



MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Annual Meeting

Please join us on Saturday, March 20th at the Lac qui Parle Valley High School for your Annual Owners' Meeting. We will get the business meeting underway at 10:30 a.m. We will have director elections in Districts 1 and 3. The business meeting and drawings for the Basin Tour and door prizes should be done by noon. The Annual Meeting is a great place where you can come and visit with your board, employees and about your business. It is a good place to get more information as to how your business is doing. We look forward to seeing you there!

Retiring 80% of 2008 Capital Credits

The board approved retiring \$1,602,217 in patronage capital beginning at our Annual Meeting on March 20th. We will also be retiring out estates throughout the year. Your board remains committed to aggressively retiring capital credits. For distribution cooperatives in Minnesota, there are only 3 out of 42 that have retired a higher percentage of their total patronage capital than Minnesota Valley. Nationwide, there are only 38 out of 708 that have done better.

In case you didn't know, when you signed up to receive electric power from Minnesota Valley you became a member – and owner – of an electric utility. Not just any electric utility, a cooperative electric utility. One of the things that differentiates a cooperative from any other form of business is how we handle any profits. Profits in the cooperative world are called margins and we book them as capital credits.

What are capital credits? Investor-owned utilities return a portion of any profits back to their investors, which are, for the most part, not their rate payers. Electric cooperatives operate on a not-for-profit basis. Any profits or margins belong to the member-owners and all are returned

to them over a period of time. As a cooperative, if we are in good financial condition, we issue capital credits (also called patronage capital or equity capital) based on how much you paid the cooperative for electricity during a specified time period. This year if you bought power in 2008, you will be getting a check.

Where does the money come from that makes up capital credits? Member-owned, not-for-profit electric utilities like Minnesota Valley, set rates to generate enough money to pay operating costs, make payments on loans and pay for wholesale power. At the end of each year, we subtract expenses from the total amount of money collected during the year. The balance is called a "margin" or what are essentially capital credits. We use the cash from this margin for several years to operate the cooperative before returning it to you.

Are capital credits refunded every year? Each year, the Minnesota Valley Board of Directors makes a decision on whether to refund capital credits based on the financial health of the cooperative. During some years, the co-op may experience events such as severe storms, which may result in the need to spend additional funds to repair line. This type of event might cause the board to defer any capital credit refunds.

How does Minnesota Valley compute the retirement of capital credits? Margins are calculated and allocated to members as "capital credits" based on their purchases from the cooperative – how much power the member used. Capital credits have always been retired on a first-in, first-out method. Checks for less than \$10 are not issued and the amount is run into the next year. We also discount and retire estates at 4% per year.

We hope to see you at the Annual Meeting on March 20th.



Annual Meeting
Saturday, March 20th

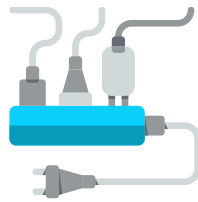
Lac qui Parle Valley High School
Doors open at 10:00 A.M. Meeting starts at 10:30 A.M.

Four Tips for Winter Safety

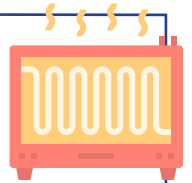
It's no surprise that winter months bring increased potential for fire risks and electrical safety hazards. This makes sense because during the coldest months, consumers are using additional electrical devices and appliances, like space heaters, electric blankets and portable generators.

The National Fire Protection Association estimates that 47,700 home fires occur each year in the U.S. due to electrical failure or malfunction. These fires result in 418 deaths, 1,570 injuries and \$1.4 billion in property damage annually. This winter, safeguard your loved ones and your home with these electrical safety tips from the Electrical Safety Foundation International.

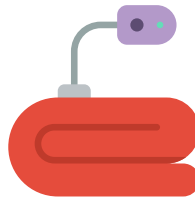
- 1) Don't overload outlets.** Overloaded outlets are a major cause of residential fires. Avoid using extension cords or multi-outlet converters for appliance connections -- they should be plugged directly into a wall outlet. If you're relying heavily on extension cords in general, you may need additional outlets to address your needs. Contact a qualified electrician to inspect your home and add new outlets.



- 2) Never leave space heaters unattended.** If you're using a space heater, turn it off before leaving the room. Make sure heaters are placed at least three feet away from flammable items.



- 3) Inspect heating pads and electric blankets.** These items cause nearly 500 fires every year. Electric blankets that are more than 10 years old create additional risks for a fire hazard. Inspect your electric blankets and heating pads -- look for dark, charred or frayed spots and make sure the electrical cord is not damaged. Do not place any items on top of a heating pad or electric blanket and never fold them when in use.



- 4) Use portable generators safely.** Unfortunately, winter storms can cause prolonged power outages, which means many consumers will use portable generators to power their homes. Never connect a standby generator into your home's electrical system. For portable generators, plug appliances directly into the outlet provided on the generator. Start the generator first, before you plug in appliances. Run it in a well-ventilated area outside your home. The carbon monoxide it generates is deadly, so keep it away from your garage, doors, windows and vents.



Comparative Report

	Jan-Dec 2020	Jan-Dec 2019	Jan-Dec 2000
Kwh Purchased	208,000,009	224,484,979	140,448,156
Kwh Sold	194,346,679	210,692,435	132,338,847
Cost Of Purchased Power	\$9,975,625	\$11,329,382	\$3,784,927
Patronage Capital Margins	\$1,842,084	\$1,792,266	\$889,496
Reserve For Taxes	\$290,767	\$261,402	\$228,000
Cost Per Kwh Purchased (mills)	47.96	50.47	27.22
	December '20	December '19	December '00
Total Plant	\$81,305,684	\$77,633,008	\$33,483,858
Number of Active Services	5,319	5,281	5,204
Avg. Residential Bill	\$252.80	\$292.00	\$113.26
Avg. Residential Kwh Consumption	2,639	3,020	2,498
Avg. Kwh Usage All Consumers	3,550	4,034	2,918
Peak Kw Demand (Peak Load)	39,179	42,570	29,572

Find Your Number!

There are two account numbers hidden in this newsletter. If you find your number, call 320.269.2163 or 800.247.5051 to receive a bill credit. The bill credit starts at \$10, but if neither number is claimed before the 25th of the month, the unclaimed amount rolls over to the next month! If both numbers are claimed, the recipients split the credit, then it starts again at \$10.



CLAIM BY THE 25TH OF FEBRUARY TO RECEIVE:

\$30

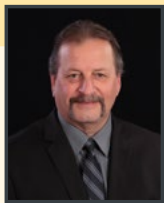




Meet Your Employees

Name	Jill Rothschadl
Hometown	Moorhead, MN
Family	Keith, Ryson (14) and Easton (11)
When did you start at Minnesota Valley?	July 2017 as Office Manager/Director of Finance
What do you like best about working here?	Our work family makes every day an adventure.
What do you like to do in your free time?	I love to read, do craft projects, annoy my kids and sit on the deck enjoying our rare warm and sunny days.
People would be surprised if they knew:	I have dressed as a mascot at an NDSU Bison game, a FM Redhawks game and a couple of charity events.

ENGINEERING & OPERATIONS // BOB KRATZ



Manager of Operations

As with December, the first part of January has treated us fairly well. The only exception was the outage that affected quite a few consumers from Lisbon, Wood Lake, Echo and Vallers Substa-

tions. This outage was caused by transmission lines “galloping” from the awful winds on December 23rd. Power was restored by re-routing the transmission feed to bypass where the problem was. Travel for the crews, to restore other outages, was slow due to the blizzard type winds, so thank you for your patience for them to get to you. There were a few broken poles that needed to be replaced south of the Minneota Substation on the following day. The crews did a fantastic job of getting that done in a short time so they could get to their families that night for Christmas Eve.

Line patrol is also going on this time of year with the guys finding potential

problems and fixing them before they cause an outage. M two twenty seven zero two As always, if you notice something that doesn’t look right, give us a call so we can check it out; it may be nothing, but then again it could possibly avoid a larger problem later.

Minnesota Valley has expanded its line crew, so to speak, with a drone. It has yet to be named, but the employees are in the process of thinking of one. This equipment will give us an advantage of finding potential problems on existing structures or patrolling cross-country lines to find an outage cause. The perspective you get from the drone you just won’t get from the ground, like seeing cracked insulators, pole top deterioration or bad crossarms for instance. It also has the ability for infra-red imagery to inspect substations for “hot spots” or loose connections during corn drying season when load is heavy. System Coordinator, Eric Wollschlager, got his license to operate the drone commercially. That consisted of online computer classes and then taking a flight test at Brookings, SD.

Stay safe and let’s hope 2021 gets everything back to normal.





MEMBER SERVICES // BOB WALSH

Member Services Manager

Watch Out for the Scams

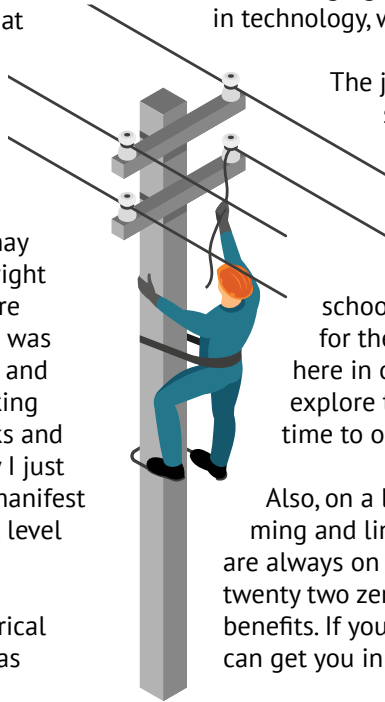
The electrical industry has seen a recent increase in scammers trying to con utility consumers out of money. Utility scams are becoming more common, because the scammers are getting bolder while their tactics get more creative. The scams are numerous and Minnesota Valley Cooperative urges consumers to beware of any suspicious activity or contacts. Please remember, if things just don't seem right if you are contacted by any party claiming to be a representative of Minnesota Valley, you should discontinue the conversation and contact our office at 320.269.2163 or 800.247.5051.

Get a Job!

I've heard so much lately about the job market and how the poor economic times have driven up our unemployment rate. In these economic times, it appears that there may be some golden opportunities for good jobs right under our noses. There are many jobs out there and there could be many more in the future. I was recently looking at the local classifieds paper and found no less than 20 ads for companies looking for help. These jobs had a broad range of tasks and experience involved. That golden opportunity I just referred to is the opportunity that will soon manifest itself in many sectors for various job and skill level employees in the electrical industry.

From the 1980s and into the 1990s, the electrical industries experienced a growth spurt that was

partially due to the poor economic times of the 1970s and also due to advances in electrical technology at the time. When the economy got rolling again, it led to new construction and expansion of many things in the electrical field. With that expansion came jobs, and those employees hired at the time are part of a group that is now nearing retirement age. This en masse outflow of employees will open many doors in the electrical fields in the next few years. These jobs will range from electricians to engineers and line workers to information technologists. An aging workforce, aging infrastructure and unbelievable advances in technology, will drive a huge need for workers.



The job fulfillment efforts at a national and state level will hopefully help to ensure a workforce into the future, but we now need to push those potential workers to get the training they need for the task at hand. Our Minnesota higher education system has some excellent schools with curriculums specifically designed for the electric industry—some of them right here in our own back yard. Please take the time to explore the possibilities. It may be well worth your time to open up a whole new world and career.

Also, on a local level, Minnesota Valley has tree trimming and line construction subsidiary companies that are always on the lookout for quality employees. A one twenty two zero three A They offer a fair wage and good benefits. If you are interested, contact our office and we can get you in touch with them.

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