

*“There is a superhero
in all of us. We just
need the courage to
put on the cape.”*
—Superman



MT. WHEELER POWER
Powering Your Future



ANNUAL REPORT 2020



This dynamic duo is ready for any challenge.

MESSAGE FROM THE BOARD PRESIDENT



RICK HENDRIX
BOARD PRESIDENT

We anticipated many challenges in 2020 with plans to remodel our main offices, but we certainly never expected to spend our 50th year in the middle of a pandemic. But together we discovered our super powers and adapted to new protocols.

We did not let any of those obstacles stand in the way of progress as we moved forward with upgrades to the Williams substation, completed the McGill upgrade and faced both the financial and engineering challenges of damage to the Snake Valley line that required solutions developed by both talented employees and outside experts. The staff and employees have done an excellent job in this year of uncertainty and your board is moving forward with plans for 2021.

KELLY



HERMINIO



ZEKE



TANDY



BRIAN



With this kind of Secret Intelligence we are quickly able to analyze the best options for our members.

SERVICE AWARDS

Kelly Jackson -Sr. Member Services Specialist	15 yrs
Herminio Romero - Facilities Maintenance/Meter Rd/Collector	15 yrs.
Zeke Stanton - Line Foreman	15 yrs
Tandy Haslem -Accounting Coordinator	5 yrs.
Brian Hicks- Mechanic	5 yrs.

MT. WHEELER POWER

OUR SUPERCHARGED CREW

Jeremy Auch	Lineman
Bill Baumann	Lineman
Chad Bliss	Sr. Line Foreman
Melynda Boren	Member Services Representative
Shane Boren	Purchasing Coordinator
Jake Brunson	Design Engineer
Martin Burdick	Lineman
Niko Dobrescu	Lineman
Kelly Ernest	Network Specialist
Kaysie Ewell	HR/Finance Assistant
Brett Hardy	Substation Tech
Tandy Haslem	Accounting Coordinator
Billie Sue Heckethorn	Member Services Representative
Gwendy Heckethorn	Dispatch
Philipp Heckethorn	Line Foreman
Brian Hicks	Fleet Mechanic
Dylan Hunt	Lineman
Kelly Jackson	Sr. Member Services Specialist
Sherrie Marquez	Member Services Representative
Jason McNutt	Lineman
Mitch McVicars	Line Foreman
Jesse Murdock	Engineering Manager
Jeremy Newton	Telecommunications Tech
Jody Pintar	Meter Tech
Jan Reger	Accounting Coordinator
Bill Ricci	Operations Manager
Kevin Robison	CEO
Herminio Romero	Meter Reader/ Facilities Maintenance
Christina Sawyer, CCC	Internal Communications Specialist
Lynn Sorenson	Member Services Specialist
Patricia Stanton	Accounting Manager
Zeke Stanton	Line Foreman
Tim Uhalde	Substation Engineering Manager
Shellie Watts	Member Services/HR Manager
Derek Williams	Warehouseman
Jeramie Williams	Lineman
Mitchell Yarbrough	Lineman



Our members are invincible.



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BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

	December 31,	
	2020	2019
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 86,488,932	\$ 79,079,668
Construction Work in Progress	2,114,314	4,059,774
Electric Plant Held for Future Use	3,292	3,292
	<u>\$ 88,606,538</u>	<u>\$ 83,142,734</u>
Less: Accumulated Provision for Depreciation and Amortization	42,114,658	40,424,305
	<u>\$ 46,491,880</u>	<u>\$ 42,718,429</u>
OTHER PROPERTY AND INVESTMENTS		
Investments in Associated Organizations	\$ 2,448,368	\$ 2,796,166
Energy Conservation Loans and Economic Development Loans	52,497	90,113
	<u>\$ 2,500,865</u>	<u>\$ 2,886,279</u>
CURRENT ASSETS		
Cash - General	\$ 3,245,042	\$ 7,555,539
Accounts and Notes Receivable (Less allowance for uncollectibles of \$61,151 in 2020 and \$55,822 in 2019)	2,555,776	2,495,907
Materials and Supplies	4,332,486	4,382,797
Other Current and Accrued Assets	239,289	197,253
	<u>\$ 10,372,593</u>	<u>\$ 14,631,496</u>
DEFERRED CHARGES		
	\$ 638,104	\$
TOTAL ASSETS	<u>\$ 60,003,442</u>	<u>\$ 60,236,204</u>
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships and Other Equities	\$ 1,047,681	\$ 994,576
Unallocated Equity	440,468	817,399
Patronage Capital	32,680,361	31,076,984
	<u>\$ 34,168,510</u>	<u>\$ 32,888,959</u>
LONG-TERM DEBT		
CFC Mortgage Notes Less Current Maturities	\$ 12,144,270	\$ 13,039,990
CoBank Mortgage Notes Less Current Maturities	6,065,460	6,282,730
	<u>\$ 18,209,730</u>	<u>\$ 19,322,720</u>
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,112,991	\$ 1,198,875
Current Maturities Capital Lease Obligations		3,756
Accounts Payable	1,164,740	1,687,060
Accounts Payable - Purchased Power	1,948,096	1,933,441
Consumers' Deposits	1,152,910	1,047,327
Accrued Compensated Absences	903,284	807,627
Other Current and Accrued Liabilities	276,073	308,546
	<u>\$ 6,558,094</u>	<u>\$ 6,986,632</u>
DEFERRED CREDITS		
	\$ 1,067,108	\$ 1,037,893
TOTAL EQUITIES AND LIABILITIES	<u>\$ 60,003,442</u>	<u>\$ 60,236,204</u>

MT. WHEELER POWER

BANG!!!



STATEMENTS OF INCOME & PATRONAGE CAPITAL YEARS ENDING DECEMBER 31, 2020 AND 2019

	December 31,				Increase (Decrease)
	2020		2019		
	Amount	%	Amount	%	
OPERATING REVENUES					
Residential	\$ 6,360,746	16.2	\$ 6,468,148	17.2	\$ (107,402)
Irrigation	5,176,607	13.2	4,000,952	10.6	1,175,655
Commercial and Industrial - Small	1,884,642	4.8	1,901,561	5.0	(16,919)
Commercial and Industrial - Large	24,112,974	61.2	23,432,763	62.2	680,211
Public Street and Highway Lighting	75,457	0.2	77,203	0.2	(1,746)
Public Authorities	1,452,856	3.7	1,522,942	4.0	(70,086)
Other Operating Revenues	288,783	0.7	284,445	0.8	4,338
Total Operating Revenues	\$ 39,352,065	100.0	\$ 37,688,014	100.0	\$ 1,664,051
OPERATING EXPENSES					
Cost of Purchased Power	\$ 27,976,228	71.1	\$ 26,900,916	71.4	\$ 1,075,312
Transmission Expense	143,466	0.4	132,539	0.4	10,927
Distribution - Operation	799,843	2.0	851,835	2.3	(51,992)
Distribution - Maintenance	1,922,909	4.9	1,770,073	4.7	152,836
Consumer Accounts Expense	1,111,248	2.8	1,063,664	2.8	47,584
Customer Service and Information	81,908	0.2	114,357	0.3	(32,449)
Sales Expense	91,465	0.2	97,619	0.3	(6,154)
Administrative and General	1,997,158	5.1	2,106,192	5.6	(109,034)
Depreciation and Amortization	2,208,813	5.6	2,111,135	5.6	97,678
Taxes	396,602	1.0	348,975	0.9	47,627
Other Interest	14,432	0.0	12,757	0.0	1,675
Other Deductions		0.0	76,999	0.2	(76,999)
Total Operating Expenses	\$ 36,744,072	93.3	\$ 35,587,061	94.5	\$ 1,157,011
OPERATING MARGINS - BEFORE FIXED CHARGES					
	\$ 2,607,993	6.7	\$ 2,100,953	5.5	\$ 507,040
FIXED CHARGES					
Interest on Long-Term Debt	\$ 878,333	2.2	\$ 692,103	2.6	\$ 186,230
Amortization of Discount on Recquired Debt	(42,052)	(0.1)	(44,339)	(0.1)	2,287
Total Fixed Charges	\$ 836,281	2.1	\$ 647,764	2.5	\$ 188,517
OPERATING MARGINS - AFTER FIXED CHARGES					
	\$ 1,771,712	4.5	\$ 1,453,189	3.9	\$ 318,523
Capital Credits	92,983	0.2	90,180	0.2	2,803
NET OPERATING MARGINS					
	\$ 1,864,695	4.7	\$ 1,543,369	4.1	\$ 321,326
NONOPERATING MARGINS					
Interest Income	\$ 35,592	0.1	\$ 37,563	0.1	\$ (1,971)
Other Nonoperating Income	693,648	1.8	18,585	0.0	675,063
Loss on Disposition of Property	1,028	0.0	21,071	0.1	(20,043)
	\$ 730,268	1.9	\$ 77,219	0.2	\$ 653,049
NET MARGINS					
	\$ 2,594,963	6.6	\$ 1,620,588	4.3	\$ 974,375
PATRONAGE CAPITAL - BEGINNING OF YEAR					
Transfer from Unallocated Equity	\$ 31,076,984		\$ 29,907,831		
Patronage Capital Retired	376,931		376,931		
	(1,368,517)		(828,366)		
PATRONAGE CAPITAL - END OF YEAR					
	\$ 32,680,361		\$ 31,076,984		

2020 KWH PURCHASED

DG&T
89%



WAPA
11%

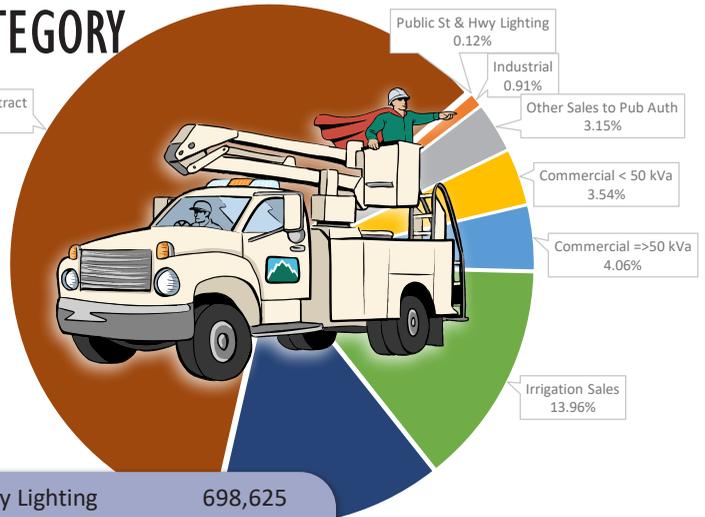
DG&T	545,154,872
WAPA/RENEWABLES	67,270,278
TOTAL KWH	612,425,150



Vigilantes against COVID-19

2020 KWH SALES BY CATEGORY

Incentive / Contract
60.05%



Public St & Hwy Lighting	698,625
Industrial	5,405,880
Other Sales to Pub Auth	18,606,075
Commercial < 50 kVa	20,910,984
Commercial =>50 kVa	24,036,226
Irrigation Sales	82,539,557
Residential Sales	84,061,361
Incentive / Contract	355,061,848
TOTAL KWH SOLD	591,320,556



YOUR CAPITAL CREDITS

Revenues over the cost of doing business are considered “margins.” These margins represent an interest-free loan of operating capital by the membership to the cooperative. This capital is then allocated as capital credits to the members and reflects your equity in the cooperative. In 2020 Mt. Wheeler Power returned capital credits to its members in the amount of \$1.2 million dollars.



MT. WHEELER POWER

BOARD OF DIRECTORS



The masterminds behind the success of Mt. Wheeler Power

- | | |
|------------|--------------------|
| District 1 | Ron Miller |
| District 2 | Mary Kerner |
| District 3 | Robert "Bob" Pratt |
| District 4 | Catherine Bakaric |
| District 5 | Rick Hendrix |
| District 6 | Jerald Anderson |
| District 7 | Martin Plaskett |
| District 8 | Wade Robison |
| District 9 | Ron Niman |



MESSAGE FROM THE CEO

The strength and resilience of our organization throughout the past year has been heroic. Both employees and our members have endured changes over the past 12-15 months including modified business hours, construction obstacles and fewer opportunities for face-to-face interactions with our member services department. We are grateful that everyone handled these situations with an open mind and bravery. Words cannot express how much I truly appreciate the patience and versatility that has been demonstrated in helping us manage these events.

What's YOUR superpower?



We've managed to soar above the chaos to bring you the reliability you depend on.

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“Sometimes the truth isn’t good enough, sometimes people deserve more. Sometimes people deserve to have their faith rewarded...”

—Batman

We **EMPOWER** Safety



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