



# 2023 ANNUAL REPORT



Your Touchstone Energy® Cooperative 

# Board of Directors



**Kent Haugland**  
Vice President  
District 1



**Lynn Jacobson**  
Secretary/Treasurer  
Statewide Director & NRECA Director  
District 1



**Lane Titus**  
District 2



**Steven Overlee**  
Asst. Secretary/Treasurer  
District 2



**Kurt Koppelsloen**  
District 2



**David Sigloh**  
President  
District 3



**Jeff Dahlin**  
District 3

**PRESIDENT AND MANAGER’S REPORT**



**David Sigloh**  
**President**



**Jerry King**  
**General Manager**

You are invited! Please make plans to attend the 79<sup>th</sup> Annual Meeting of Burke-Divide Electric Cooperative, Inc. (BDEC) on Wednesday, June 12, 2024, at the Cooperative’s Crosby Outpost located at 11590 Highway 5, Crosby, North Dakota.

2023 was another good year for your cooperative. We had net margins of \$1.979 million which we allocated to our membership. We continue to maintain a strong and stable financial equity position of capital credits with you, our members, while also keeping a very good working relationship with our bankers—USDA’s Rural Utilities Service (RUS), National Rural Utilities Cooperative Finance Corporation (CFC), and CoBank.

We experienced a 3.1% growth in energy sales in 2023 and see that trend continuing into 2024. The growth is primarily in the agricultural and commercial oil sectors of the cooperative. It is good to see growth in our membership.

Below is a ten-year comparison of how the Cooperative has changed.

<b><u>FAST FACTS</u></b>	<b><u>2023</u></b>	<b><u>2013</u></b>
Total Utility Plant	\$99,653,254	\$ 56,593,324
Total Operating Revenue	\$23,156,001	\$ 20,776,518
Total kWh Sold	195,790,566	169,878,648
System kW Demand	32,706	37,252
Number of Meters	3,541	3,353
Number of Members	1,414	1,443
Miles of Line	2,572	2,612
Number of Employees	32	36

We are continuing with recovery from the April 2022 storm. Our goal is to complete construction of 2 new miles of 115 kV transmission line and rebuild the Twin Butte Substation, as well as the retirement of 11 miles of 60 kV transmission line, by the end of 2025.

We are developing our next 4-year construction work plan and expect to begin the projects in the Spring of 2025. Much of this work plan focuses on tie-lines between substations and conversion of overhead power lines to underground. The electric distribution cooperatives of North Dakota, along with our Statewide organization, have joined together to maximize our efforts in securing federal

Infrastructure Act funds to cover a portion of the cost of converting overhead power lines to underground. Our goal with these projects is to provide our members with a higher level of reliability.

We anticipate our wholesale power cost from our power suppliers to increase January 1, 2025. The Western Area Power Administration (WAPA) has experienced reduced hydro-electric generation output due to drought conditions and low snowpack as well as increases in dam improvement expenses and personnel costs. At Basin Electric Power Cooperative, the load growth within the Upper Missouri Power Cooperative (UMPC) family has been unprecedented, challenging Basin to add generation capacity at an equally unprecedented scale. In January 2024, the UMPC load peak was 2,015 megawatts. By 2030, the UMPC family is forecast to be at 4,700-megawatts. You can see the future challenges coming to our power suppliers as they work to serve member load. BDEC has been fortunate to be a member of this very diverse group historically helping us keep our rates low. We will do our best to minimize future rate increases while maintaining reliability.

The Southwest Power Pool (SPP) has identified deficiencies in the transmission capability between the United States and Canada based on a request for additional transmission services from SaskPower, a generation and transmission provider in Saskatchewan. SPP is the regional transmission organization that administers bulk electric transmission system reliability upgrades and generation interconnections. The proposed twin 230 kV transmission line project would pass through our service territory in Divide and Williams Counties. Basin would be the designated transmission owner in the United States, and SaskPower would complete the circuit within Canada. The project would provide export and import capabilities of up to 650 megawatts, strengthening the local and regional electric system. A representative from Basin will speak at the Annual Meeting about the proposed project.

Supply chain and rising material and labor costs continue to be a challenge for us. If you have a project coming up, please contact us as soon as possible to ensure we have the proper materials and time to help you complete your projects. Some materials we use still take over a year to acquire. Securing vehicles for our fleet is another challenge for us. The timeline to acquire digger trucks, bucket trucks and pickups, in some cases, is now three years.

This year we will be hiring 3 seasonal apprentice lineworkers, one at each of our locations. The extra employees will help us complete our summer projects within our short construction season. Aligned with this is the opportunity to bring one of these lineworkers on full-time with an upcoming retirement.

Hopefully you have seen the articles about the experiences we have had with our Ford Lightning electric pickup. We will have it available at the Annual Meeting for you to see.

As a part of our commitment to our communities, Burke-Divide works in partnership to offer grants for community projects and organizations through our Operation Round Up program, CoBank's Sharing Success Grant program, Basin Electric Power Cooperative's matching donation fund, and the Rural Development Finance Corporation's community grant program. Information on these grants is available on our website and in our local pages in the North Dakota Living Magazine.

Kyra Bakken and Billi Fortier are our 2024 Basin Electric Power Cooperative scholarship recipients. If you get the opportunity to meet these young folks

congratulate them and wish them well as they prepare for the future.

We will award our \$500 BDEC Memorial Scholarship through a “Luck-of-the-Draw” process at the Annual Meeting. Detailed information regarding the scholarship can be found on page 9 of this report.

The progressive cash drawing will be \$250 this year. One member will be drawn from the entire membership list and must be present to win.

The Directors and Employees take great pride in and are dedicated to our mission: Burke-Divide Electric strives to provide reliable, high-quality electricity at a competitive cost, to strengthen the area economy and to lead in improving the region’s quality of life through innovative, state of the art products and services while operating within cooperative principles.

We encourage you to review the information provided in this report and bring any questions you have to the Annual Meeting on June 12 at our Crosby Outpost. We would be happy to answer them before, during, or after the meeting. We look forward to seeing you soon and please travel safely!

**ANNUAL MEETING AGENDA**

- Call to Order
- Quorum Report
- Appointment of Parliamentarian and Tellers
- Notice of Annual Meeting
- Minutes of 2023 Annual Meeting
- Financial Report
- President and Manager’s Report
- Basin Electric Presentation
- Election of Directors
- Old Business
- New Business
- Questions & Comments
- Adjourn

**Planning a trip to Medora this summer?**

As a member of Burke-Divide Electric Cooperative, your local Touchstone Energy Cooperative, you are eligible for discounts on tickets, lodging and golf.



**15 percent discount:**

- Medora Musical
- Pitchfork Steak Fondue
- Bully Pulpit Golf Course
- Gospel Brunch
- Old Town Theater shows
- Lodging at Elkhorn Quarters, Badlands Motel, Rough Riders Hotel, and Medora Campground

**Call 1-800-MEDORA-1 or book online at [medora.com](https://www.medora.com).  
DISCOUNT CODE: TOUCH2024**

# MINUTES OF THE 2022 ANNUAL MEETING OF BURKE-DIVIDE ELECTRIC COOPERATIVE, INC.

## JUNE 14, 2023

The 78<sup>th</sup> Annual Meeting of the members of Burke-Divide Electric Cooperative, Inc., was held at the Burke-Divide Electric Cooperative Headquarters in Columbus, North Dakota, on June 14, 2023.

**CALL TO ORDER:** President David Sigloh called the meeting to order at 6:30 p.m. Sigloh introduced guests.

**INVOCATION:** President David Sigloh led the group in the invocation.

**NATIONAL ANTHEM:** The group stood and saluted the American flag during the National Anthem.

**QUORUM:** Vice President Kent Haugland reported that 78 members were registered for the meeting and that a quorum was present.

**PARLIAMENTARIAN:** President David Sigloh appointed the cooperative's attorney, Debra L. Hoffarth, to act as parliamentarian for the meeting.

**ELECTION TELLERS:** President David Sigloh announced the appointment of election tellers from all three districts to count ballots for the election of directors. The tellers include: District 1 – Jim Simonson; District 2 – Dennis Dosch; and District 3 – Loren Johnson.

**NOTICE OF MEETING:** President David Sigloh reported that the Notice of Meeting was mailed to the membership. It was moved, seconded and carried to dispense with the reading of the Notice of Meeting.

**MINUTES:** President David Sigloh reported that the 2022 Annual Meeting minutes are printed in the Annual Report. It was moved, seconded, and carried to dispense with the reading of the minutes of the 2022 Annual Meeting. It was moved, seconded, and carried to approve the 2022 Annual Meeting Minutes in the form presented.

**INTRODUCTION OF BOARD OF DIRECTORS:** President Sigloh introduced the Board of Directors and General Manager of the Cooperative. President Sigloh thanked the Board of Directors. President Sigloh presented service awards to the following directors: Steve Overlee—20 years and Kent Haugland—25 years.

**FINANCIAL REPORT:** Office Manager Brooke Watterud presented the cooperative's financial report. Eide Bailly, LLP, of Fargo, North Dakota, audited the balance sheets for the year ending December 31, 2022. The cooperative received an unmodified ("clean") audit opinion. Burke-Divide's financial statements have been prepared using accounting principles generally accepted in the United States of America and do not contain material misstatements and are fairly presented. The cooperative had no compliance findings. Watterud discussed assets, liabilities, revenues, expenses, and financial ratios. It was moved, seconded, and carried to approve the 2022 Audited Financial Statements.

**PRESIDENT & MANAGER'S REPORT:** President David Sigloh and Manager Jerry King presented a report on the past year of operations. Sigloh and King updated the membership on the status of FEMA and North Dakota Department of Emergency Services matters. Manager King reported that the April 2022 storm caused damages of \$6,501,629.19. King noted that the cooperative is looking to rebuild the transmission line serving the Twin Butte substation in Divide County and working with FEMA to get that project approved. Manager King reported that the July 2022 and January 2023 weather events did not meet the qualifications for FEMA assistance. The damages caused by the July 2022 windstorm was \$939,160.20 and the damages caused by the January 2023 frost event are \$1,003,051.13. King thanked the members for their patience while Burke-Divide rebuilds its facilities, so it can provide a higher level of reliability. Manager King discussed the new 4-year work plan, which will have an emphasis on overhead to underground conversion in areas that have historically been prone to frost damage and outages. King discussed supply chain issues and the impact on the cooperative. President Sigloh announced that a general retirement of \$1.472 million in capital credits was retired to members in June 2023. As of 2022 year-end, Burke-Divide has retired over \$25.3 million in capital credits since the cooperative formed in 1945. Manager King summarized the changes of Burke-Divide over the past 10 years, noting increases in total utility

plant, operating revenue, kWh sold, kW demand, number of meters, number of members, miles of line, and employees. President Sigloh Burke-Divide discussed power purchased from Upper Missouri Cooperative, with generation coming from Western Area Power Administration and Basin Electric Power Cooperative. Sigloh noted that the electric power is 23% hydro-electric, 39% coal, 24% wind, and 17% natural gas.

**OPERATION ROUND UP REPORT:** Member Services Manager Heidi Grohs reported on the Operation Round Up Program, a charitable giving program. Grohs introduced the members of the Operation Round-Up Board and thanked them for their service. The Operation Round Up Program awarded six grants, totaling \$7,135, to area organizations and projects in 2022. Grohs noted that the list of recipients was included in the Annual Report. Operation Round Up has awarded nearly \$96,000 to area organizations since the program began in 2010. Grohs thanked members and employees for their participation in the program. Grohs announced grant opportunities for area community and non-profit organizations as follows: Rural Development Finance Corporation (RDFC) 3-\$1,000 grants within Burke-Divide's service territory; and CoBank's Sharing Success Matching Grant Program – 3 grants totaling \$7,500. Grohs noted that information for the grants is located on Burke-Divide's website.

**SCHOLARSHIPS:** Member Services Manager Heidi Grohs reported on Scholarship programs sponsored by Burke-Divide Electric Cooperative, Inc. and Basin Electric Power Cooperative. Derrick Handeland and Lexi McEvers are the 2022 recipients of the \$500 Basin Electric Power Cooperative Scholarships. Grohs noted that the \$500 Burke-Divide Electric Memorial Scholarship would be awarded through a Luck-of-the-Draw from students attending the Annual Meeting and that the winner would be announced at the end of the meeting.

**INTRODUCTION OF EMPLOYEES:** Manager King introduced the Burke-Divide employees. King and Sigloh thanked the employees for their work at the cooperative and its members.

**ELECTION OF DIRECTORS:** Attorney Debra L. Hoffarth conducted the election of directors.

**District 2:** Hoffarth noted that the members were to elect a director for District 2. Hoffarth noted that Kurt Koppelsloen has filed a petition for the District 2 Director Seat, which he currently holds. No other petitions for District 2 Director Seat were filed. It was moved, seconded, and carried to direct the Secretary to cast a unanimous ballot for Kurt Koppelsloen as District 2 Director.

**District 3:** Hoffarth noted that the members were to elect a director for District 3. Hoffarth noted that Jeff Dahlin has filed a petition for the District 3 Director Seat, which he currently holds. No other petitions for District 3 Director Seat were filed. It was moved, seconded, and carried to direct the Secretary to cast a unanimous ballot for Jeff Dahlin as District 3 Director.

**OLD BUSINESS:** President Sigloh called on members for old business. There was none.

**NEW BUSINESS:** President Sigloh called on members for new business. There was none.

**QUESTIONS AND COMMENTS:** President David Sigloh called for questions or comments from the membership. Dennis Dosch thanked the cooperative's employees for their hard work after the storms over the past two years. The members gave a round of applause for the cooperative's employees.

**LUCK-OF-THE-DRAW SCHOLARSHIP:** President David Sigloh revealed the Luck-of-the-Draw Scholarship winner, which requires a student and parent to be present at the Annual Meeting to be awarded the 2023 \$500 Burke-Divide Electric Memorial Scholarship. Sigloh announced that Kiah Nelson is the 2023 recipient of the \$500 Burke-Divide Electric Memorial Scholarship.

**PROGRESSIVE CASH PRIZE:** President Sigloh announced the Progressive Cash Prize winner was Keith Hassel.

**ADJOURNMENT:** There being no further business to conduct, it was moved, seconded, and carried to adjourn the meeting at 7:07 p.m.

**BALANCE SHEETS AS OF DECEMBER 31, 2023, AND 2022****ASSETS**

<b>ELECTRIC PLANT</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
In service	\$ 98,684,372	\$94,991,129
Under construction	968,882	1,202,099
Total electric plant	99,653,254	96,193,228
Less accumulated depreciation	26,125,419	23,884,859
Electric plant – net	73,527,835	72,308,369

**OTHER PROPERTY AND INVESTMENTS**

Investments in associated companies	9,706,954	9,114,061
Other investments	267,550	285,232
Revolving loan pool	143,674	142,639
Special funds	812,500	970,550
Total other property and investments	10,930,678	10,512,482

**CURRENT ASSETS**

Cash and cash equivalents	11,319,297	6,930,039
Accounts receivable, less allowance for uncollectable accounts (2023—\$734,518; 2022—\$639,999)	2,260,909	1,944,980
Other accounts receivable—FEMA	1,170,681	5,464,545
Current portion of other investments	27,778	111,111
Materials and supplies	3,553,002	2,935,478
Prepayments	349,537	326,513
Interest receivable	104,687	3,357
Total current assets	18,785,891	17,716,023

**DEFERRED DEBITS**

-	-
<b><u>\$ 103,244,404</u></b>	<b><u>\$100,536,874</u></b>



## **BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2022**

### **EQUITIES AND LIABILITIES**

<b>EQUITIES</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Patronage capital	\$35,852,659	\$35,479,177
Other equities	6,831,870	6,831,904
<u>Total equities</u>	<u>42,684,529</u>	<u>42,311,081</u>
<b>LONG-TERM DEBT, LESS CURRENT MATURITIES</b>	<b>52,481,921</b>	<b>52,270,298</b>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	2,069,470	1,956,754
Accounts payable	1,459,329	1,559,401
Customer deposits	101,497	104,752
Taxes accrued	147,807	144,238
Accrued interest	16,324	17,196
<u>Accrued compensated absences</u>	<u>185,590</u>	<u>183,031</u>
<u>Total current liabilities</u>	<u>3,980,017</u>	<u>3,965,372</u>
<b>DEFERRED CREDITS</b>		
Customer energy prepayments	16,463	17,571
Uncashed capital credit checks	344	18
Customer construction prepayments	2,512,276	225,705
Deferred gain on disposition of allowances	107,063	189,063
Deferred revenue	400,000	600,000
Deferred compensation	412,500	369,650
Estimated installation costs -special equipment	649,291	588,116
<u>Total deferred credits</u>	<u>4,097,937</u>	<u>1,990,123</u>
	<b><u>\$103,244,404</u></b>	<b><u>\$100,536,874</u></b>

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the financial statements of Burke-Divide Electric Cooperative, Inc., which comprise the balance sheets as of December 31, 2023, and 2022, and the related statements of operations, changes in equities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Burke-Divide Electric Cooperative, Inc., as of December 31, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly, LLP  
March 19, 2024

## **STATEMENT OF OPERATIONS & PATRONAGE CAPITAL**

<b>OPERATING REVENUES</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Electric	\$22,957,301	\$21,696,033
Other	198,700	222,842
Total operating revenues	23,156,001	21,918,875
<b>OPERATING EXPENSES</b>		
Cost of Power	10,813,376	9,788,033
Transmission-operation and maintenance	78,971	76,162
Distribution – operation	1,907,480	1,917,938
Distribution – maintenance	1,622,284	1,071,272
Customer accounts	127,163	163,853
Customer service and informational	77,123	73,702
Sales expense	146,400	130,249
Administrative and general	2,249,501	2,022,189
Depreciation	2,821,350	2,735,164
Depreciation –plant retirement reserve	523,371	508,454
Taxes	184,659	181,526
Interest on long-term debt	1,580,205	1,531,459
Other	58,465	41,216
Total operating expenses	22,190,348	20,241,217
<b>OPERATING MARGINS</b>		
<b>BEFORE CAPITAL CREDITS</b>	965,653	1,677,658
<b>OTHER COOPERATIVE CAPITAL CREDITS</b>	788,789	1,219,110
<b>NET OPERATING MARGINS</b>	1,754,442	2,896,768
<b>NONOPERATING MARGINS (LOSSES)</b>		
Merchandising, less costs and expenses	(98,194)	(136,988)
Interest income	266,970	29,393
Other income	56,170	110,696
Total nonoperating (losses) margins	224,946	3,101
<b>NET MARGINS</b>	<b><u>\$1,979,388</u></b>	<b><u>\$2,899,869</u></b>

## 2024 Scholarship Winners



**Kyra Bakken**

***Basin Electric Power Cooperative—\$500***

Kyra Bakken is a graduate of Burke Central High School and plans to attend North Dakota State University to pursue a degree in radiologic technology. Kyra is the daughter of Traci and Grady Bakken of Lignite.



**Billi Fortier**

***Basin Electric Power Cooperative—\$500***

Billi Fortier is a graduate of Divide County High School and plans to attend Miles Community College to pursue a degree in animal science and livestock management. Billi is the daughter of Roxanne and John Fortier of Wildrose.



## 2024 Youth Tour Winner

**Avah Bullinger**

Avah Bullinger will represent Burke-Divide Electric Cooperative on the National Rural Electric Cooperative Youth Tour to Washington, D.C., June 15-21, 2024.

Avah is a sophomore at Powers Lake High School and is the daughter of Jessica and Jeremy Bullinger of Powers Lake.

## Luck-of-the-Draw Scholarship

**Burke-Divide Electric Cooperative will award its \$500 Memorial Scholarship through a random drawing held at the conclusion of the cooperative's annual meeting Wednesday, June 12, at the Crosby Outpost. The requirements to enter the scholarship drawing are listed below:**

1. The student or parent/legal guardian must be an active member of Burke-Divide Electric Cooperative at the time of the drawing.
2. Both the student and parent/legal guardian must be present at the Annual Meeting when the drawing is held.
3. The student must be enrolled in a full-time vocational/technical, undergraduate or graduate degree program in the 2024 Fall term.
4. The student must submit a "Luck-of-the-Draw" Scholarship application form at the meeting. The application form is available at [bdec.coop](http://bdec.coop) and may be completed prior to the meeting. The student must bring the printed application form to the meeting. Forms will also be available at the meeting.



## 2023 OPERATION ROUND UP REPORT

In 2010, Burke-Divide Electric Cooperative began a charitable giving program called Operation Round Up intended to benefit organizations and communities across the cooperative's service territory.

Through Operation Round Up, cooperative members "round up" their electric bills to the next whole dollar each month with the extra pennies going to the Operation Round Up fund. Burke-Divide Electric Cooperative employees also contribute by "rounding down" their paychecks each month.

7 grants totaling \$7,200 were awarded to the following organizations in 2023:

**Columbus Roughriders 4-H Club**

\$1,000—club member projects

**Columbus Rural Fire Protection District**

\$1,000—bunker gear washing machine

**Divide County Rodeo Association**

\$2,000—arena roping boxes

**Donnybrook Rural Fire District**

\$800—tires for grass unit

**Kenmare Public School**

\$800—physical fitness equipment

**Miss Rodeo ND Organization**

\$800—Lindsey Miller Miss Rodeo ND 2023 sponsorship

**Northern Plains Special Education Unit**

\$800—group activities expenses

Non-profit and community organizations in Burke-Divide Electric's service area are eligible to apply for Operation Round Up funds.

A board of five trustees manages the distribution of Operation Round Up funds. Grants are awarded in March and September each year.

121 grants totaling over \$103,000 have been awarded to area organizations since the program began.

### OPERATION ROUND UP BOARD OF TRUSTEES

Roxi Iverson, President.....	District 2
Hal Ross, Vice President.....	At-large
Lorna Carlson, Secretary.....	At-large
LuAnn Unhjem.....	District 1
Missy Sagness.....	District 3