



MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Closing Out 2023

As of this writing, we are in the process of closing out the books for 2023. Even though our energy sales are down slightly over last year to date, our total margin year-to-date is better than expected at just over \$2 million. We had budgeted to be at just over \$1.2 million through November. We expect our wholly owned subsidiaries Karian Peterson Power Line Contracting and Minnesota Valley Tree Service to produce year-end positive margins as well. Barring anything unforeseen, we expect to end the year in good overall financial shape. With that said, we are somewhat shorter on cash than we would like to be at this time. Last year's devastating windstorms took almost \$4 million for men and materials to put the system back up. To date, FEMA has only reimbursed us about \$500,000 of that as they continue to drag their feet. We do expect to get about \$1.5 million more of federal reimbursement for those storms. When we see the money is another story. Anyway, to keep cash where we need it to be, we are drawing on our lines of credit from CoBank and Cooperative Finance Corporation. We pride ourselves in retiring capital credits very quickly as compared to our peers. Retiring capital credits, of course, takes cash. Since we are short of cash this year, we do not intend to retire as much in capital credits as we normally do. Last year we retired about \$1.9 million. This year we will be retiring about \$600,000, which will be for those members on the line in the year 2011. We expect to close the year out in good shape financially overall. We, of course, will share more of this financial information when we get our books closed and audited ahead of the Annual Meeting at Lac qui Parle Valley High School on Saturday, March 23rd.

District Caucus Meetings

Those of you in Districts 1 and 3—we will be holding your Caucus Meetings next month. District 1 will meet at 10:30 a.m. on February 1st at the VFW in Madison. District 3 will meet at 1:30 p.m. at the Dawson City Hall. 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, who are present for the meeting. We simply set up a time and place for you to meet. The first thing those present at the meeting do is nominate a Caucus Chairperson. The chairperson is then the facilitator of the District Caucus Meeting. Members present can talk about anything they feel is important to talk about. Once all new and old business is discussed, the caucus business meeting is adjourned for a light lunch.

If you are in District 1 or 3 and 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 Caucus Meeting have their names put on the ballot to be voted on, by district, at the Annual Meeting on Saturday, March 23rd at the Lac qui Parle Valley High School. We will 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!

Happy New Year

On behalf of Minnesota Valley, we thank you, the member-owners, for the privilege of working with and for you the past year. We look forward to working with and for you again this year and wish you all a happy and prosperous 2024!

**Districts 1 and 3
Caucus Meetings**

**THURSDAY
FEBRUARY 1ST**

**District 1: Don Fernholz
10:30 AM • Madison VFW**

**District 3: Mark Peterson
1:30 PM • Dawson City Hall**

BUSINESS OFFICE // JILL ROTHSCHADL

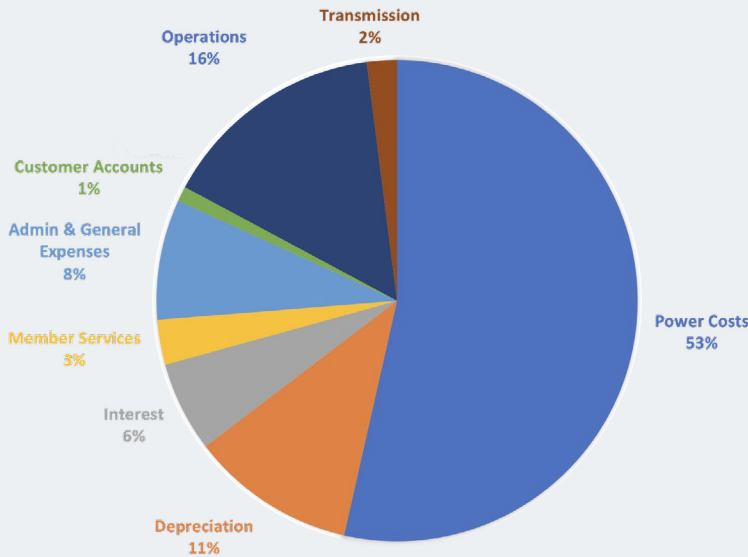


Office Manager

2024 Budget Approved

The Minnesota Valley Cooperative Light & Power Budget has been approved by our Board of Directors. Our expected fixed and variable costs are reflected in the graph below. Total costs are expected to increase, but the categorization of expenses remain in line with the 2023 budget.

2024 BUDGETED EXPENSES



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, are listed below.

- ✓ 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 favorably on the cooperative
- ✓ Have the willingness to listen and learn
- ✓ Be one who can accept and direct change
- ✓ Let management manage
- ✓ 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



2024 Annual Meeting

Saturday, March 23rd, 2024

Lac qui Parle High School

MARCH

23

\$2,000 Scholarship Available

Minnesota Valley R.E.C.—along with our power supplier, Basin Electric Power Cooperative of Bismarck, North Dakota—will again be offering \$2,000 in scholarship money to a student or students from our service area. In order to qualify for this scholarship, a student must be a dependent child of a Minnesota Valley Cooperative member-consumer. They must be at least a senior in high school and enrolled in or planning on enrolling in a full-time course of study at an accredited two-year or four-year college or university or in a vocational/technical school program for the 2024-2025 school year. All applications must be in our office by **February 5th, 2024**.



If any senior is interested, please contact Minnesota Valley at 320.269.2163 or 1.800.247.5051 and we will send you an application or go to our website at www.mnvalleyrec.com and download an application.



Meet Your Employees



Name	Matthew Leese
Hometown	Maynard, MN
When did you start at Minnesota Valley?	June 12, 2023 as a Member Service Technician
What do you like best about working here?	Getting to work on different things almost every day.
What do you like to do in your free time?	Fish, hunt and golf
What did you want to be when you grew up?	Wanted to play for the Vikings

ENGINEERING & OPERATIONS // ERIC WOLLSCHLAGER



Manager of Operations

As of the middle of December, the decent weather has held out for the most part. Underground jobs that we could manage have been completed for the year with a list of jobs to carry over to 2024. Other ongoing maintenance items such as OCR and pole change outs are still in the works for the beginning of winter.



With the mild weather hanging around well into December, one thing we have not had to deal with is blowing snow. Please keep in mind if and when we do get a plowable amount of snow, watch for

overhead power lines while blowing snow. Blowing snow up into overhead lines and transformers can be a dangerous situation and also cause outages for you and possibly your neighbors. N two fifteen zero four one Underground

power line equipment, such as pad mount transformers and junction boxes, can sometimes be forgotten about or get snow drifted in and be difficult to see. These items are quite expensive to replace, so please watch out for them.

In the beginning of December, we started sending out some of our own linemen and member services technicians to change out meters for the new Tantalus Metering System. The contracting company, NexGen, has been doing a fine job at the meter installations but was short on manpower to complete the job by the end of November timeframe. Minnesota Valley crews made a major impact on installations in just the 2½ weeks they have been working on them. They will continue with installations until the job is completed.



Contractor for



Reminder: You may be seeing vehicles with the NexGen logo and Minnesota Valley sticker on the door. They are working on the meter replacement project.

Comparative Report

	Jan-Nov 2023	Jan-Nov 2022	Jan-Nov 2003
Kwh Purchased	209,594,936	209,916,727	137,974,130
Kwh Sold	198,322,132	198,919,804	128,429,854
Cost Of Purchased Power	\$10,686,261	\$9,940,751	\$3,295,042
Patronage Capital Margins	\$2,074,981	\$1,698,581	\$787,698
Reserve For Taxes	\$258,414	\$231,733	\$210,474
Cost Per Kwh Purchased (mills)	52.46	47.56	23.88
	November '23	November '22	November '03
Total Plant	\$98,453,443	\$92,154,790	\$36,283,216
Number of Active Services	5,324	5,318	5,225
Avg. Residential Bill	\$283.17	\$240.50	\$122.28
Avg. Residential Kwh Consumption	2,484	2,290	1,938
Avg. Kwh Usage All Consumers	3,835	3,530	2,419
Peak Kw Demand (Peak Load)	38,270	36,839	25,984

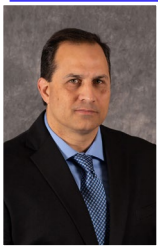
Find Your Location Number

If you find your location number in this newsletter, you will receive a \$10 bill credit (*Operation Round Up* participants get a \$10 bonus). If no number is claimed before the 25th of the month, the unclaimed amount rolls over into the next month. If both location numbers are claimed in a month, the recipients will split the credit. Once claimed, it starts again at \$10. If you find your number, call 320.269.2163 or 800.247.5051.



Make sure to claim by the 25th of January to receive a \$20 bill credit!
No one claimed the prize last month - keep looking!





MEMBER SERVICES // SCOTT KUBESH
Member Services Manager

Electric Heating is Still the Way to Go

As in the past, Minnesota Valley has set its heating rates to ensure the best electric heating prices for members who have electric heat systems. Minnesota Valley Cooperative is going to tell you right up front what your electric heat rate for the whole winter is going to be so that your heat bills with any type of electric heat will be cheaper than those of any fossil fuel heating systems. You won't have to play any guessing games with heating fuel prices if you are heating with Minnesota Valley's **Electric Heat** or **Dual Fuel Heat** rates.

Our heat rates are comparable to #2 fuel oil (60% efficient) and L.P. (90% efficient) heating systems if the price of those two heating fuels were roughly \$1.16 – \$1.20 per gallon. Yes, electric heat is the way to go for a *CLEAN, SAFE* and *CHEAP* heating energy source.

Your comparable heating costs can be even lower with the use of a heat pump system. Heat pumps use sealed refrigerant systems to move heat from one place to another. This makes the efficiency of the heat pump system over 100%. A heat pump system can move more Btu's than are required to power the unit. N three thirty-five zero two This means you would have to be able to purchase fossil fuels for \$0.60 or less per gallon to be comparably priced to electric heat per Btu.

Contact your local HVAC contractor, electrical contractor or the Minnesota Valley Member Services Department to get in on these savings.

Economic Development

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 cannot displace any current jobs. If you have a small business venture 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.

2024 Electric Cooperative Youth Tour to Washington, D.C.

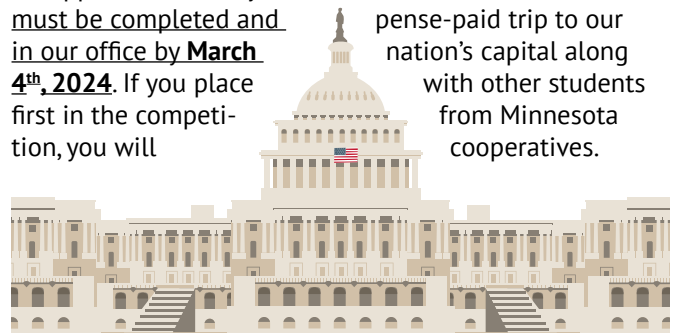
Minnesota Valley is again sponsoring a youth trip in 2024. The Electric Cooperative Youth Tour to Washington, D.C. is scheduled for **June 18th-23rd, 2024**. The students will join other young people from across rural America given the opportunity to see American government in action, tour our nation's capital, visit historic places of interest and meet many new friends.

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 Minnesota Valley.



All applications/essays must be completed and in our office by **March 4th, 2024**. If you place first in the competition, you will

be awarded an all-expense-paid trip to our nation's capital along with other students from Minnesota cooperatives.

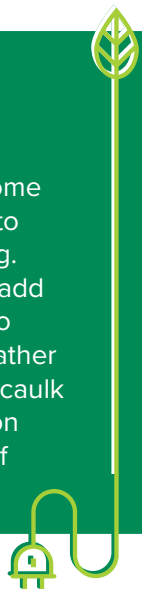


If you are a high school sophomore or junior living in Minnesota Valley's service territory and would like to go on this all-expense-paid trip, call 320.269.2163 or 800.247.5051 and we will email you the complete application or go online at www.mnvalleyrec.com and download the application.

Energy Efficiency Tip of the Month

During winter months, ensure your home is well sealed and properly insulated to reduce the need for excessive heating. Seal air leaks around your home and add insulation where needed to save up to 10% on annual energy bills. Install weather stripping on exterior doors and apply caulk around windows. Check attic insulation levels and hire a qualified contractor if additional insulation is needed.

Source: Dept. of Energy



Office Hours

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

24-Hour Telephone Answering

320.269.2163
800.247.5051

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