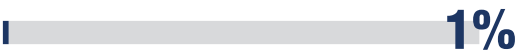
### OPERATING MARGIN



### RIGHT-OF-WAY



### TRANSPORTATION



# Great River Energy Expects Little Impact From Potential Canadian Tariffs

Thanks to its diverse portfolio made up of resources in the Midwest, Great River Energy expects little impact on electric costs or grid reliability due to any potential tariffs at this time.

Great River Energy receives approximately 2% of its energy from Canada.

The Midcontinent Independent System Operator (MISO), the region's grid operator, receives less than 1% of its energy from Canada. That is the equivalent of approximately one power plant.

Great River Energy does not anticipate the tariffs will affect its ability to deliver reliable and affordable electricity to its member-owners at this time.

This is a fluid situation that Great River Energy is monitoring closely.



# Holding Company Continues to Monitor Opportunities

Lake Country Power Holdings, Inc. (LCPH) has been in a holding pattern since the sale of our two subsidiaries effective January 1, 2022.

There were a few items lingering after the sale that required some attention to clear from the books, such as some warranty issues on previously performed services. We have successfully cleared all outstanding items from the company books at this time.

The LCPH Board of Directors has chosen not to invest in, or purchase, another company at this time. The Board continues to monitor the business climate and all options in order to be proactive in managing these funds. The LCPH Board did however choose to invest some of the funds from the subsidiary sale in high yield interest bearing savings accounts. In other words, the sale proceeds are working for us to provide a nice return and reinvestment in LCPH.

In 2023, LCPH completed the sale of the physical property located in Grand Rapids. The previous sale of the two subsidiaries did not include the buildings or property located at this address. As part of the contracted sale, LCPH retained ownership of the physical property with

a rental agreement in place to Zielies, the purchaser of Lake States Tree Service. The LCPH Board agreed it would be a wise move to negotiate and complete the final sale of said property.

The LCPH Board of Directors continue to meet quarterly as required. Directors meet immediately following the Lake Country Power Board meeting to conduct business as necessary. This provides a convenience for the LCPH Directors and a cost savings service to our member-owners.

The LCPH Board will continue to keep an eye on the business horizon for all opportunities that could be a potential benefit to Lake Country Power Holdings.

Have a safe and successful 2025.

*Dan Kingsley was elected president of Lake Country Power Holdings by the shareholders of the holding company and was elected to the LCP Board by members in District 6. He can be reached at 218-259-7366 or [dkingsley@lcp.coop](mailto:dkingsley@lcp.coop).*



**Sincerely,**  
Dan Kingsley  
District 6 Director

Lake Country Power Board Expenses			
	2024	2023	2022
Compensation	\$137,950	\$122,667	\$114,667
Other Reimbursable Expenses	77,733	46,652	55,058
Other Board Expenses	10,156	9,794	12,499
Total Expense	\$225,839	\$179,113	\$182,224

**UPCOMING BOARD MEETINGS: APRIL 25 | MAY 20**  
*(9:30am at the Cohasset Service Center, Members Welcome)*





## Lake Country Power Seeking Volunteers for GreenTouch™

Lake Country Power is calling on volunteers of all ages to lend their “green touch” to McCarthy Beach State Park near Side Lake on Thursday, May 8, 2025, from 10 a.m. until 3 p.m.

GreenTouch™ is a statewide cooperative, environmental and community outreach program sponsored by Minnesota’s Touchstone Energy® Cooperatives. Lake Country Power’s goal for this year’s GreenTouch™ program is to enhance the quality and appeal of a state park within the cooperative’s service area.

McCarthy Beach State Park is a popular tourist destination for camping, birding and other activities. The sandy beach on Sturgeon Lake was rated one of the top 17 beaches in North America by Highway’s Magazine.

The volunteer work will be directed by the state park, which may include outdoor activities such as clearing hiking trails, raking leaves and pine needles, collecting litter, cleaning camp sites, gathering downed limbs, and cleaning the shoreline.

Youth groups, service clubs and other organizations are welcome to participate in GreenTouch™. You need not be a Lake Country Power member to volunteer. Lunch will be provided for volunteers by the co-op.

If you would like to participate in GreenTouch™, please contact Tami Zaun at Lake Country Power by calling 1-800-421-9959, extension 7152, or e-mail [tzaun@lcp.coop](mailto:tzaun@lcp.coop). RSVPs will help ensure an accurate count for lunch and allow the park time to organize its work plans.

Volunteers do not need a state park vehicle pass on May 8. Please RSVP by May 1 to [tzaun@lcp.coop](mailto:tzaun@lcp.coop).

## Commitment to Community

As an electric cooperative, Lake Country Power is community-focused and local. Your co-op is led by consumers like you, belongs to the communities it serves and is built by the communities it serves. Last year’s community focus included some of the following actions:

- \$226,383 contributed through Operation Round Up® in 2024 (more than \$3.4 million overall since October 2004 for community-based projects and programs).
- \$2 million capital credit retirement to LCP members.
- 36 local high school seniors received the Les Beach Memorial Scholarship from LCP, valued at \$4,000 each.
- Employees volunteered 1,015.75 hours in 2024.
- Employees contributed nearly \$14,158 to United Way; LCP’s board approved a co-op contribution of \$6,000 that was evenly divided between the three United Way agencies in the co-op’s service area.
- \$358,029 was given back to residential, commercial and industrial co-op members through the co-op’s rebate program.
- Recognized Let’s Go Fishing Itasca! as the winner of its annual Touchstone Energy Community Award.
- Sponsored one high school student on the Electric Cooperative Youth Tour to Washington, D.C., in June 2024.



## Join us for the Power Supply Tour

### Bus tour set for September 2025 Register today!

Lake Country Power is pleased to announce the next Power Supply Tour is scheduled for September 17 – 19, 2025. Your “home plate” destination will be Great River Energy in Maple Grove.

We’re planning a fun group outing at Target Field the first night to watch the Minnesota Twins take on the New York Yankees. The first pitch is scheduled for 6:40 p.m.

Co-op members and tour hosts will travel on a comfortable charter bus and stay two nights at Staybridge Suites in Maple Grove, which has a beautiful courtyard for summertime enjoyment. Complimentary breakfast is served from 6:30 a.m. until 9:30 a.m. with hot, fresh, healthy options on the buffet.

#### Tour Day: Thursday, September 18

- 10:00 a.m. for an informative presentation and overview of Great River Energy at the headquarters in Maple Grove.
- Small group tours of wind energy, solar energy, electric vehicles (EV) and EV charging.
- See the ACES Northern Trading Center, located at Great River Energy, where you’ll learn how electricity is produced, moved, and sold 24 hours-a-day in a live market.

- Executive presentation about Great River Energy operations and business updates.
- Ride on the bus to Elk River where you’ll see the Elk River Peaking Station. We will also see one of GRE’s substations.
- Approximately 4:00 p.m., enjoy an early evening on your own for great shopping, dining, and relaxing courtyard conversation.

On Friday, September 19, the group will travel north for home departures.

“Last year’s tour sold out in record time and was a great success with a lot of positive feedback from the members who went on the tour,” said Tami Zaun, public relations coordinator, and tour host. “We had a lot of fun together, so we’re excited to offer this opportunity again where members can go on a bus tour and learn about their energy provider while having a great time together.”

The tour is available for Lake Country Power members (ages 12 and older).

The registration cost is \$225 per person, and the registration deadline is August 6 to meet lodging requirements. Contact Tami Zaun at 800-421-9959 (extension 7152), or [tzaun@lcp.coop](mailto:tzaun@lcp.coop).

### The \$225 per person registration fee includes:

- Transportation on charter bus to all scheduled destinations
- 2 nights at Staybridge Suites, Maple Grove (breakfast included)
- Ticket(s) to see the MN Twins play at Target Field
- All tours at Great River Energy and Elk River
- Lunch on tour day at Great River Energy
- Refreshments and prizes on the bus

## Register Me Today!

Yes, I want to go on the Power Supply Tour. I understand space is limited to 46 LCP members, so I’m signing up today before my seat is gone. Sign-ups are on a first-come, first-served basis and will be honored in the order of which received.

☐ Power Supply Tour. Enclosed is my check for \$225 per person (\$450 per couple).

Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Pickup locations available: please choose one option.

☐ Cohasset Service Center ☐ Kettle River Service Center ☐ Mountain Iron Service Center

Please mail this registration form and payment to Tami Zaun, Lake Country Power, 26039 Bear Ridge Drive, Cohasset, MN 55721. Registration must be received by August 6, 2025.



## Statement of Operations and Changes in Equity

	2024	2023	2022
<b>Revenue (In Thousands)</b>			
Sales of electric energy to members	\$110,432	\$105,501	\$107,980
Miscellaneous other operating revenue	776	783	765
<b>Total Revenues</b>	<b>\$111,208</b>	<b>\$106,284</b>	<b>\$108,745</b>
<b>Expenses</b>			
Wholesale power (Great River Energy)	\$55,806	\$53,160	\$57,242
Operating expenses (maintenance, operations, administration, member support)	29,095	26,601	28,602
Depreciation of utility plant	12,168	11,427	11,046
Interest expense on long-term debt	7,812	7,448	6,909
<b>Total Operating Expenses</b>	<b>\$104,881</b>	<b>\$98,636</b>	<b>\$103,799</b>
<b>Income from Electric Operations</b>	<b>\$6,327</b>	<b>\$7,648</b>	<b>\$4,946</b>
Patronage capital from Great River Energy and Others	3,201	4,084	2,142
Non-operating and other income, net	397	40	(17)
Subsidiary Income or (Loss)	73	325	2,708
<b>Net Margins</b>	<b>\$9,998</b>	<b>\$12,097</b>	<b>\$9,779</b>
Accumulated patronage capital-beginning of year	134,782	125,115	117,476
Net other changes in equities	232	138	612
Retirement of patronage capital	(3,107)	(2,568)	(2,752)
<b>Accumulated Capital at Year End</b>	<b>\$141,905</b>	<b>\$134,782</b>	<b>\$125,115</b>

## Financial Highlights

	2024	2023	2022
<b>Kilowatt Hours Sold (In Thousands)</b>			
Rural Residential	469,478	481,632	516,106
Commercial /Industrial	222,670	227,937	239,325
Public Street Light	436	448	467
<b>Total kWh Sold</b>	<b>692,584</b>	<b>710,017</b>	<b>755,898</b>
<b>Revenue (In Thousands)</b>			
Rural Residential	\$84,024	\$80,153	\$80,801
Commercial /Industrial	26,274	25,220	27,050
Public Street Light	134	128	129
<b>Total Revenue</b>	<b>\$110,432</b>	<b>\$105,501</b>	<b>\$107,980</b>
<b>Comparative Operating Statistics</b>			
Number of accounts at year end	51,487	51,203	50,938
Miles of line energized	8,436	8,421	8,395
Accounts per mile of line	6.1	6.1	6.1
Average residential kWhs used per month	829	855	922
Average residential monthly bill	\$148	\$142	\$144
Plant investment per Account	\$6,111	\$5,871	\$5,568

*The above figures are preliminary and unaudited.*

# Balance Sheet

	2024	2023	2022
<b>Assets (What We Own)</b>			
Cost of Our Utility System	\$456,543	\$435,033	\$411,344
Depreciated Plant	(141,929)	(134,416)	(127,720)
<b>This gives our system a book value of:</b>	<b>\$314,614</b>	<b>\$300,617</b>	<b>\$283,624</b>
<b><i>We Have Other Property and Investments</i></b>			
Investments in Associated Organizations	\$49,396	\$48,622	\$47,544
Other Investments	13,117	12,810	11,916
<b>Total other property and investments</b>	<b>\$62,513</b>	<b>\$61,432</b>	<b>\$59,460</b>
<b><i>We Have These Current Assets</i></b>			
Cash and cash equivalents	\$13,980	\$9,753	\$5,729
Members and others owe us for our services	13,135	13,481	12,243
Materials and supplies for line construction	7,234	8,317	8,158
Other current assets	370	273	313
<b>Total Current Assets</b>	<b>\$34,719</b>	<b>\$31,824</b>	<b>\$26,443</b>
<b><i>We Have Deferred Debits</i></b>	<b>\$46</b>	<b>\$89</b>	<b>\$207</b>
<b>Total Assets</b>	<b>\$411,892</b>	<b>\$393,962</b>	<b>\$369,734</b>
<b>Liabilities (What We Owe)</b>			
<b><i>Long Term Debt</i></b>			
We owe Rural Utility Service	\$191,829	\$176,208	\$155,325
We owe NRUCFC	8,084	9,174	10,311
We owe CoBank	45,539	49,218	52,764
We owe Great River Energy	1,059	807	577
	\$246,511	\$235,407	\$218,977
Less payments due in the next year	(9,799)	(10,201)	(8,866)
<b>Total Long Term Debt</b>	<b>\$236,712</b>	<b>\$225,206</b>	<b>\$210,111</b>
<b><i>We Owe Current Liabilities</i></b>			
Power, materials, etc.	\$12,145	\$11,718	\$11,366
Payments on long-term debt due in the next year	9,799	10,201	8,866
Notes Payable	-	-	7,000
Other current liabilities	6,321	7,041	7,265
<b>Total Current Liabilities</b>	<b>\$28,265</b>	<b>\$28,960</b>	<b>\$34,497</b>
We have deferred credits	5,010	5,014	11
<b>Total We Owe</b>	<b>\$269,987</b>	<b>\$259,180</b>	<b>\$244,619</b>
<b>Net Worth (Members' Equity in the Cooperative)</b>			
Your accumulated patronage capital	\$107,544	\$100,979	\$94,129
Other capital	34,361	33,803	30,986
<b>Members' Equity in the Cooperative</b>	<b>\$141,905</b>	<b>\$134,782</b>	<b>\$125,115</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$411,892</b>	<b>\$393,962</b>	<b>\$369,734</b>

*The above figures are preliminary and unaudited.*

## Co-op Contacts

**Mark Bakk**, General Manager  
800-421-9959 | mbakk@lcp.coop

**Jason Long**, District 1  
218-240-9611 | jlong@lcp.coop

**Michael Forsman**, District 2  
218-365-5789 | mforsman@lcp.coop

**Steve Raukar**, District 3  
218-966-0298 | sraukar@lcp.coop

**Jeff Sheldon**, District 4  
218-398-6104 | jsheldon1@lcp.coop

**Robert Bruckbauer**, District 5  
218-290-8729 | rbruckbauer@lcp.coop

**Daniel Kingsley**, District 6  
218-259-7366 | dkingsley@lcp.coop

**Craig Olson**, District 7  
218-393-2276 | olson@lcp.coop

**Brian Napstad**, District 8  
218-485-1528 | bnapstad@lcp.coop

**Larry Anderson**, District 9  
218-428-2722 | landerson@lcp.coop

*Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care that an ordinarily prudent person in a like position would exercise under similar circumstances.*

*Directors set policy, approve strategy and are charged with fiduciary responsibility of the cooperative. Directors do not oversee day-to-day LCP operations. Administration of maintenance, electric service and operations are the responsibility of employees and staff.*

*Members with questions or concerns about services, billing, outages or other service-related matters should call 1-800-421-9959.*

### Newsline

Published monthly by Lake Country Power  
8535 Park Ridge Drive, Mountain Iron, MN, 55768  
Editor: Jerry Burnes | jburnes@lcp.coop  
Contract Designer: Fuller Creative, LLC

**Lake Country Power Service Centers:**  
Cohasset • Kettle River • Mountain Iron  
800-421-9959 • www.lakecountrypower.coop

# Lake Country Power

*An equal opportunity provider and employer.*

## 2024 Annual Meeting - Condensed Minutes

The twenty-seventh Lake Country Power Annual Meeting was held at Merritt Elementary in Mountain Iron, Minnesota on Thursday, April 25, 2024. President Craig Olson called the meeting to order at 6:27 p.m.

President Craig Olson opened the meeting discussing the challenges the cooperative faced in the past year, and how the stability of the staff and employees maintained throughout these changes for the membership. He announced there was no rate increase for 2024. Olson spoke on the seven cooperative principles, highlighting Concern for Community before discussing the co-op's contributions locally through the Education Improvement Plan and Operation Round Up®.

General Manager Mark Bakk discussed how material cost increases and supply chain delays have forced LCP to plan projects two or three years in advance. He spoke on LCP hiring 10 additional lineworkers for large-scale construction projects and age-related line replacements. He said in 2025, the co-op will hire an in-house boring crew with expected savings of 50% from contracting the work.

The meeting adjourned at 8:08 p.m.

*Editor's Note: A complete copy of the 2024 annual meeting minutes will be distributed at the 2025 annual meeting and are also available online at lakecountrypower.coop.*

## 2024 Election Results

**DISTRICT 1:**  
David Cicmil,  
Cook, 174 votes  
Jason Long,  
Cook, 650 votes\*

**DISTRICT 5:**  
Robert Bruckbauer,  
Remer, 380 votes\*

**DISTRICT 9:**  
Larry Anderson,  
Esko, 448 votes\*  
Kevin Maki,  
Saginaw, 351 votes

*\*Denotes current LCP Director*

## 2025 Voting Districts

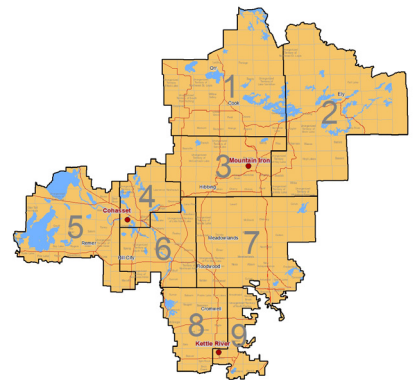
Director election results in Districts 2, 4 and 8 will be announced during the business meeting.

**DISTRICT 2:**  
Mike Forsman, Ely\*

**DISTRICT 4:**  
Jeff Sheldon, Cohasset\*

**DISTRICT 8:**  
Brian Napstad, McGregor\*

*\*Denotes current LCP Director*



## 2025 Annual Meeting

The 2025 Annual Meeting will be Thursday, April 24, 2025, in person at the Reif Center (720 NW Conifer Dr, Grand Rapids, MN).

Registration is at 5:00 p.m. Business meeting at 6:30 p.m.

