

MINNESOTA VALLEY Co-OP NEWS

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MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Your District Caucus Meetings

Those of you in Districts 1, 2, 4 and 6 will be holding your Caucus Meetings next month. District 4 will meet at 10:30 a.m. on February 9th in Montevideo at our office.

District 2 will meet at 1:30 p.m. on February 9th in Montevideo at our office. District 6 will meet at 10:00 a.m. on February 11th at the Wood Lake Community Center. District 1 will be at 2:00 p.m. at the Madison VFW on February 11th. Times and locations are listed elsewhere in this newsletter. If you are a member in one of those districts, you will also be getting a notice by postcard.

Your District Caucus Meetings are run by you, the member-owners. We simply set up a time and place for you to meet. The member-owners who show up run the meeting. The first thing they do is nominate a Caucus Chairperson. The chairperson is then the facilitator of the District Caucus Meeting. The members present can talk about anything they feel is important to talk about. Once all new and old business is discussed and a name or names are put forth for a full district vote at the Annual Meeting, the Caucus Meeting is adjourned for a light lunch.

If you have never been to one of these, I hope you can take time to attend this year. Caucus Meetings are where you, as member-owners, nominate people to represent you on the cooperative board. This is where local control starts. Members nominated for the board at the Cau-

cus Meetings have their names put on the ballot to be voted on at the Annual Meeting on March 19th at the Prairie's Edge Casino. We will also have staff and board members at these meetings to discuss issues that you may want to visit about. We also draw for some door prizes and a Basin Tour Trip at each meeting. Hope to see you there!

Closing out 2015

We had great weather this past summer and fall and have had a mild start to winter. As you know, our energy sales are very weather dependent. The great weather meant there was not a lot of air conditioning, heating or corn drying. Therefore, energy sales to date are down sharply for the year. Even with sales down, we expect to end the year with a total margin ahead of what we had budgeted for. Barring anything unforeseen, we will end the year in good financial shape, which is good for you, the member-owners. Better yet, you will keep more of your money in your pocket rather than buying power with it.

Happy New Year

On behalf of Minnesota Valley, we thank you, the member-owners, for the privilege of working with and for you this past year. From power plant to your meter, we work hard to be good stewards of your cooperative owned and operated electric power system. We look forward to working for you again this year and wish you all a happy and prosperous 2016!

How Your Co-op Supports Local Economic Development

In addition to providing affordable, safe and reliable electricity to our members, Minnesota Valley REC is committed to supporting the communities we serve. One way the cooperative accomplishes this is through encouraging local economic development.

An excellent example of this support is the way Minnesota Valley REC helped secure funding for a local business, Extreme Panel Technologies, Inc. Back in 1992, Minnesota Valley General Manager, Pat Carruth, who then served as Member Services Manager, partnered with Extreme Panel Technologies owners, Terry and Linda Dieken, to secure a loan through the USDA Economic Development Loan and Grant Program. This \$100,000 loan helped the couple launch their successful business that now employs 30 people.

"When we decided to start Extreme Panel Technologies and were in the process of getting money to build a plant in Cottonwood, Pat Carruth asked if we would be interested in applying for a loan that the

(continued on page 2)



Co-op Supports Local Economic Development *(continued from page 1)*

federal government was offering through Minnesota Valley," Linda Dieken explains. "The whole process went very smoothly. The cooperative encouraged us and trusted what we were doing."

She continues, "In order to get the loan through the Small Business Administration and Prairieland Economic Development, we were responsible for getting a percentage of the money so the \$100,000 helped us fulfill our obligation. We were able to build the first section of our plant and the front office with the money."

The structural insulated panels produced by the company are strong, make the construction process more convenient and provide a more comfortable interior environment because there are no gaps in insulation to let in the outside air. Another key feature of the panels is how they enhance the ability to efficiently heat with geothermal heating systems, electric heating and mini splits for economical HVAC. By creating more energy efficient buildings, the panels substantially reduce heating and cooling costs.

"The reason the cooperative was so interested in helping Extreme Panel Technologies was that the business sought

to promote economic development in our area. It was also a project that promotes energy efficiency in construction and energy efficiency in heating and cooling. It was really a perfect fit," explains Bob Walsh, Member Service Manager at Minnesota Valley REC.

Today, the cooperative continues to support economic development through the Rural Economic Development Loan and Grant Program (REDLG). The program is designed to promote rural economic development, job creation and provides funding to rural projects through local utility organizations. Through REDLG, the co-op first supported an infrastructure project in the City of Dawson in 2000. That money has now been paid back and placed into a revolving loan fund that is used to fund new economic development projects.

This investment in local economic development is just one way Minnesota Valley is able to support the communities we serve. Q one twenty six zero two For growing businesses like Extreme Panel Technologies, the investment continues to pay off two decades later. "We still appreciate what the cooperative did," Dieken says. "It meant a lot to us at that time."

Win a Trip to the 2016 Electric Co-op Youth Tour in Washington, D.C.

Minnesota Valley will again be sponsoring a youth trip in 2016. The program is open to all high school sophomores and juniors in Minnesota Valley's service area, whether or not their parents are members of the cooperative. To qualify you will need to submit an essay and application form which are available by calling the numbers to the right. **All applications/essays must be completed and in our office by March 11th, 2016.** If you place first in the competition, you will be awarded an all-expense-paid trip to our nation's capital along with about 40 other students from Minnesota cooperatives.

The Electric Cooperative Youth Tour to Washington, D.C. is scheduled for June 11th-16th, 2016. The students will join over 1,000 young people from across rural America given the opportunity to see American government in action, tour our nation's capital, visit historic places of interest and meet many new friends.

All winners are guaranteed a good time! If you are a high school sophomore or junior living in Minnesota Valley's service territory and would like to go on this all-expense-paid trip, call **320.269.2163** or **800.247.5051** and we will send or email you the complete application or go online at www.mnvalleyrec.com and download the application.

Comparative Report

	Jan-Nov 2015	Jan-Nov 2014	Jan-Nov 1995
Kwh Purchased	187,880,385	200,259,116	127,915,320
Kwh Sold	178,018,122	189,389,798	119,374,883
Cost Of Purchased Power	\$8,752,234	\$9,575,751	\$4,090,670
Patronage Capital Margins	\$1,649,879	\$1,827,219	\$546,190
Reserve For Taxes	\$259,302	\$243,310	\$288,797
Cost Per Kwh Purchased (mills)	46.58	47.82	30.32
	November '15	November '14	November '95
Total Plant	\$66,202,136	\$63,789,297	\$27,141,540
# Of Members Receiving Service	5,262	5,272	5,168
Average Residential Bill	\$213.16	\$300.26	\$140.87
Average Residential Kwh Consumption	2,103	3,179	1,827
Average Kwh Usage All Consumers	3,147	4,284	2,652
Peak Kw Demand (Peak Load)	32,609	43,203	27,543

Find Your Location and Get a \$10 or \$20 Bill 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.

There were no winners last month. Keep looking!

Find us on 



Director Wayne Peltier Re-Elected Board President of Basin Electric

At the December Basin Electric Board Meeting, Minnesota Valley Director Wayne Peltier was re-elected Board President.

Wayne was first elected to the Basin Board in 2008. Wayne represents the cooperatives that make up District 9 which include: *Grand of Bison, SD*; *Rosebud of Gregory, SD*; *KEM of Linton, ND*; *Mor-Gran-Sou of Mandan, ND*; *Crow Wing of Brainerd, MN*; *Wright-Hennepin of Rockford MN*; *Minnesota Valley of Jordan, MN*; *Flathead of Kalispell, MT*; and us here at *Minnesota Valley REC*. Basin Electric has 11 director districts.



Wayne lives west of Cottonwood and has 16 years of experience on the Minnesota Valley Board representing the members of District 7. We are confident that he will continue to represent Minnesota Valley, District 9 and all of the owners of Basin Electric well and with a strong voice.

Basin Electric Power Cooperative is a consumer-owned, regional generation and transmission (G&T) cooperative providing wholesale power to 137 member rural electric systems in nine states.

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

Happy New Year to you all! We should all still be safe with our "new year resolutions" since less than one month has passed. Right? It is great when people commit to a resolution and show determination.

Here at your cooperative, the past month was spent finishing up a three-phase rebuild project by St. Leo, counting in-stock inventories for year-end and changing out some rejected power poles. Our project/contact person, Brandon Bjelland, has been busy pounding in lathe on the next three projects for construction in 2016. The projects include a four-mile three-phase project east of Milan; a two and one-half mile single-phase project west of Louisburg and a one-mile single-phase project northwest of Cottonwood.

We have extra empty wire reels of various sizes that we are offering free of charge. The reels can be creatively repurposed as a table or used for other projects. Please call the office if you are interested.

Weather has been great so far this winter, but it will surely get colder and whiter as time goes on. Hopefully, a thick coat of ice will cover the lakes for fishing, but the ice will stay away from the power lines! Stay warm and enjoy the next few months of winter.

2016 Caucus Meetings

District 1: Don Fernholz
Thursday, February 11th at 2:00 p.m.
at the *Madison VFW*

District 2: Gary Groothuis
Tuesday, February 9th at 1:30 p.m.
at *Minnesota Valley REC*

District 4: Steve Norman
Tuesday, February 9th at 10:30 a.m.
at *Minnesota Valley REC*

District 6: Tim Velde
Thursday, February 11th at 10:00 a.m.
at the *Wood Lake Community Center*

Director's Responsibilities

According to information compiled by the National Rural Electric Cooperative Association (NRECA) in Washington, D.C., a director's responsibility consists of having the ability and knowledge to set policy and approve programs that are the basis for operating the association. A director must have the time to attend monthly board meetings and other special meetings and seminars. These special sessions are necessary to keep directors informed on the various aspects of the cooperative and the electric utility industry. Other criteria of a board member as identified by NRECA include:

- Be an independent thinker, but a cooperator
- Be capable of acquiring the knowledge necessary to cope with the issues of a modern electric utility, including finances, management and public issues
- Possess the character and demeanor that will reflect favorable on behalf of the cooperative
- Have the willingness to listen and learn
- Be one who can accept and direct change
- Be of sufficient stature to command the respect of management, employees, fellow board members, cooperative members and the public
- Be willing to commit adequate time to the work of the board to be an effective member and properly discharge the duties of the board
- Subordinate personal and other business interests to the needs of the cooperative when making a decision
- Be willing to accept the unpleasant moments of a director's experience
- Let management manage





Build It Right

Our featured article this month is about a type of construction that is by no means new to the industry, but may be new to you. Structural insulated panels (SIP) have been around for years and offer an excellent way to construct buildings. With today's building and energy codes, we need to look at construction differently than we did years ago. Extreme Panel Technologies, Inc. can definitely offer products that take these new regulations into account.

Extreme SIPs are not the only way that a building can be made much tighter, so to speak, when it comes to construction practices. New energy efficient construction methods have changed throughout the years. For instance, you can make your basement out of insulated concrete forms (ICF) or you can use sprayed on urethane insulation to make your building extremely tight. The possibilities are limitless.

When we "tighten" up a building to make it more energy efficient, we also have to consider what effects those actions can have on the way the building performs. Many things happen to a building over the course of a year that can affect how it reacts to the changing of the seasons. You may want to look at a building somewhat like a living organism in a way that it has to breathe. We need to

be constantly allowing it to breathe, or exchange air with the outside environment to avoid issues with moisture and stale air. C one twenty one zero four In your next construction project, please explore the many new options available for energy efficiency and the building technologies available.

Economic Development

As our feature article also stated, Minnesota Valley has been involved in economic development for quite some time. Minnesota Valley has a Revolving Economic Development Loan and Grant Program (REDLG) that started with a grant from the USDA and a 20% fund match from your cooperative. This program is a self-perpetuating, low-interest loan program designed to help stimulate economic development in our geographical area. Applicants do not need to be consuming members of the cooperative and the project does not have to be serviced by Minnesota Valley.

The purpose of the REDLG program is to encourage the development of new business in our communities. This program is not designed to be the sole source of financing and must meet some basic criteria. The financing can't be more than 20% of the total amount of the project, it has to create jobs and it can not displace any current jobs. If you have any small business ventures on the horizon, this program may be something that could work for you. Please contact the Member Services Department for more information at 320.269.2163 or 800.247.5051.

2016 Annual Meeting

Saturday, March 19th at Prairie's Edge Casino Convention Center

Breakfast Buffet begins at 8:30 a.m. - Meeting at 10:30 a.m.

Apply Now for the 2016 Minnesota Valley/Basin Electric Scholarship

Minnesota Valley R.E.C. has again joined Basin Electric Power Cooperative in sponsoring a scholarship in 2016. A total of \$2,000 in educational scholarships will be awarded to area students. All dependent children of Minnesota Valley Cooperative members meeting the qualifications are eligible to apply. The scholarship program is designed to recognize and encourage the achievements, abilities and school/community involvement of students in Minnesota Valley's service territory. The cooperatives have developed the scholarships to help meet the college funding needs of students in rural areas.

To qualify for the scholarship, an applicant must be the dependent child of a Minnesota Valley member and a U.S. citizen. Applicants must be students enrolled or planning to enroll in a full-time undergraduate or graduate course of study at an accredited, two-year or four-year college, university or technical college in the 2016-2017 school year. Students in any year of post high school education are eligible. Previous scholarship winners are **not** eligible. Recipients will be chosen based on a combination

of overall grades, achievements, participation in school and community activities, a personal statement of career goals, applicant appraisal form and an essay. A neutral group of Minnesota Valley members will review all applications and make a selection on a recipient(s). All post high school areas of study will be equally considered for the scholarship.

To get an application, you can either stop in the office, call 320.269.2163 or 800.247.5051, get an application off our website or email a request to mnvalley@mnvalleyrec.com.

Scholarship applications for the 2016-2017 school year will be accepted until February 5th, 2016.

