



MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Retiring Balance of 2006 and 2007 Capital Credits

The board approved retiring \$1,557,064 in patronage capital beginning at our Annual Meeting on April 4th at Prairie's Edge Casino near Granite Falls. Your board remains committed to aggressively retiring capital credits. For distribution cooperatives, Minnesota Valley is in the top 5% nationwide and top 10% statewide for cumulative patronage capital retired as a percent of total patronage capital.

Some of you might not have realized it when you signed up to receive electric power from Minnesota Valley that you became a member – and owner – of an electric utility. While investor-owned utilities return a portion of any profits back to their investors, electric cooperatives operate on a not-for-profit basis. Any profits or margins, as we call them, belong to the member-owners and 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 2006 and 2007, you will be getting a check.

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 are essentially capital credits. Your share of this margin will be shown on your April statement typically. If you are no longer an active member, you will be notified of your margin by letter. We use the cash from this margin for several years to operate the cooperative before returning it to you. It also serves as equity to collateralize loans from our lenders for line construction.

Margins are allocated to members as "capital credits" based on their purchases from the cooperative – how much power the member used. Member purchases may also be called "patronage". Capital credits only exist at not-for-profit electric cooperatives owned by their members. Investor-owned utilities pay their shareholders if they have a profit – not their rate payers.

Each year, the Minnesota Valley Board of Directors makes a decision on whether to refund capital credits based on the financial health of the cooperative. During some years, the co-op may experience events such as storms, which may result in the need to spend additional funds to repair line which might cause the

(Manager's Message continued on page 2)

Save the Date

Minnesota Valley Cooperative Light and Power Association's Annual Meeting is **Saturday, April 4th** at Prairie's Edge Casino in Granite Falls. Breakfast starts at 8:30 a.m. and the business meeting starts at 10:30 a.m.



board to retire less capital. For this reason, Minnesota Valley's ability to pay out capital credits reflects the cooperative's financial strength and stability.

Capital credits at Minnesota Valley are 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 discount and retire estates at 4% per year.

Operation Round Up Continues Making a Difference

The first donation was made in July of 1995. It was \$240 dollars to a family struggling with severe medical problems and the financial stress that can come with that. It made a difference. Since that time, our Operation Round Up program has given \$186,076 to 538 different parties. Each donation given is well thought out by a board of volunteer members. They give modest donations to several groups who request assistance such as area fire departments, Dollars for Scholars, Reach Out for Warmth, youth clubs and caregiver programs just to name a few.

Each donation is given with the intent of doing the most good it can for our area community.

Thank you to all members who have been or are currently signed up for our Operation Round Up program. We are especially appreciative of our volunteer Round Up board made up of: *Jon Kleven, Norman Viken, Vonnie Severson, Richard Phinney, Janet Bossuyt, Wendy VanRavenswaay and Kelly Aalfs.* Thank you for giving of your valuable time!

You can help make a difference by having your light bill rounded up each month. There are currently 1,289 members signed up and donating. That means there are 4,019 more accounts that could be signed up for Operation Round Up. Again, if you sign up your bill is rounded to the next dollar. Those cents added to your bill each month go into a separate fund. The average donation is \$6 per year. You can call the office to sign up or simply put a note in with your next bill that indicates you would like to participate. You can cancel at any time. Please take a moment to sign up if you can.

Meet Your Employees



| | |
|--|---|
| Name | Trevor Diggins |
| Hometown | Montevideo, MN |
| Family | My wife, Margaret and daughter, Reagan |
| When did you start at Minnesota Valley? | I started in January of 2005 as an electrical lineman. I am currently on a three man construction crew. |
| What do you like best about working here? | My co-workers and the variety of work that is assigned from day to day. |
| What do you like to do in your free time? | Spend time with family and friends at the lake. I also enjoy watching all kinds of sports. |
| What did you want to be when you grew up? | A helicopter pilot in the military. |

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Comparative Report

| | Jan-Dec 2019 | Jan-Dec 2018 | Jan-Dec 1999 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Kwh Purchased | 224,484,979 | 226,886,274 | 139,395,745 |
| Kwh Sold | 210,692,435 | 213,586,208 | 131,144,342 |
| Cost Of Purchased Power | \$11,329,382 | \$11,197,278 | \$4,261,849 |
| Patronage Capital Margins | \$1,792,266 | \$2,074,085 | \$730,418 |
| Reserve For Taxes | \$261,402 | \$261,304 | \$328,000 |
| Cost Per Kwh Purchased (mills) | 50.47 | 49.35 | 30.57 |
| | December '19 | December '18 | December '99 |
| Total Plant | \$77,633,008 | \$73,684,463 | \$32,211,583 |
| Number of Active Services | 5,281 | 5,283 | 5,208 |
| Average Residential Bill | \$292.00 | \$261.92 | \$77.95 |
| Average Residential Kwh Consumption | 3,020 | 2,751 | 1,980 |
| Average Kwh Usage All Consumers | 4,034 | 3,765 | 2,473 |
| Peak Kw Demand (Peak Load) | 42,570 | 39,383 | 28,033 |

Find Your Location Number!

If you find your account number in this newsletter, you could receive a \$10 bill credit (*Operation Round Up participants get a \$10 bonus*). If the credit goes unclaimed, that amount rolls over into the next month! If you find your number, call 320.269.2163 or 800.247.5051.

CLAIM BY FEBRUARY 25TH FOR: \$40

No one claimed their credits last month, so we rolled them into this month's credit!

Basin Tour Drawing

If you have not been on the Basin Tour before and would like to be in the drawing to go, please fill out this form and return it to our office by Tuesday, March 31st, 2020. If we do not get enough members signed up who are present at the Annual Meeting, we will draw from the names turned in on this form. We will contact you after the Annual Meeting if your name was drawn. The Basin Tour is scheduled for July 21st-23rd, 2020.

Name: _____

Address: _____

Phone Number: _____

Minnesota Valley Account Number: _____

ENGINEERING & OPERATIONS // BOB KRATZ



Manager of Operations

This time of the year, our work plan includes line patrol. Line patrol is the process of finding potential problems and fixing them *before* they cause an outage. As always, if you notice something that doesn't look right, give us a call so we can check it out. It may be nothing, but then again, it could possibly avoid a larger problem later.

It didn't take long for winter to let us know that it is here. Minnesota Valley members in the west and southwest part of the system experienced some outages and blinking lights during the last couple days of December. Rain with warmer weather brought about some ice load on the wires in these areas. G one twenty zero four It is nice to have some weather close to 30° this time of the year, but sometimes we pay the price for it as we get rain instead of snow.

A couple of days later, some ice build up occurred by the Asbury Substation and the same problems had to be dealt with there. It didn't take much wind to start the wires galloping and the phase and the neutral wires were slapping together.

Renville/Sibley Cooperative was hit a little harder than us and had quite a few more outages. We were contacted by them to see if a couple of Minnesota Valley crews could be dispatched to help them restore power to their consumers after all of our problems were resolved. Linemen James Hughes, Trevor Diggins, Andy Johnson and Blake Lymburner volunteered to go help them replace broken crossarms and insulator ties to some of their three-phase line.



MEMBER SERVICES // BOB WALSH



Member Services Manager

Legislative Grassroots are Very Important

During the second week of January, three Minnesota Valley Member Services employees attended a Town Meeting held in our area by Minnesota State Senator *Gary Dahms* and Representative *Chris Swedzinski*. This meeting in Dawson was in a local setting with local residents attending. It was an excellent chance to gain knowledge of legislative issues and offer insight to many of Minnesota Valley Cooperative's issues. We feel that contact with our local elected officials is very important to our business. Many issues that happen at the state level can have significant impact on all of our members. Minnesota Valley will continue to create contacts with our elected legislators at the local, state and national level.

Minnesota has a complex electricity system, with more than 170 electric utilities—the third-highest total of any state in the country. The majority of the state's land area and more than one-third of the state's electricity is delivered by not-for-profit, locally controlled utilities, many of which are rural electric cooperatives. With an overall large and diverse coverage area, it's essential for us to be active in the legislative process.

Telling the cooperative story is vital, particularly when it comes to unique challenges our members face. We advocate for flexibility so that electric cooperatives can operate efficiently and continue to provide safe, reliable and affordable electricity. Our time-tested participation has contributed positively to the outcome of the legislative process.

As the 2020 Regular Session of the Minnesota Legislature convenes on February 11th, we resolve to have a seat at the table and advocate for policies that are in the best interests of our members. Government regulation and public policy have a significant impact on the affordability and reliability of electricity. Through our membership in statewide cooperative organizations, the state's electric cooperatives work together and engage with legislators. The power of a unified voice is strong. We want you to know we're always committed to working on your behalf.

During the legislative session, Minnesota Valley's Board of Directors and management team will join our state's other electric cooperatives to spend time at the Minnesota Capitol discussing these electric generation, transmission and delivery policy issues with

legislators. One thirty zero two B We'll be on the front lines explaining the cooperative position on recently introduced bills being considered so that legislators understand first-hand how they impact electric rates and reliability for rural co-op members.

If you have questions about a legislative topic, please reach out to Minnesota Valley. Just like our voice matters at the Capitol, your voice matters at your cooperative.

Please contact your area legislators:

MINNESOTA STATE
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Win a Trip to the 2020 Electric Co-op Youth Tour in Washington, D.C.

Minnesota Valley is again sponsoring a youth trip in 2020. The Electric Cooperative Youth Tour to Washington, D.C. is scheduled for **June 20th-25th, 2020**. 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 9th, 2020**. 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.

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
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Minnesota Valley Co-op News

Published monthly by:
Minnesota Valley Cooperative
Light and Power Association

Website

www.mnvalleyrec.com

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Montevideo, MN 56265

