

MANAGER'S MESSAGE // PAT CARRUTH



General Manager

New Meter Installation Process Complete

We have completed the process of replacing our Turtle metering system with the new Tantalus metering system. The Turtle system was installed in the late 90's and has served us extremely well over the years. We could have eked out a few more years, but the manufacturer stopped supporting the system several years ago and the supply of parts from cooperatives that had previously retired their Turtle system has been drying up. Anyway, this new metering system has many new diagnostic aspects which will allow us to do a better job of monitoring power quality and making adjustments to the system before they can create problems. We can also give you more in-depth power and energy use data to help you manage your power bill. You can sign into your account on our website and monitor your own power and energy use. One of the best things about this system is that we know immediately when you are out of power and can more efficiently and surgically dispatch crews to restore power. We will be providing you with more information about the metering system and its capabilities available to you as we move along.

Annual Meeting

Please join us on Saturday, March 23rd at the Lac qui Parle Valley High School for your Annual Owners' Meeting. We will be getting the business meeting underway at 10:00 a.m. We will have director elections in Districts 1 and 3. The business meeting, drawings for the Basin Tour and door prizes should be done by noon. The Annual Meeting is a great place where you can come visit with your board and employees 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!

(Manager's Message continued on page 2)

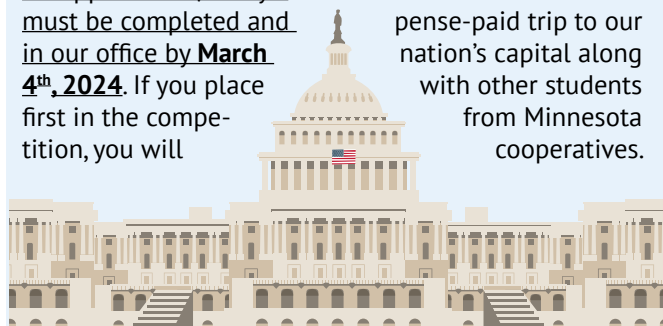
2024 Electric Cooperative Youth Tour to Washington, D.C.

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.

Notice of Annual Member Meeting Minnesota Valley Cooperative Light and Power Association

Notice is hereby given that the Annual Meeting of the members of Minnesota Valley Cooperative Light and Power Association will be held at **Lac qui Parle Valley High School** in Madison, MN on **Saturday, March 23rd, 2024**.

Registration and a breakfast buffet open at 8:30 a.m. at which time the following business will be transacted:

- 1) *To hear, examine and approve the reports of the officers, directors and committees.*
- 2) *To elect two directors for said Cooperative for the ensuing term.*
- 3) *For the transaction of other business as may lawfully be brought before the membership of the Cooperative and as may be deemed to be in the best interest of the Cooperative.*

Dated: January 25th, 2024 • Mark Peterson, Secretary

Retiring 50% of 2011 Capital Credits

The board approved retiring \$587,695 in patronage capital beginning at our Annual Meeting on March 23rd. This amounts to 50% of the 2011 patronage allocation. For the past several years we have retired two, three and even four times, in terms of dollars, what we are retiring this year. The damage from the 2022 spring and summer windstorms took about an extra \$4 million in cash to pay for the additional men and material. We still are waiting for most of the FEMA reimbursement we had requested. In the meantime, we need to build up our cash and retiring fewer capital credits is one way to do it. The other ways to raise cash are to raise rates and borrow it in the short term from our lenders. We are not raising rates this year. We have borrowed some more on short-term notes and will be retiring less patronage as mentioned. Our cash will recover throughout the year and we expect to increase our capital credit retirements in 2025. Your board remains committed to aggressively retiring capital credits.

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, but 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, however, 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 2011, 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 is essentially *capital credits*. We will 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 decides 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.

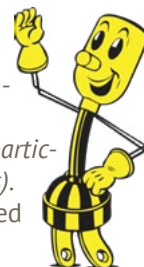
We hope to see you at the Annual Meeting on March 23rd.

Comparative Report

	Jan-Dec 2023	Jan-Dec 2022	Jan-Dec 2003
Kwh Purchased	230,327,873	234,152,301	151,050,158
Kwh Sold	217,714,040	221,988,233	140,929,994
Cost Of Purchased Power	\$11,617,579	\$10,980,248	\$3,975,007
Patronage Capital Margins	\$2,688,450	\$1,251,693	\$1,177,430
Reserve For Taxes	\$258,414	\$275,296	\$268,436
Cost Per Kwh Purchased (mills)	51.78	47.07	26.32
	December-23	December-22	December-03
Total Plant	\$101,270,617	\$92,311,089	\$34,910,603
Number of Active Services	5,307	5,316	5,225
Avg. Residential Bill	\$256.72	\$292.72	\$91.85
Avg. Residential Kwh Consumption	2,362	3,173	2,432
Avg. Kwh Usage All Consumers	3,654	4,339	2,602
Peak Kw Demand (Peak Load)	36,623	45,074	26,740

Find Your Location Number

If you find your location number in this newsletter, you will receive a \$30 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 February to receive a \$30 bill credit!
No one claimed the prize last month – keep looking!



Meet Your Employees



Name	Darwin Strand
Hometown	Boyd, MN, but now in Montevideo, MN
Family	Wife: Jill, 3 Kids: Blake, Madisen, Hunter, 1 Grandson: Gael
When did you start at Minnesota Valley?	August 28 th , 2023 as Maintenance/Custodian (mow lawns, move snow, keep the place clean)
What do you like best about working here?	Everything – co-workers, board members, job duties, treats that people bring in – everything is great.
What do you like to do in your free time?	Spending time with my family, farming, golfing and deer hunting
What did you want to be when you grew up?	I didn't have a plan or career I wanted to go in. I just worked, went to community college for a bit, then had two jobs before I landed with this great company.

MARCH

23

2024 ANNUAL MEETING

Saturday, March 23rd, 2024

Lac qui Parle High School

Our **2024 Annual Meeting** will take place at Lac qui Parle High School in Madison, MN. Breakfast will be served from 8:30-10:00 a.m. with the **business meeting** starting at 10:00 a.m.

ENGINEERING & OPERATIONS // ERIC WOLLSCHLAGER



Manager of Operations

The winter weather over the Christmas holiday brought much needed moisture to the Minnesota Valley service territory. Much of the area received up to around 2 inches of rain. On Christmas Day it cooled off enough to start icing on the lines and trees on some parts of the system. This occurred mainly on the western half of the system all the way to the South Dakota border. We were very fortunate that the wind was not too strong and the temperature rose all afternoon on Christmas Day to around 47 degrees by the evening. That took care of any ice on the lines and tree limbs. Northeastern South Dakota and southeastern North Dakota received up to ¾ inch of ice in areas west of Fargo. Wires down, broken tree limbs and broken poles created widespread outages across the area. Restoration of power took up to a

week in some areas. Crews from neighboring cooperatives showed up from all around northern Minnesota and the Dakotas to assist in restoration.

Karian Peterson continues with work on the Asbury to Gluek transmission line. I two zero three zero three Most poles are set and they are working on stringing in new conductors. More work will be done with the joint structures and Xcel Energy in the near future.

The new Tantalus Metering System project has been moving along much faster. After Thanksgiving, Minnesota Valley crews started installing meters and have completed most of the installation in the last month. This has been a process that has taken longer than planned due to the shortage of meter installers from the installation company.





MEMBER SERVICES // SCOTT KUBESH

Member Services Manager

Rheem Marathon® Water Heaters

This may be the last water heater you'll ever have to buy!

The Marathon water heater uses space-age materials and innovative construction methods to deliver long life, high efficiency and good looks! It's warranted not to leak as long as you own your home, with a tough polybutylene tank and outer shell. These water heaters have an Energy Factor of .95. What is a water heater's energy factor? Energy Factor (EF) is a measurement that's used to describe the energy-efficiency of a water heater. To calculate a water heater's energy factor, you take the amount of energy the water heater puts to use and divide it by the total amount of energy that goes into powering the unit. So one twenty-one zero two The higher the energy factor of a water heater, the more efficient it is. Rheem Marathon electric water heaters have one of the best Energy Factor ratings in the business today.

Minnesota Valley offers lifetime warranty residential models that meet the newest federal efficiency requirements, at reduced costs for co-op members. Our current rebates bring the cost even lower.

Financing is available at 0% interest for 12 months on the Rheem Marathon water heater and installation. A \$50 origination fee is required for the processing of the loan. Approval will be based on previous payment history with Minnesota Valley Cooperative.

For more information on long-life Marathon water heaters please contact the Member Services Department at 320.269.2163 or 800.247.5051.



Marathon®

WATER HEATERS

Minnesota Valley Water Heater Rebates

- 50 Gallon—\$100 rebate
- 85 Gallon—\$200 rebate
- 105 Gallon—\$300 rebate

Note: Available to Minnesota Valley members only. The water heater must be installed on Minnesota Valley lines to receive rebate.



Cogeneration and Small Power Production Compliance Notification

In compliance with MN Adopted Rules Relating to Cogeneration and Small Power Production Chapter 7835 along with State Statute 216B.164, Minnesota Valley Cooperative Light and Power Association is required to interconnect with cogenerators and Small Power Producers which satisfy the conditions of a Qualifying Facility. The Cooperative will provide information relating to rates and interconnection requirements to all interested members free of charge upon request. An application of interconnection is required for a Qualifying Facility to interconnect and operate in parallel with the Cooperative's distribution system and is subject to approval

by the Cooperative. Any disputes between the Cooperative and its members over interconnections, sales and purchases are subject to resolution by mediation of an independent third party. The third party mediator must be listed on the roster of neutrals for civil matters established by the state court administrator under Rule 114.12 of Minnesota's General Rules of Practice for the District Courts.

Members interested in obtaining further information should contact *Scott Kubesh, Member Services Manager, Minnesota Valley Cooperative Light and Power Association*, at 320-269-2163/800-247-5051.

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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