



Installation of a larger transformer in the Gluek Substation (more pictures on page 2).



MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Best Wishes John

Our Manager of Engineering and Operations, John Williamson, will retire on July 4th. John began his career as an Apprentice Lineman on May 2nd of 1983. After years as a Journeyman Lineman, John became our Substation/Apparatus Technician in 1991. John assumed the duties of overseeing the Line Department on April 16th of 2005. John has served the members very well with his strong sense of duty and dedication. We are truly grateful for John's service. We wish him and his wife, Sheree, the best in their well-deserved retirement years. We will miss him.

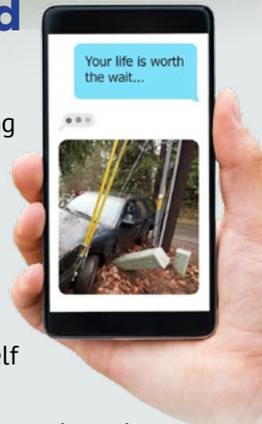
Taking over the Line Department will be Bob Kratz. Bob began working at Minnesota Valley in September of 1978 as an Apprentice Lineman. Bob spent over 10 years as a Journeyman Lineman. He has held the position of System Coordinator since 1989. Bob brings a lot of experience with him to his new role which will serve you, the member-owners, of Minnesota Valley well. We wish Bob great success in his new responsibilities.



**Minnesota Valley will be closed
July 4th in observance of
Independence Day!**

Don't Drive Distracted

The popularity of handheld devices has enhanced distracted driving problems on the road. Such activities like texting, talking on the phone, reading and watching a video, take a driver's attention away from the task of driving. It is a safety hazard to the driver, passengers and bystanders and there is a risk of an accident with a power pole. Whether you are involved in an auto accident with a power pole or you witness one, know the steps to take to keep yourself and others safe.



In accidents with power poles, it is likely the pole and power lines may fall on your car or nearby and the area around your car may become charged with electricity. If you step out of the car, your body would become the path to ground for the electricity and electrocution could occur. A three thirty five zero one The safest place is almost always inside the car.

While downed lines can sometimes show they are live by arcing and sparking with electricity, this is not always the case. Power lines do not always show signs that they are live, but are just as lethal.

Stay in the car if you are in a car accident with a power pole. Warn those who try to come near your car to help that they must stay far away. Call 911 for help and wait until a professional from the electric utility tells you it is safe to leave the car.

The exception to this rule is if your car is on fire. In that case, jump clear of the vehicle without touching it and the ground at the same time. Then hop away with feet together. This way there will not be a voltage difference between your two feet, which would give electricity the chance to flow through your body.

If you witness a car collision with a power pole, do not approach the accident. By trying to help, you will put your own life at risk. The best thing to do is contact emergency responders and stay far away from the accident.

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

This past month a lot of things were accomplished with the assistance of some great weather. We were able to get several underground power lines installed before the crop planting and then we were able to remove some power poles from the crop land. We also installed larger substation transformers in the Gluek and Echo Substations to allow for the additional load we have seen growing in these areas.

This will be my last article as I am retiring after 34 years here at your cooperative. I would like to thank all of you members, the Board of Directors and General Manager, Pat Carruth, for giving myself and my family a great career with stability and opportunities. Your cooperative has great employees to carry into the future the tradition the first organizers had for "REA" to bring electricity to farm country all over the United States.



BUSINESS OFFICE • CANDICE JAENISCH



Office Manager

June is Budget Billing Sign Up

During the month of June, members can sign up for Budget Billing. Budget Billing allows you to make fixed monthly payments on your energy bill without the worry of an increase in your bill due to extremely long winters and cold temperatures or heat waves that come unexpectedly. The amount you pay is determined by an average of your last 12 months' energy bills. Members who choose Budget Billing are not assessed a late fee or disconnect notice charge as long as they pay the agreed amount. Budget Billing accounts are calculated in June of each year. Any balance due over the budget amount must be paid in June and credit balances will be applied to your next monthly bill. Many of our members enjoy Budget Billing. If fluctuating bills are a concern of yours, give it a try! Remember, June is the deadline for signing up for Budget Billing. Please call the Business Office at 320.269.2163 for more information.

Financial Report Through April

As you are all aware, we have had very mild weather to start off 2017. Thus, our energy sales are approximately 7% below budget. This equates to a reduction in operating margins of just over \$200,000. Interest costs have also inched upward and we locked in some long-term rates, which has also increased our expenses for 2017. Total margins through April are just shy of \$300,000 and we had budgeted for \$640,000.

Patronage Allocations Reported on your May Bills

Your patronage allocations for 2016 were reported on your May bills. Total margins allocated to members was just over \$2.3 million. This equates to approximately 14% of your patronage to Minnesota Valley for 2016. This amount will be returned to you in cash in later years. Minnesota Valley strives to return your patronage to you as quickly as possible. Currently we are on a 13-14 year payout.

Comparative Report

	Jan-Apr 2017	Jan-Apr 2016	Jan-Apr 1997
Kwh Purchased	73,893,820	72,329,945	51,123,118
Kwh Sold	70,191,122	68,841,000	48,625,876
Cost Of Purchased Power	\$3,329,893	\$3,036,501	\$1,487,938
Patronage Capital Margins	\$292,110	\$790,572	\$142,743
Reserve For Taxes	\$91,667	\$91,667	\$112,000
Cost Per Kwh Purchased (mills)	45.06	41.98	30.32
	April '17	April '16	April '97
Total Plant	\$69,660,459	\$67,355,957	\$28,859,937
# Of Members Receiving Service	5,264	5,254	5,149
Average Residential Bill	\$172.22	\$168.60	\$104.70
Average Residential Kwh Consumption	1,616	1,601	1,641
Average Kwh Usage All Consumers	2,655	2,576	2,044
Peak Kw Demand (Peak Load)	26,010	28,326	22,145

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.

There were no winners last month. Keep looking!



Co-op Principle Five: Education, Training and Information

This year we are 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 five – **education, training and information.**

5

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives.

Staying safe around electricity is a theme constantly emphasized by the co-op. Minnesota Valley Cooperative Light & Power Association is committed to providing employees with the training and skills necessary to work in both the safest and most efficient manner. Safety efforts within the co-op include safety meetings by various vendors, discussions with crews, a commitment to follow proven safety patterns and participation in the National Rural Electric Cooperative Association's Rural Electric Safety Achievement Program.

Electrical safety demonstrations are offered to all schools in Minnesota Valley's service territory. Animated videos, a miniature electrical line

display and an interactive question and answer period are just a few of the ways area kids are learning how to stay safe around electricity. Safety demonstrations can be provided for any local group that requests one.

In addition to highlighting topics like electrical safety, co-ops play an important role in their community by serving both an economic and a social purpose. The co-op aims to keep the general public informed about the nature and benefits of cooperatives. The more people know about how cooperatives work, the better they will understand the benefits of a co-op's unique business model. Co-ops are organized and operate as not-for-profit businesses that are then able to pass along excess margins to member-owners in the form of capital credits. Through programs like Operation Round Up, Minnesota Valley Cooperative contributes to many organizations locally.

Keep Kids Safe as They Head Outdoors

When temperatures begin to rise, outdoor areas begin to fill with both children and adults enjoying the weather. Take time to explain to your kids how to be safe around electricity before they head outdoors.

The Times Argus in Vermont reported that a boy received critical injuries after he entered an electrical substation in 2013. He suffered severe burns from coming close to the energized electrical equipment.

Minnesota Valley provides the following tips to share with kids when having a conversation about how to stay safe around outdoor electrical equipment.

- ❖ Always stress the importance of safety around electrical substations. *Never enter an electrical substation for any reason.* Even if a pet has entered inside or a ball goes over the fence, do not go in. Call the electrical utility for help. Substations should only be entered by professionals.
- ❖ Kites should only be flown during good weather conditions and in large, open areas like a park or a field. Always look up and check for the location of overhead power lines and other electrical equipment, so that you can be sure to fly kites far away from them. A kite string can conduct electricity from an overhead line directly to the person on the ground.
- ❖ Before climbing a tree, check that the tree and its branches are not located near any overhead power lines. Climbing a tree in contact with a power line can energize the tree with electricity and lead to electric shock or death.
- ❖ Never throw objects at power lines.
- ❖ If you ever see downed electrical wires, stay far away. Call 911 to have the utility notified. Downed lines do not have to be arcing or sparking to be carrying electricity and be dangerous.
- ❖ Do not play with, tamper with or open outdoor electrical boxes. They contain electrical equipment for underground service to homes and businesses.
- ❖ Check the forecast before going outside. Do not plan outdoor activities if a thunderstorm is expected because there is no safe place from lightning when you are outside. It is important to follow the advice of the National Weather Service, "When thunder roars, go indoors."



There are also steps parents and caregivers can take to help ensure safe outdoor play.

- ❖ Make sure all outdoor outlets are equipped with ground fault circuit interrupters (GFCIs) to help prevent electric shock.
- ❖ Keep all long handled tools out of reach of children so they will not be tempted to reach for or accidentally hit an overhead power line.
- ❖ Pay attention to trees and power lines. Do not plant trees near them and if there is a tree that has grown into a power line, make sure to call a professional to trim the tree.





Member Services Manager

R-22 Refrigerant Phase Out brings New Challenges

The Montreal Protocol on Substances that Deplete the Ozone Layer (Jan. 1, 1989) was an international treaty designed to protect the ozone layer by phasing out the production of numerous substances that are responsible for ozone depletion. In the U.S., the Clean Air Act has met those requirements by limiting consumption of refrigerants containing chlorine including R-22, through a series of phase downs through 2030. Each step reduces R-22 consumption by reducing or eliminating R-22 in different market segments. R-22 is an efficient, non-toxic and easy-to-use refrigerant. In fact, it was the most widely used refrigerant in the world and has been for over 40 years. The problem: R-22 is a hydro chlorofluorocarbon (HCFC) refrigerant, containing chlorine. This means that the release of R-22 depletes the ozone layer. So, to protect and hopefully repair the ozone layer, the production and import of R-22 refrigerant is being phased out.

The United States Environmental Protection Agency (EPA) previously announced its final schedule for the R-22 phase out, which it described as an “aggressive linear reduction”. Beginning back in 2010, manufacturers of heat pumps and air conditioning units were prohibited from producing new equipment using R-22 refrigerant. In 2014, the EPA limited new and imported R-22 to 51 million pounds. This number

dropped to 18 million in 2016, 13 million in 2017, 9 million in 2018, 4 million in 2019 and finally no new and imported R-22 after January 1st, 2020.



It Will Only Get Worse

The lower annual allowances have decreased faster than the market demand for R-22, which has depleted inventory across the supply chain. As a result, in 2016, we started to feel the snugness in supply as wholesale partners’ supplies have been cut back significantly. As you know, supply and demand dictate prices. With service demands for R-22 in the U.S. still estimated to be in the tens of millions of pounds per year, many R-22 users will need to transition to an ozone-safe alternative for economic reasons alone.

When your air conditioning equipment needs repair which requires refrigerant, you will be faced with the 3 “R’s” as your options. That is repair, retrofit or replace. The repair will require the re-charging of the unit with a much more expensive R-22. The prices of R-22 have gone from \$10 per pound in 2014 to over \$30 per pound already in 2017. The next option you would have is to retrofit your existing unit to a non-chlorine based replacement refrigerant. There are many “drop in” replacements that are available. Then the last option would be to replace older equipment with the new equipment that uses a non-chlorine based refrigerant.

What To Do?

As R-22 inventory drops off and prices continue to rise, manufacturers are working to bring new refrigerants to market and ensure the supply chain is aware of such products and how to use them. If you are faced with a refrigerant situation, you will need to carefully weigh your options. Minnesota Valley is educating our members as best as we can about the options and what they can mean to you. Please feel free to contact the Member Services Department at 320.269.2163 or 800.247.5051 for help in making an informed decision.

Do You Know Any of These Former Minnesota Valley Members?

We need your help in locating the people listed to the right. B one zero one zero four Their capital credit checks for the remainder of 2003 and 35% of 2004 have been returned to us because we do not have a current address.

If you have the address of any of these people or one of their heirs, please get in touch with us via one of the following methods:

Phone: 320.269.2163 or 800.247.5051

Email: mnvalley@mnvalleyrec.com

Mail:

Minnesota Valley R.E.C.
P.O. Box 248
Montevideo, MN 56265

- » Abrahamson, Jay & Jennifer
Wahpeton, ND
- » Alltel Corporation • *Little Rock, AR*
- » Bartz, Nathan • *Clara City, MN*
- » Brown, Scott • *Hanley Falls, MN*
- » Courtney, Robert • *Sioux Falls, SD*
- » Fedorenko, Craig & Joann Perez
Granite Falls, MN
- » Fitcher, Patrick D • *Appleton, MN*
- » Goetsch, Larry • *Nassau, MN*
- » Hunters Blind % Sam Simonson
Minneapolis, MN
- » Lang, Tina • *Taunton, MN*
- » Malone, Sean • *Ironton, MN*
- » Marcella Sr., Thomas • *Vesta, MN*
- » McDougal Jr., Donald
Montevideo, MN
- » Northern PCS % Mark Aarberg
Waite Park, MN
- » Okongo-Gwoke, Phil • *Apple Valley, MN*
- » Panther Properties • *Willmar, MN*
- » Plank, Nicholas • *Clarkfield, MN*
- » Powell, Marilyn • *Montevideo, MN*
- » Speaks, David • *Maynard, MN*
- » Sultenfuss, Teresa • *Clarkfield, MN*
- » Zook, Michael • *Montevideo, MN*

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

