

# MINNESOTA VALLEY Co-OP NEWS

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## MANAGER'S MESSAGE • PAT CARRUTH



General Manager

### Supreme Court Puts Collar on EPA

Back in 2011, the EPA came out with what was called the Mercury and Air Toxics Rule, or MATS rule, which required power plants to install mercury emission reduction equipment. In most plants, the equipment installation costs more than the original plant did. The power industry asked for a stay until challenges could work their way through the courts. A stay was not granted for the MATS rule, which meant the industry had to spend money to comply or risk severe fines or shutdown if not completed on time. In June of 2015, the Supreme Court ruled the EPA had inappropriately ignored the costs of mercury limiting regulation. The EPA knew by the time the Supreme Court would rule, most utilities would follow their MATS rule and not risk non-compliance. They were right. By the time the Supreme Court ruled, 70 percent of the plants had already invested billions to comply. If eventually the MATS is relaxed some, it will be a moot point as most plants have already spent the money to comply, have or will shut their coal-fired plants down. It is estimated 12GW of coal-fired power plants have been shut down in 2015 because of this rule.

Apparently the Supreme Court will not be fooled by the EPA again when it

comes to our electric power production fleet in this country. They issued us a stay against the EPA's so-called Clean Power Plan Rule which requires us to limit CO<sub>2</sub> from our national power plant fleet. The plan is designed to shut coal down initially and force us to gas by 2022. Also under the plan, each state was to be required to give a plan to the EPA as to how they intend to meet the emissions reductions laid out in the plan by September of this year. The Clean Power Plan is officially on hold for now. Hopefully we get some legislative fix to this EPA overreach and by all means, talk to your federal legislators. In all, 27 states along with utilities and representatives of small businesses concerned about higher electricity costs, argued that without a stay, electricity companies would immediately have to begin making costly investments and closing plants, raising consumer costs and disrupting electricity availability and reliability.

### Caucus Meetings

We had four Caucus Meetings in two days the second week of February. Our Bylaws say we must hold them between 30 and 45 days before the Annual Meeting. All four districts nominated their incumbent directors to be on the ballot for vote at the Annual Meeting. Thank you

to those of you who took the time to come and participate in your local electric cooperative.

### The Prairie's Edge Casino

The Prairie's Edge Casino Resort near Granite Falls is where we will be having your Annual Meeting on Saturday, March 19<sup>th</sup>. We will be starting with a breakfast that will be served ahead of the business meeting. We will start serving breakfast at 8:30 a.m. up until 10:00 a.m. We will start the business meeting at 10:30 a.m. and hope to have that wrapped up by noon. Bring the kids or grandkids. The linemen will be giving bucket rides all morning. The kids sure enjoy them and so do the adults, so just walk up and ask for a ride if you like. We have a gift for all members who come to the meeting, as well as several drawings for prizes and the Basin Electric Tour. The Basin Electric Tour is a three-day trip out to our electric power production resources. You get to see hydroelectric facilities on the Missouri River, open pit coal mining and our coal-fired power plants in operation. This year it is scheduled for July 19<sup>th</sup>-21<sup>st</sup>. It is a great trip and very informative as to what it actually takes to make sure your light comes on when you hit the switch. We hope to have an enjoyable and informative business meeting for you as well. Hope to see you there!

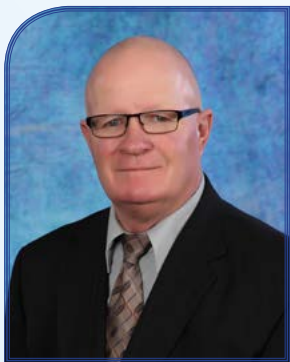
## 2016 Annual Meeting

Saturday, March 19<sup>th</sup> at Prairie's Edge Casino Resort

Breakfast buffet begins at 8:30 a.m. Meeting at 10:30 a.m.

Minnesota Valley will be closed on Friday, March 25<sup>th</sup> in observance of Easter.

Don Fernholz: District 1



Don has worked as the City of Madison's Line Supervisor since 2008 and has been employed by the City since 1983. His wife, Joan, is an accounting assistant at the Madison Healthcare. They have two sons—Matthew & Kelli, Joshua & Kayle; one daughter—Natalie & Nate; and seven grandchildren. Don is involved in the community as a member of St. Michael's Church, board member for Area Faith, retired lineman, Ducks Unlimited sponsor and former board member.

"I have always thought it would be very interesting. I hope that I am a good listener and can take any concerns to the whole board and communicate them for the members of the district.

I would like to thank everyone who came out to vote at the Caucus Meeting, I appreciate your support."

Steve Norman: District 4



Steve has farmed all of his life in the same location. His wife, Vicki, is a self-employed manager-operator of a beauty salon with their daughter, Holly. The Normans have three children and their families: Ole (deceased); Holly and her husband, Jaden; and Joe and his wife, Kelsey; grandsons Skyler, Jakobie, Jack, Henry, Wesley and one granddaughter, Emma.

"I have enjoyed serving on the board for many reasons. I have had the opportunity to work with and meet many good, dependable people and have had the job of helping make decisions that I feel will benefit us as a co-op and community. I feel fortunate to be able to have a say in the many decisions that need to be made for our consumers. At Minnesota Valley, we strive to have the best member and electrical service possible for our member-owners at the most affordable prices. I am concerned about what is needed by you as consumers and I will continue to do my best to make the proper decisions on the issues at hand. I have appreciated your support over the years and would appreciate your continued support in my reelection."

Gary Groothuis: District 2



Gary is a lifelong resident of Chippewa County, living on the farm site that has been in his family for four generations. He farmed for 12 years prior to purchasing a bar in Montevideo in 2001. He has one daughter, Tyler, who is 27 and living in Ohio. Gary served in the U.S. Army Airborne from 1984 to 1990. He has been a member of the American Legion for 28 years, is a member of Ducks Unlimited and a 6-year member of the Minnesota Deer Hunters Association.

"I have enjoyed serving on the board the last 3 years and have learned many aspects of the electric industry. I look forward to serving another term and continuing to work with our members as their representative."

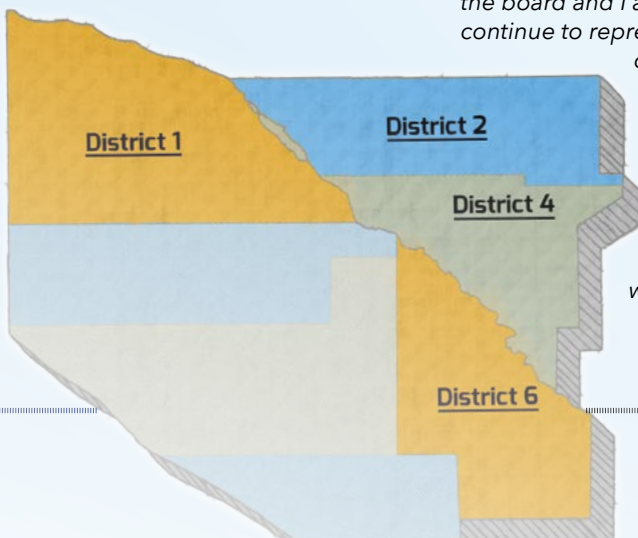
Tim Velde: District 6



Tim is a fourth generation farmer by Hanley Falls growing corn and soybeans. Tim and his wife, Connie, have four children—Grant and Becky, Kelli, Jake and Gen, Amanda and Chuck and nine grandchildren. Connie volunteers at church, works with youth restorative justice and is a farming partner. In the past, Tim served on the K-12 school board, Vocational board, Township board, Regional Development Commission and Pork Producers Board. Currently, he is on the Minnesota Valley Co-op Board, Minnesota Rural Electric State Board, Basin Electric Bylaws Committee, along with other local state boards and is active in numerous community activities.

Tim is currently serving in his 8<sup>th</sup> year on the Minnesota Valley Cooperative board and thoroughly enjoys representing District 6 at Minnesota Valley and representing the electric co-ops in this region and the state.

"It has been my honor to represent our district on the board and I ask you to support me and let me continue to represent you. In every decision I make on the board, I ask myself how will this impact you, the owners of Minnesota Valley. We have had, and will continue to have, challenges providing safe, reliable, affordable energy. We have a 78-year history of serving the owner-members well and I will do my best to keep that legacy going forward."



## ENGINEERING & OPERATIONS • JOHN WILLIAMSON



*Manager of Engineering & Operations*

Crews are plugging away here through the winter months building some line, changing poles and doing line inspections on one-third of the system grid. G two twenty six zero three Lots of other replacement

lines have already been staked out with material ordered and will be worked on in the spring construction season before crops are planted.

I previously mentioned woodpecker damage to some of our transmission poles; here are a couple pictures of our crews replacing three of those wooden poles with steel poles (*let them darn woodpeckers poke holes in these!*)

Spring is just around the corner!



**Minnesota Valley R.E.C. will be accepting applications for the summer Pole Treating Crew until April 25<sup>th</sup>, 2016. Applications are available at the Minnesota Valley office or at our website, [www.mnvalleyrec.com](http://www.mnvalleyrec.com).**

## BUSINESS OFFICE • CANDICE JAENISCH



*Office Manager*

### Investment in Electric Plant Just Over \$3 Million in 2015

During 2015, Minnesota Valley invested just over \$3,065,000 in your electric plant. This included \$320,000 for transmission improvements and \$2,700,000 in distribution additions and improvements. These expenditures are part of our Four Year Construction Work Plan that amounts to just over \$10,875,000. With interest rates continuing at an all-time low, this has allowed us to continue to make significant improvements to your system while keeping our debt portfolio manageable.

Currently, to finance its operations and invest in the electric plant, Minnesota Valley is using 62.5% debt and 37.5% equity. This allows Minnesota Valley to return the capital it receives from you, the member-owners, as quickly as possible.

## Comparative Report

	January 2016	January 2015	January 1996
Kwh Purchased	22,308,535	22,723,531	14,156,145
Kwh Sold	21,556,045	21,754,888	13,871,084
Cost Of Purchased Power	\$892,079	\$1,000,036	\$401,653
Patronage Capital Margins	\$385,263	\$303,647	\$163,292
Reserve For Taxes	\$22,917	\$24,770	\$34,593
Cost Per Kwh Purchased (mills)	39.99	44.01	28.37
	January '16	January '15	January '96
Total Plant	\$66,392,344	\$63,892,135	\$27,335,416
# Of Members Receiving Service	5,254	5,269	5,151
Average Residential Bill	\$257.64	\$257.72	\$123.00
Average Residential Kwh Consumption	2,988	2,969	1,649
Average Kwh Usage All Consumers	4,103	4,129	2,692
Peak Kw Demand (Peak Load)	40,707	42,204	27,295

## 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.

**Congratulations to Eugene Olson and Richard Erickson, both of Montevideo, who identified their locations. Eugene received a \$10 credit on his energy bill and Richard received a \$20 credit for being an *Operation Round Up* participant!**



## MEMBER SERVICES • BOB WALSH

Member Services Manager



### Operation Round Up Assistance Program

Please look for an **Operation Round Up Bill Stuffer** enclosed in this mailing. Bringing that bill stuffer to our Annual Meeting at Prairie's Edge Casino Resort on March 19<sup>th</sup> can improve your odds of winning a cash prize or two seats on the Basin Tour bus trip held this coming summer.

Operation Round Up is a charitable program that is offered by Minnesota Valley Cooperative as an assistance program to help organizations and individuals with special needs in our surrounding communities. It is a voluntary program in which our customers agree to have their utility bill "rounded up" to the next whole dollar amount. The extra money paid on your utility bill, which is really a donation, goes towards helping the less fortunate meet their needs.

The average contribution is just 50 cents a month. While that may not seem like a lot of money for offering financial aid to those that are struggling, you need to multiply that by the hundreds of people throughout our cooperative who contribute to it. All of these generous donations and contributions from the public and businesses allow Operation Round Up to be able to provide a lot of assistance to families or non-profit organizations in need. Many individuals and non-profits benefit from this resource every year.



In some cases, the charity run program can provide cash grants to community projects and local non-profit organizations such as food shelves, volunteer fire departments and rural ambulance services. Funds are never provided for any political purpose and donated money will not go towards paying the program's administrative costs.

### How to Apply for Operation Round Up

A request for assistance from this program is made by completing a grant application with Minnesota Valley. J three fourteen zero four A The Operation Round Up applications are then reviewed on a case by case basis for approval. Applications can be found on the cooperative's website at [www.mnvalleyrec.com](http://www.mnvalleyrec.com).

### How Can I Help?

Any Minnesota Valley member can contribute to this great cause for what averages out to be less than two cents a day. Contact our office to let them know you would like to help support this great cause or bring your flyer to the Annual Meeting to sign up and enter your name into the drawings to be held there.

Thank you for your support. I hope to see you at Prairie's Edge Casino Resort on March 19<sup>th</sup>!

## Congratulations to the Minnesota Valley REC/Basin Electric Scholarship Winners!



→ **Olivia Bartz** will graduate from Montevideo High School this spring. She is the daughter of Vickie and Darrell Bartz of Montevideo. Olivia will be attending either St. Cloud State University for pre-pharmacy or St. Cloud Community College for sonography.



→ **Thomas Froland** will graduate from Renville County West this spring. Thomas is the son of Kathy and Eric Froland of Sacred Heart. Thomas will be attending Concordia College pursuing his degree in Education (secondary).



→ **Konnor Joseph King** is the son of Robert and Janet King and will be graduating this spring from Canby High School. Konnor will be attending South Dakota State University for Computer Science.



→ **Kelly Kvaal** is the daughter of Jon and Kristi Kvaal of Dawson and will graduate from the Dawson-Boyd High School this spring. Kelly will be attending North Dakota State University pursuing her degree in Mathematics.

