



MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Board Approves 2019 Work Plan and Budget

At their November meeting, the Board approved the Work Plan and Budget for the coming year. The plan calls for about \$5.5 million in system improvements or new construction projects in 2019. In addition to this, the budget includes the annual maintenance activities that we need to do to keep your system operating at a high level of reliability. One of the bigger maintenance projects is tree cutting, trimming and spraying to keep our lines clear when the load of the ice and wind comes. The right-of-way clearing budget alone for 2019 is \$955,000. We will also inspect and maintain the 652 oil/vacuum enclosures spread throughout our 3,270 miles of line and 16 substations. The enclosures are basically big circuit breakers that trip and reset when things such as lightning or an incidental line contact drop out the line. We will also inspect and maintain the supervisory controls for our transmission line switches which allow us to switch line from the office when we have problems or need to work on different sections of line. We also maintain the 150 voltage regulators spread throughout the system which are constantly adjusting to keep the proper voltage to your place. We plan to test and treat about 3,000 poles this next year to get more life out of them and change out the 90 or so poles the treating crews will reject. These projects and many other maintenance activities must be performed on our system each year to make sure we provide you good voltage while keeping your lights on.

Ending 2018 in Good Financial and Operational Shape

As of this writing, we have closed the financials through October. We have a total margin year-to-date of just over \$1.5 million on total revenue of just under \$17.5 million. We had budgeted to have a total margin of \$655,000 through October. We are in good shape financially at this point in the year. We expect a strong November and December finish in crop drying and electric heat energy sales. We also expect a fairly large patronage allocation to book from our Basin Electric to round out the year in good overall financial shape.

Operationally, we are closing in on finishing all of the construction and maintenance projects planned for the year to keep your system operating properly. We are making good progress on catching up on our right-of-way clearing for our power lines. We will finish out the northeast quadrant early next year and move to the northwest quadrant.

We feel like we are in pretty good shape both operationally and financially at this point for 2018.

From All of Us to You

The Board and employees of Minnesota Valley want to let you know that we appreciate your business this past year, thank you! We also want you to know that we appreciate working for you and for your cooperative to assure you continue to get the reliable electric service you have rightfully come to expect. We wish you a Blessed and Merry Christmas and a Happy and Prosperous New Year!

Merry Christmas from all of us

Directors

- Darryl Bursack
- Don Fernholz
- Gary Groothuis
- Steve Norman
- Wayne Peltier
- Mark Peterson
- Tim Velde
- Matt Haugen, Attorney

Employees

Pat Carruth, General Manager

- | | | |
|-------------------|-----------------|-------------------|
| Brandon Bjelland | Scott Kubesh | Jill Sand |
| Stacey Boike | Eric Landmark | Joe Schultz |
| Mitch Christensen | Tommy Lee | Kent Smith |
| Dustin Cole | Blake Lymburner | Don Snell |
| Trevor Diggins | Scott Monson | Jill Strand |
| James Hughes | Duane O'Malley | Mark Sweno |
| Andy Johnson | Jerrad Perkins | Bob Walsh |
| Mark Johnson | Tracie Peterson | Lacey Wintz |
| Bob Kratz | Jill Rothschadl | Eric Wollschlager |

2019 Caucus Meetings

Tuesday, February 5th, 2019

District 4: Steve Norman • 10:30 AM • REC Headquarters

District 2: Gary Groothuis • 1:30 PM • REC Headquarters

Thursday, February 7th, 2019

District 6: Tim Velde • 10 AM • Wood Lake Community Center

Minnesota Valley will be closed December 24th and 25th for Christmas and January 1st for New Year's Day.

Christmas Lighting Safety Tips

'Tis the season to add some Christmas cheer to your home with lights, trees and all kinds of festive decorations. While they certainly help put your household in the holiday spirit, it is important to remember to use decorations—particularly lights—in a safe manner to avoid the potential risk of fires or other safety hazards.

If you haven't done so already, you may also want to consider making this the year you invest in energy-efficient LED Christmas lights. In addition to saving you money on your electric bill, LED lights have a much longer lifespan and do not have filaments that are prone to breaking. LED bulbs are also much cooler to the touch, reducing the risk of a fire.

LED Christmas lights are available in a wide variety of colors and shapes. Some models include features such as dimming or color shifting. E three twelve zero one If you prefer white lights with the color look of incandescent, look for the "warm" white designation on the label.

Keep your family safe by following these tips:

- Check your lights for any frayed wires or cracks and make sure there is a bulb in each socket. Discard and replace damaged strands.
- Make sure the lights you are using are approved by Underwriters Laboratories. "UL" should be clearly displayed on the tag; this signifies that the product has been inspected for potential safety hazards.
- Always use safety clips to attach lights to the house. Hammering tacks or nails into a strand of lights can damage the cord and create a safety hazard.
- Prevent tripping by placing cords and decorations in low-traffic areas where people will not walk over them.
- Turn off all indoor and outdoor Christmas lights and decorations before leaving your house or going to bed for the evening.
- When decorating outside, be aware of your surroundings and keep ladders and decorations away from overhead power lines.
- Use heavy-duty extension cords and only use cords outside if they are designated for outdoor use. Make sure to keep outdoor extension cords and lights clear of snow and standing water. All outdoor lights and inflatable decorations should be plugged into circuits protected by ground fault circuit interrupters (GFCIs).



ENGINEERING & OPERATIONS • BOB KRATZ



Manager of Operations

Crews were busy in mid-November finishing up the underground project along Highway 7, just west of Clara City. The three-phase underground was installed by Midwest Contractors. Our crews did the terminating for this line to feed the new Clara City Fertilizer Plant. A one thirteen zero one Minnesota Valley crews still need to rebuild two miles of single-phase into three-phase overhead construction to finish this new service this winter. Our Work Plan and Budget for 2019 has been approved and, as always, it will be another busy year here in the line department.

If you are looking ahead to add something to your load, now is the time to let us know. That way we will have everything that is required to get the job done.

Crews have been doing some line patrol and fixing things that are (or will be) a problem as they find them. Keeping the system in good shape is what we strive for so we don't have to repair these problems during a storm. The crews are still changing out a few poles that had to wait until the crops were out or in wet areas.

This time of year also brings year-end inventory. We check the numbers and get an idea of what we need for the coming year's projects. It will also tell us what is on hand in case of bad weather this winter.

If you are planning to be away from your home for an extended period of time during the winter months, don't forget to have someone check on your premises for any power problems during your absence. Please also remember to let Minnesota Valley Tree Service cut the trees and branches as far back as possible if they are working in your area.

We wish you and your family a Merry Christmas!

Minnesota Valley/Basin Electric Scholarship

Minnesota Valley R.E.C. has again joined Basin Electric Power Cooperative in sponsoring a scholarship in 2019. A total of \$2,000 in educational scholarships will be awarded to area students. All dependent children of Minnesota Valley Cooperative members meeting the qualifications are eligible to apply. The scholarship program is designed to recognize and encourage the achievements, abilities and school/community involvement of students in Minnesota Valley's service territory. The cooperatives have developed the scholarships to help meet the college funding needs of students in rural areas.

To qualify for the scholarship, an applicant must be the dependent child of a Minnesota Valley member and a U.S. citizen. Applicants must be students enrolled or planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university or technical college in the 2019-2020 school year. Students in any year of post high school education are eligible. Previous scholarship winners are not eligible.

Recipients will be chosen based on a combination of overall grades, achievements, participation in school and community activities, a personal statement of career goals, applicant appraisal form and an essay. A neutral group of Minnesota Valley members will review all applications and make a selection on a recipient(s). All post high school areas of study will be equally considered for the scholarship.

To get an application, you can either stop in the office, call 320.269.2163 or 800.247.5051, get an application off our website or email a request to mnvalley@mnvalleyrec.com.

Apply now! Scholarship applications for the 2019-2020 school year will be accepted until February 1st, 2019.

Comparative Report

	Jan-Oct 2018	Jan-Oct 2017	Jan-Oct 1998
Kwh Purchased	183,563,467	167,121,530	114,818,121
Kwh Sold	172,824,069	158,126,537	106,262,961
Cost Of Purchased Power	\$9,176,884	\$8,813,855	\$3,698,715
Patronage Capital Margins	\$1,503,865	\$14,423	\$192,888
Reserve For Taxes	\$229,167	\$229,167	\$321,000
Cost Per Kwh Purchased (mills)	49.99	52.74	33.88
	October '18	October '17	October '98
Total Plant	\$73,470,075	\$70,814,202	\$31,509,018
Number of Active Services	5,306	5,277	5,195
Average Residential Bill	\$324.55	\$273.39	\$144.11
Average Residential Kwh Consumption	2,898	2,338	1,982
Average Kwh Usage All Consumers	3,865	3,391	2,774
Peak Kw Demand (Peak Load)	40,024	48,692	29,422

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

There are two hidden account numbers in this newsletter. If one of them is yours, you will receive a \$10 energy credit or \$20 if you participate in Operation Round Up. Call the office at 320.269.2163 or 800.247.5051 if you find your number.





Member Services Manager

Energy Audits Could Save You Money

People are always looking for ways to lower their energy consumption. One of the best places to start is to obtain an understanding of what you have for equipment and how it is operating. Your co-op can be a good source of energy usage information. Minnesota Valley also has an automated meter reading system installed at each service which can help determine which days are higher energy users in your home. The automated meter information can be accessed anytime by signing up for Smarthub on Minne-

sota Valley's website. This information can sometimes help pinpoint a large energy user. For example, you may be using more electricity on weekends, which would be an important clue to discovering what is driving up your usage.

Armed with whatever clues you can glean from your co-op energy auditor and expert, you are better able to search for an unusual energy use in your home. Are there uses of energy outside your typical living space that are "out of sight, out of mind"? Below are some possible unconventional energy uses that could be elevating your energy bill:

Non-Living Spaces: You may have some power hogs in your garage, outbuilding or basement. For example:



- Do you have a second working, but inefficient refrigerator or freezer plugged in? Is it in use or can you consolidate its contents into your kitchen?
- Do you have a recreational space in an uninsulated part of your home, like the garage or basement? Using space heaters or portable air conditioners in uninsulated spaces can definitely lead to higher bills.
- Do you have a block heater to help warm your vehicle up on very cold mornings? Plugging in your vehicle overnight will use far more electricity than needed—use a timer to start the block heater a few hours before you need your vehicle.

Spas or Swimming Pools: A spa, hydro massage tubs or even a swimming pool (we know it isn't that season, but many are purchased during this time of year) are nice amenities to have in your home, but they can also significantly contribute to your energy bill. If you have a spa hot tub that you use only occasionally, consider turning it off when it is not in use. If you use your spa frequently, use a cover with a high insulation value to keep the water warm and your electric bill low. If you are going to give your loved ones a pool for Christmas, choose one with an ENERGYSTAR pump to conserve on electricity.



Pump Systems: Water pumps can contribute to additional electricity usage and can be found in many areas of your property. If your home uses well water, you have a well pump that helps bring the water from the well to your home. A malfunctioning well pump may run continuously to try and maintain proper water pressure—this can cause a significant increase in your electricity bill. In the summer, irrigation and garden pumps can also contribute to higher energy usage.

Home Business: If you run a business out of your home, there could be a large energy user contributing to your electric bill. For example, regularly using welding equipment, ceramic kilns or power carpentry tools can contribute significantly to your electric bill, as can equipment that supports home farming operations.



Environmental Air: The basement, more than any other room in the house, can have moisture and condensation problems. A wet basement needs additional ventilation, the use of fans or a dehumidifier. This additional equipment is costing you more on your energy bills. In some cases, the installation of air exchangers is the most cost-effective method to control moisture.

Mechanical ventilation uses fans and vents to exhaust existing basement air and bring in fresh, outdoor air. Many homeowners opt for a mechanical ventilation because of the great flexibility and automation it provides.

Being able to understand your site or home electrical systems and their operations can improve your chances of lowering your energy bills. For help in understanding your energy usage, please contact the Member Services Department at 320.269.2163 or 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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