

MINNESOTA VALLEY CO-OP NEWS

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MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Enjoyable Annual Meeting

It was good to see many of the members and friends of Minnesota Valley at our Annual Meeting at the Lac qui Parle Valley High School this past month. Again this year, we served a breakfast buffet before kicking off the business part of the meeting. The business part of the meeting lasted just over an hour, which included drawing for Basin Tour trips and door prizes. All in all, it was an enjoyable meeting. For those of you who came to spend time with us...thank you. We will be setting the date for next year's meeting at this month's board meeting. When we do, we will let you know so you can mark it on next year's calendar. If you've never been to one, hopefully you will plan on it next year. It's your business and your meeting and we do our best to make it enjoyable for you.

Power Supply for your Cooperative

We are currently working on our long-term power supply contracts for Minnesota Valley. We have two power suppliers. We buy a fixed amount, 50 mega-watt hours annually, from the Western Area Power Administration or WAPA. WAPA is the federal marketing agency for the hydro-electric dams on the Missouri River. They market the federal power to customers within the project area, which are called preference customers, of which Minnesota Valley is one.

The Reclamation Project Act of 1939 requires WAPA to give preference to certain types of nonprofit organizations seeking to purchase federal power. Those entitled to preference include cities and towns, state and federal agencies, irrigation districts, public utility districts and rural electric cooperatives. Minnesota Valley got its first chance to enter into a contract for cheap hydropower in 1957. Prior to that, we had purchased more expensive wholesale power primarily from investor-owned utilities such as Northern States Power.

Over the years, the contract has been amended to change with conditions of the operation of the Missouri River by the Army Corp of Engineers. The interest of flood control, irrigation, power production and recreation interest all must be balanced. Anyway, we get a fixed amount of capacity and energy each month from WAPA. This amounts to just over 20% of our annual power and energy requirements. Any other power we need has to come from somewhere else under what we call a supplemental power supplier. That supplemental power supplier for us is our Basin Electric.

When Minnesota Valley was getting our first hydropower allocation, we were also working with other cooperatives in this region on forming Basin Electric for additional anticipated power needs. We knew we would need more power than

the dams could provide. Large scale thermal plants located along the Missouri River next to coal fields would prove to be the most economical answer for electric cooperatives in the region. Minnesota Valley is one of the original incorporators of the organization that would bring this additional power to us, our Basin Electric, by signing the papers in May of 1961. After the signing, the newly formed Basin Electric went to work and our first coal-fired unit went online on January 20th, 1966.

Both the WAPA and Basin contracts have been amended and resigned over the years. Our new WAPA contract we are working on will take us through 2050. The new Basin Electric contract will take us through 2070. The WAPA contract is what is called "Firm Electric Service"—a set amount of power and energy each month. The Basin contract, that will be signed, has what is called an "all requirements" provision in it. This simply means we must buy all of our power needs over and above the WAPA contract exclusively through Basin Electric.

These are long contracts which should help keep your retail power rates affordable for many years to come. Minnesota Valley will carry on with its long tradition of being involved with both organizations to that end.

Youth Tour Winner

Minnesota Valley will again be sending one area student to Washington, D.C., to represent us at the Electric Cooperative Youth Tour in 2015. The student selected this year is **Maggie Scheffler**, daughter of Pete and Wendy Scheffler of Granite Falls.

The trip is scheduled for June 13th-18th, 2015. Students who applied completed a personal information sheet and wrote an essay on an energy related topic of their choice. **Congratulations Maggie!**

\$\$ HEATING BILL CREDIT PROMOTION \$\$



- ✓ Get a 3,000 KWh bill credit per ton of installed air source heat pump capacity.
- ✓ Get a 5,000 KWh bill credit per ton of installed geothermal heat pump capacity.

Please see the Member Services article and bill insert for program information.

Pictures from the 2015 Annual Meeting



Directors Re-elected

At the Minnesota Valley Annual Meeting held on Saturday, March 21st, 2015, at the Lac qui Parle Valley High School, incumbents Glen Klefsaas from District 1 and Mark Peterson from District 3 both ran unopposed. Each was re-elected in their respective district by a unanimous ballot cast from the floor at the Annual Meeting to serve another 3-year term on the Minnesota Valley Board of Directors.

Glen has been a director at the cooperative for the past six years. Mark has served his district for twelve years. Congratulations to both of these directors. We look forward to their continued service to the members of Minnesota Valley.



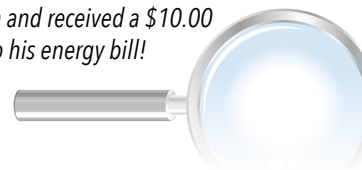
Comparative Report

	Jan-Feb 2015	Jan-Feb 2014	Jan-Feb 1995
Kwh Purchased	44,093,245	45,748,206	12,979,745
Kwh Sold	41,860,032	43,388,364	11,795,254
Cost Of Purchased Power	\$1,945,644	\$1,940,435	\$795,061
Patronage Capital Margins	\$489,854	\$441,606	\$215,951
Reserve For Taxes	\$49,541	\$46,621	\$47,298
Cost Per Kwh Purchased (mills)	44.13	42.42	30.19
	February '15	February '14	February '95
Total Plant	\$64,043,835	\$61,671,643	\$16,765,595
# Of Members Receiving Service	5,271	5,252	5,148
Average Residential Bill	\$236.99	\$252.30	\$102.25
Average Residential Kwh Consumption	2,770	2,951	1,459
Average Kwh Usage All Consumers	3,816	3,886	2,291
Peak Kw Demand (Peak Load)	41,160	41,006	25,206

Get a \$10 or \$20 credit!

There are two hidden account numbers in this newsletter. If you find your number, you will receive a \$10 energy credit or \$20 if you are an Operation Round Up participant. Call the office to claim your credit.

Congratulations to James Rialson of Madison who identified his location and received a \$10.00 credit to his energy bill!



ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

Another winter is over! It sure is nice to see spring arrive with the warmer weather. Spring brings some sloppy conditions, so we focus on working in areas where we can. We always make an effort not to disturb anyone's property more than we need to.

Each spring, before crop planting, we get to work installing underground facilities as soon as the soil is ready. However, this is always close to the same time the fields are ready for planting, so cooperation between the concerned parties is vital. We are utilizing contractors to help accomplish these installs in a timely manner to keep ahead of fieldwork.

Thanks to all who attended the Annual Meeting on March 21st. Your attendance shows interest in your business, which you all own, along with your continued support.

A couple summers ago, we installed over 20 miles of underground line to get out of the way of a CAPX project some investor-owned utilities were building. They are now in the final stages of their project across our system. The following pictures show them finishing out their conductor spans, installing spacers with the aid of manned dollies and helicopters.



Crews working near Boyd building three phase line:



Minnesota Valley R.E.C. will be accepting applications for the summer Pole Treating Crew until April 27th, 2015. Applications are available at the Minnesota Valley office or at our website, www.mnvalleyrec.com

Call Before You Dig!

About this time of the year, you're beginning to plan summer projects—thinking about building a deck, planting trees and shrubs, putting up a fence, digging a new foundation or installing water and sewer lines or drain tiles. Any time you do any digging or excavating, you are required to contact **Gopher State One Call** to request a locate of underground facilities. This must be done at least 48 hours before you start. Cutting an underground power line, telephone or pipeline can be very dangerous and costly. Be sure to call **Gopher State One Call** at 1.800.252.1166 before you dig.

Gopher State answering attendants will ask for detailed information about your work site. Some questions include: what type of work is being done; location of the work site; how long the work will take; and the township, range, section and quarter section coordinates (legal description) of the work site. Please be sure to have all of this information ready when you call so your request can be processed quickly.

Before beginning any digging, call Gopher State One Call at 1.800.252.1166!

Update Your Phone Numbers

Please help us stay in contact with you by updating your phone numbers with us. Many members now have cell phones and no longer have a land line which makes it difficult for us to contact you. E four zero seven zero three A We need current phone numbers (*cell and land line*) where we can contact you during normal business hours. These numbers are needed to notify you of outages, both planned and unplanned; service upgrades and statement questions.



We are able to list three phone numbers on your account. You may write your phone numbers directly on your next billing statement in the order of which you want us to contact you.

Thank you!



MEMBER SERVICES • BOB WALSH

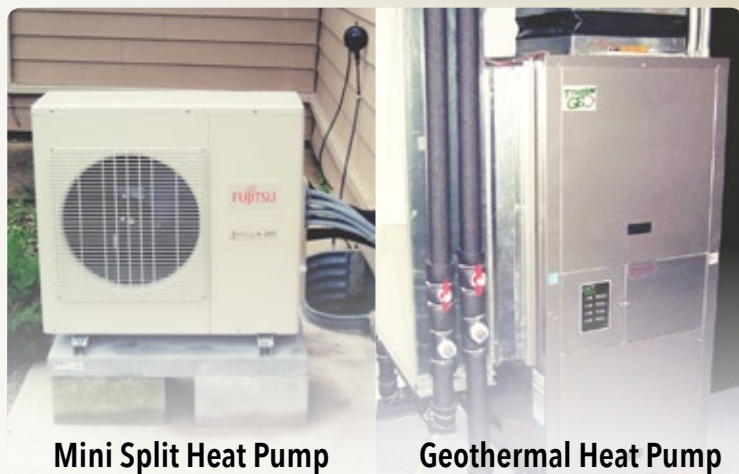
Member Services Manager



HEATING BILL CREDITS

We have always touted the reasons why you should put in a heat pump. Those reasons include higher efficiencies, attractive heat rates and low interest financing. From now through Labor Day of 2015, we will give you heating bill credits for the installation of an air to air heat pump or a geothermal heat pump. That makes an already attractive heating system look that much better. These rebates will run from **April 1st, 2015 through Labor Day of 2015.** The system needs to be a new installation and placed in service between the dates stated above. Certain size limitations apply. That will give you this summer to take advantage of all of the great benefits of a heat pump system, along with the heating bill credit offer. Don't let this great offer slip away!

Shopping for something new can often be a bit intimidating. The Member Services Department is here to help you with any questions you may have.



Mini Split Heat Pump

Geothermal Heat Pump

Good luck in your heat pump shopping and as always, please contact the Member Services Department at 320.269.2163 or 800.247.5051 for more information if needed.

Choosing a Heat Pump

Applications

The applications for heat pumps are endless. Just about any place you need heat, you can use a heat pump to do it.

Initial Cost

Generally, a heat pump will cost more when compared to the cost of a furnace or an air conditioner individually, but a heat pump works for both cooling and heating. Usually, the added equipment cost is easily offset by the added benefits received by a heat pump system.

Operating Costs

The operating costs of a heat pump and an air conditioner are similar during the summer months, but the energy and cost savings will occur during the winter heating season. A two zero nine zero four Geothermal heat pumps can attain an even higher annual fuel cost savings than what an air source heat pump can do.

Size of Heat Pump

Heat pumps must be sized and installed appropriately for them to function efficiently. Heat pumps are sized according to cooling or heating demand. Contact a heating and cooling professional to help with your sizing needs.

Heat Pump Efficiency

Efficiencies of heat pumps can be much better than a traditional heating system, with the geothermal heat pump able to reach efficiencies of up to 500%.

\$\$ HEATING BILL CREDIT/HEAT PUMP OFFER \$\$

Earn a *Bill Credit* by installing a heat pump heating and cooling system at your home or business from April 1st to Labor Day of 2015.

Address

501 South 1st Street
P.O. Box 248
Montevideo, MN 56265

Office Hours

8:00 a.m. - 4:30 p.m.
Monday through Friday

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