



MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Board Proposes Change to Bylaws at This Year's Annual Meeting

We will be bringing a proposed change in your bylaws for you to consider at the Annual Meeting on Saturday, March 25th. The proposed change has to do with how members are put forth to be considered for election to the Board of Directors.

The **current** Bylaws require a member be nominated by a fellow district member at their district Caucus Meeting. Those nominated at the caucus are voted on at the Annual Meeting by those present from that district. Nominations can also be made from the floor at the Annual Meeting.

The **proposed** Bylaws change would additionally allow a member to run by a signed petition of 15 members of a district that will be holding an election be submitted to the office 30 days prior to the Annual Meeting. Those nominated at the Caucus Meeting and put forth by petition are voted on at the Annual Meeting by those present from that district at the Annual Meeting. Nominations will no longer be made from the floor.

We feel the proposed change gives more time and flexibility for members interested in running for the board. It also assures member-owners will know, with certainty ahead of time, who they will be voting for at the Annual Meeting. The actual proposed language change is listed on page two of this newsletter. A full set of the current Bylaws is available on our website at www.mnvalleyrec.com. If you have any questions or concerns, please give us a call. We will be asking the members, attending the meeting on Saturday, March 25th, to vote yea or nay on the proposed changes. The business meeting will begin at 10:30 a.m. at the Lakeview High School in Cottonwood. Hope to see you there!

Thank You Road Crews!

Since Christmas Day, the weather has been dicey on several occasions. We have dealt with a lot of rain, ice, snow and wind. This, of course, has made it more difficult for our crews to keep the lights on. The weather has also required a lot of extra work for the people in charge of clearing the roads. We appreciate all the people involved in keeping our township, county and state roads clear. Especially the plow drivers, you help us get to where we need to be to put the lights back on in our members' homes, farms and businesses much more quickly and safely.

Thank You!



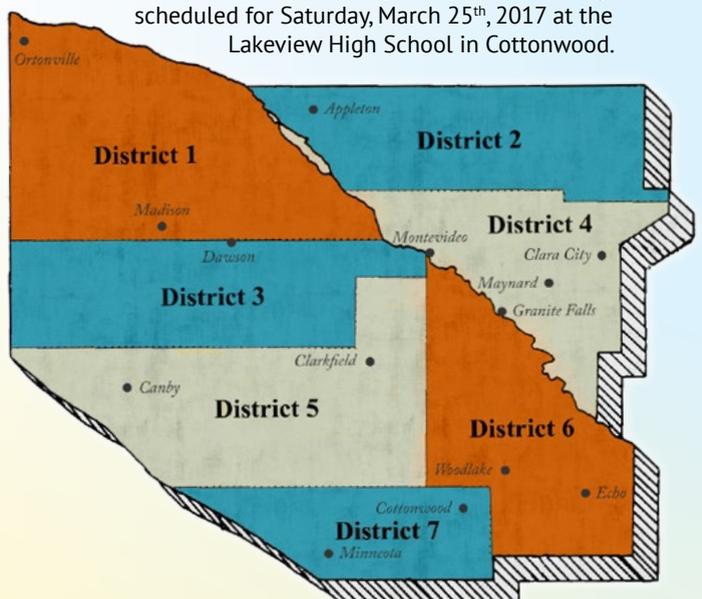
Co-op Principle Two: Democratic Member Control

*Over the next year, we will be featuring the seven different cooperative principles. Minnesota Valley Cooperative Light & Power Association adheres to these seven principles when making decisions that impact your cooperative. This month we are featuring co-op principle number two – **democratic member control.***

Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions. Minnesota Valley Cooperative Light & Power Association is both member owned and member controlled.

Minnesota Valley is divided into seven districts, with each district represented by a member on the cooperative's Board of Directors. These directors are accountable to and serve as representatives of the cooperative's membership. Directors are elected at the co-op's annual meeting.

Please plan to attend the 2017 Annual Meeting and actively participate in the governance of your cooperative. By taking part in the democratic election process, members help to determine the future of the cooperative. This year's annual meeting is scheduled for Saturday, March 25th, 2017 at the Lakeview High School in Cottonwood.



For Your Review: Changes to Articles of Incorporation and Bylaws

Members will be voting on the proposed Articles of Incorporation and Bylaw changes at the Annual Meeting on March 25th, 2017

Article III

Section 4. (Nominations and Elections by Districts) Each director shall be nominated from his/her district at a district meeting of the members from that district or by petition as set forth in Section 5. hereof or at the annual meeting from the floor by a member from his/her district and shall be elected at the annual meeting by the members present from the district from which he/she was nominated.

Section 5. (A) (Nomination Procedure) Whenever a director is to be elected from a district at the annual meeting, it shall be the duty of the board of directors to call a district meeting of the members not less than forty-five (45) thirty (30) days and not more than sixty (60) forty-five (45) days before the annual meeting for the purpose of nominating one (1) two (2) or more candidates for director from that district. Notice of the time and place of each district meeting shall be given by a fourteen (14) days' notice published in a legal newspaper in the district or a fifteen (15) days' notice mailed to all members in the district. If, at any district meeting, that name of but one candidate is placed in nomination, after a reasonable delay to afford opportunity for additional nominations, the name of the single candidate nominated may be presented as the nominee of the district notwithstanding any other provision of this section.

Section 5. (B) (Petition Procedure) As an alternate to the Nomination Procedure set forth in Section 5. (A), members from the district from which a director is to be elected may submit a written petition for nomination of a director from the district. Any such written petition shall be signed by not less than fifteen (15) bonafide members of the district in good standing with the association and filed with the central office of the assembly no later than thirty (30) days prior to the date of the annual meeting.

Section 5. (C) (Exclusivity) The procedures set forth in Sections 5. (A) and 5. (B) shall be the exclusive means for the nomination of directors and nominations from the floor at the annual meeting shall not be permitted.

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 behalf of 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*

Cogeneration and Small Power Production Compliance Notification

In compliance with MN Adopted Rules Relating to Cogeneration and Small Power Production Chapter 7835, 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 the Minnesota Public Utilities Commission.

Members interested in obtaining further information should contact Robert Walsh, Member Services Manager, Minnesota Valley Cooperative Light and Power Association, at: 320.269.2163/800.247.5051

	Jan-Dec 2016	Jan-Dec 2015	Jan-Dec 1996
Kwh Purchased	212,343,491	208,093,707	154,268,548
Kwh Sold	201,354,637	196,783,550	138,329,868
Cost Of Purchased Power	\$10,717,440	\$9,690,638	\$4,736,862
Patronage Capital Margins	\$2,315,711	\$2,179,160	\$328,450
Reserve For Taxes	\$275,000	\$266,750	\$305,000
Cost Per Kwh Purchased (mills)	50.47	46.57	30.71

	December '16	December '15	December '96
Total Plant	\$68,863,461	\$66,230,868	\$28,732,336
# Of Members Receiving Service	5,268	5,257	5,167
Average Residential Bill	\$278.97	\$224.95	\$119.79
Average Residential Kwh Consumption	3,176	2,454	1,818
Average Kwh Usage All Consumers	4,339	3,570	2,236
Peak Kw Demand (Peak Load)	43,512	37,858	28,856

Find Your Location for a \$10 or \$20 Bill Credit!

There are two hidden account numbers in this newsletter. If one of them is your number, you will receive a \$10 energy credit or \$20 if you are an Operation Round Up participant. Keep looking each month—it could be your number! If you find your number in the newsletter, call the office at 320.269.2163 or 800.247.5051.

Congratulations to Saron Lutheran Church who identified their location and received a \$20 credit off their energy bill for being an Operation Round Up participant!



Office Manager



Minnesota Valley's 2016 Financial Audit

The annual audit was conducted January 23rd-24th, 2017 by Brady, Martz & Associates, PC out of Grand Forks, North Dakota. This is a crucial part in presenting our financial statements to the members of Minnesota Valley Cooperative Light & Power Association. A representative from Brady, Martz & Associates, PC will present the audit to the Board of Directors at the February Board Meeting. Once the financial statements are approved by the Board of Directors, they are presented to the members at the Annual Meeting on Saturday, March 25th, 2017.

Our financial position remains strong at the end of 2016. Total margins came in just over \$2.3 million compared to the budget of \$940,000. The cold weather in November and December helped our operating revenues exceed budget by 1.8%. Expenses were as budgeted. Total Utility Plant came in just over \$68.8 million, which is an increase of \$2.6 million from 2015. G four sixteen zero two We continue to improve our system to provide the members with the most reliable service at the lowest possible cost. Equity also remains strong at 37.19% which allows us to retire capital credits.

2017 Capital Credit Retirement

The 2017 capital credit checks will be printed the first part of February. The board has approved retiring the balance of 2003 and 35% of 2004. This amounts to just over \$1.04 million. We are still in the 12-13 year payout range. Capital credit checks will be available for members to pick up at the Annual Meeting on March 25th, 2017.

Notice of Annual Member Meeting of 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 Lakeview School in Cottonwood, MN on Saturday, March 25th, 2017.

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 26th, 2017*

Timothy Velde, Secretary

Manager of Engineering & Operations



I hope everyone is staying warm and safe during our coldest part of the year. This winter season has started with a number of days with sub-zero temperatures that have surpassed last year's season total. We have had several strong storms with high winds that have caused some outages. Our line crews have worked hard through the storms to provide reliable electricity. Neighbors to our west in South Dakota have seen more extreme weather and will continue to replace damaged poles and wire into the summer time.

Minnesota Valley currently has an automated meter reading (AMR) system that reports readings and data back to the office over our power lines. This system has been installed since 1997 and has performed well for us providing readings for billing. The type of motor load on our system is beginning to change from induction motors to variable frequency drive (VFD) motors. This newer technology of motors has the potential to disrupt and stop the meters from reporting if not installed with proper filters or reactors. They can put noise and harmonics on our system if not properly designed. When installing VFD motors, please consult with your motor supplier and electrician to make sure it will comply with the IEEE 519 standard for power quality. It is always cheaper to design and install equipment properly the first time than needing to go back and correct things later.

Crews have been patrolling lines this time of year and are always available and ready to help keep your power on. Thanks for your patience and understanding when you have an issue with your power quality.



Dates to Remember

Electric Co-op Youth Tour to Washington, D.C.
Application/Essay due March 10th, 2017

Annual Meeting: Saturday, March 25th, 2017
Lakeview High School in Cottonwood, MN
Breakfast buffet begins at 8:30 a.m.
Meeting begins at 10:30 a.m.

MEMBER SERVICES • BOB WALSH



Member Services Manager

Electric Cooperatives Are Ready to Work With Elected Officials

As the nation welcomes a new Congress and Administration, America's electric cooperatives are ready to welcome back old friends and introduce ourselves to newcomers.

The co-ops' message to elected officials, both old and new, Republican and Democrat, will be the same: we all need to work together to protect consumer access to safe, reliable and affordable electric service.

We have reason to believe this message will be well-received. After all, co-ops speak for more than 42 million electric consumers nationwide, a sizeable constituency by any measure.

Moreover, whatever you thought of the 2016 campaign, one message came through loud and clear: many, many people don't believe their concerns are being heard. For member-owned cooperatives, listening to people is at the heart of our business model and we carry our members' concerns to public officials every day.

Co-ops will be reinforcing the cooperative message with a request that policymakers keep the needs of consumers front and center—needs such as transmission lines, determining the future of power suppliers and many other issues. Elected officials will be making decisions affecting every aspect of the electric system.

Advocating for these issues is nothing new. In fact, we've been doing it for years and we're ready to continue the fight on your behalf.

The time is now to reach out to all elected officials, new and returning. Here at Minnesota Valley, we will be reaching out to local, state and federal officials. In one thirteen zero three initial conversations with our elected officials, we will be explaining the unique member-owned, not-for-profit co-op business model and we will be reminding long-time politicians of our co-op's commitment to its members.

In Washington, D.C., our national trade association, the National Rural Electric Cooperative Association (NRECA), will be conducting similar introductions, speaking with key agencies and departments within the new Administration. It is likely many of these new policymakers will know little or nothing of the co-op model.

Forging an energy future that serves rural consumers and protecting access to safe, reliable and affordable electric power will be a bipartisan effort. Electric co-ops are optimistic. As we work with our elected leaders, we hope to renew a spirit of cooperation in the nation's capital and in statehouses across the country.

After all, cooperation is what co-ops do best!

Win a Trip to the 2017 Electric Co-op Youth Tour in Washington, D.C.

Minnesota Valley is again sponsoring a youth trip in 2017. The Electric Cooperative Youth Tour to Washington, D.C. is scheduled for **June 10th-15th, 2017**. 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.

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 10, 2017**. 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.



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.

Office Hours

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

24-Hour Telephone Answering

320.269.2163
800.247.5051

Minnesota Valley Co-op News

Published monthly by:
Minnesota Valley Cooperative
Light and Power Association

Website

www.mnvalleyrec.com

Address

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

