



MINNESOTA VALLEY Co-OP NEWS

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Students Learn about Electrical Safety

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 is always one of the top priorities at Minnesota Valley Cooperative Light and Power Association. In order to get the electrical safety message out to some of the cooperative's youngest members, the cooperative partners with area classrooms and offers free safety demonstrations.

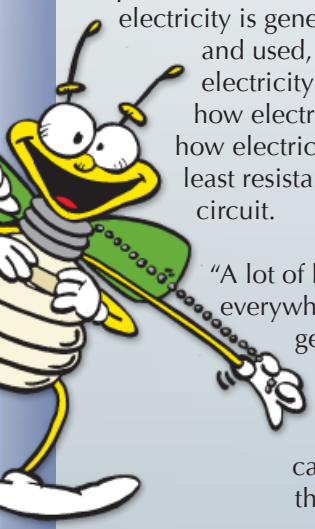
"Safety is something we take very seriously at the cooperative, not only for our employees, but also for the public," says Bob Walsh, Minnesota Valley Member Service Manager. Walsh is responsible for offering the local safety demonstrations.

"When we train young kids about electrical safety, the hope is that they will go home and share that information with their parents."

Most demonstrations are given to third and fourth grade classes, but they are also available for any group that requests one. The demos start with an animated video on various electrical facts and safety tips. A miniature electrical line display is then used to demonstrate electrical hazards. Students pay close attention as Walsh shows them visible arcs flashing over to the ground.

Topics covered during the presentation include ways electricity is generated, ways electricity is transmitted and used, what materials are conductors of electricity and what materials are insulators, how electricity needs to complete a circuit and how electricity is always looking for the path of least resistance to the ground to complete that circuit.

"A lot of kids don't realize that electricity is everywhere. It's very easy to get into a dangerous electrical situation with a power line or even electronic equipment in the home. It's important to remind students how dangerous electricity can be and how close they are to it all the time," Walsh mentions.



Minnesota Valley's 2015 Annual Meeting has been set for Saturday, March 21st at the Lac qui Parle High School!

The safety demonstrations also focus on how to avoid becoming a path for electricity to go to the ground. Students are reminded how tree climbing, playing and working around power lines can be hazardous. "We've given hundreds of presentations over the years and our hope is that we can send those kids home with information that could help save someone's life," says Walsh.

Many teachers choose to structure their curriculum to coordinate with the cooperative's classroom presentation. The safety demos are often scheduled right before or after the electrical portion of the students' science curriculum.

Minnesota Valley Cooperative Light and Power Association is committed to helping educate area students about electricity. If you would like more information about the cooperative's safety demonstrations, please contact the Member Services Department at 320.269.2163 or 800.247.5051.



Minnesota Valley Cooperative is committed to helping educate area students about electricity.

MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Mid-Year Financials in Good Shape

Financially, we are in good shape. Through June, our total margin is just under \$980,000. Our budgeted total margin through June was \$586,056. Energy sales are up overall at mid-point this year compared to last year by almost 3 percent. Operationally, we are on schedule with the planned maintenance and construction projects for the year.

Harvest Soon to be Underway

Please be sure to stress safety in all aspects of your harvest activities again this year. Be mindful of power lines when moving big pieces of equipment around. Of course, contact with power lines is safety concern number one for us. If you do happen to hit poles or guy wires with farm equipment, please let us know so we can fix those problems right away. That is what we are here for. For those of you in production agriculture, we wish you a safe and profitable harvest.

Please Think About our Power Poles When Burning Ditches

Burning ditches has caused much damage to expensive power poles over the years — please be careful. If you are going to burn a ditch with poles in it, mow or weed whip around the poles to eliminate fuel for the fire next to the poles. That way the fire should move quickly around and away from the pole without causing damage. If you do accidentally burn poles, please let us know so they can be replaced.

October is Cooperative Month

The roots of the cooperative model are set in meeting the needs of people. Cooperatives operating today in the U.S. number over 20,000 in many different business and service sectors. Cooperatives are typically formed when the marketplace fails to provide needed goods or services at affordable prices or acceptable quality. Cooperatives have thrived in part because the concept is so fundamental. People band together to form an independent business entity to serve the needs of the collective membership. But, as old as the business model is, cooperatives have never been more modern in the way they operate. As with all business, cooperatives must reinvent themselves every day in response to ever-changing member needs. To remain successful, they must also stay true to the cooperative principles.

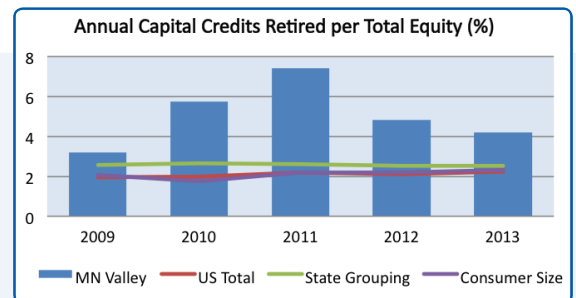
BUSINESS OFFICE • CANDICE JAENISCH



Office Manager

Minnesota Valley Leads in Capital Credit Retirement

Minnesota Valley's annual retirement of capital credits exceeds industry averages across the board. For 2013, Minnesota Valley returned 4.21% of its equity in cash to its members. Currently, Minnesota Valley is on a 13-14 year rotation of patronage retirement. Minnesota Valley prides itself on returning members' patronage to them as quickly as possible.



So...What's Behind the Capital Credit Checks?

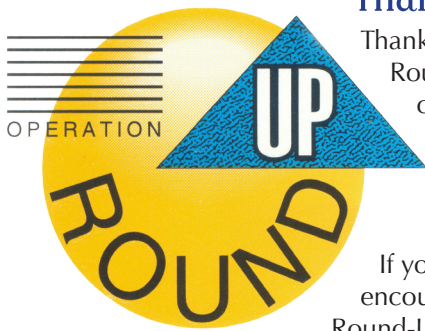
- 1) Who gets the money?** Annually, the Board of Directors decides on which years of capital credits Minnesota Valley will retire. Members who had capital credits allocated to their account for those years will receive a check during the month of March after the Annual Meeting. In 2014, Minnesota Valley retired capital credits that were earned in 2000 and 2001.
- 2) Who decides how much cash is returned to the members?** The Board of Directors approves how much cash is returned through capital credit retirements to the members at a monthly board meeting. The decision making process on how many dollars will be returned to the members in capital credit retirements is extensive. Management looks at plant growth, long-term debt retirement obligations, loan covenants and maintaining appropriate liquidity levels. Some of these decisions are made through our Four Year Construction Work Plan and other decisions are analyzed during our annual budgeting process.

- 3) How big are the checks and how are capital credit allocations computed?** Members receive a capital credit allocation based on the kWhs sold to them compared to the total kWhs sold to all members. This is then prorated by the amount of net margins the cooperative had for the year. This allocation remains with the member until it is paid out in cash. Thus, no two members' capital credit check is the same. Capital credit checks range from just over \$10 and may exceed \$50,000.
- 4) Why is this important?** Minnesota Valley is a member-owned cooperative with over 5,250 members. All margins are returned to the members through capital credit retirements. Minnesota Valley's equity (capital) as of December 31st, 2013 is approximately \$19.5 million. These dollars will be returned to the members of Minnesota Valley at a future date.
- 5) How many dollars have been returned to the members of Minnesota Valley over the years?** Since inception, Minnesota Valley has returned in excess of \$18 million to the members. Of this amount, \$8.2 million have been returned to members in the last 10 years! These dollars have a significant impact on our local communities.

Uncashed Capital Credit Checks: \$31,400

The capital credit checks that were mailed in March should be cashed by September 23rd, 2014. After that date, they will become void and you will need to contact a Minnesota Valley Customer Service Representative to fill out the appropriate paperwork to get your check reissued.





Thanks to All Members Who Contribute to Operation Round-Up

Thanks to the generosity of many Minnesota Valley members, the cooperative's Operation Round-Up Trust Fund has contributed over \$141,000 to the needs of area organizations, community projects and families in our service territory since its inception in November of 1994. An increase in the number of requests for financial assistance has left the trust fund with a dwindling balance. The program needs your help in growing the fund to where it will be able to continue to serve the needs in our area communities.

If you are already contributing, we thank you on behalf of the recipients and we ask that you encourage your fellow members to participate in the program too. Money for the Operation Round-Up program is collected from Minnesota Valley members who allow their monthly energy bill to be rounded up to the next highest dollar. Employees also contribute by having their payroll checks rounded down each month. It's easy to start contributing, simply send a note with your next energy payment or call the Billing Department at 320.269.2163 or 800.247.5051. Although your monthly donation may seem small, when combined with contributions from other members, it can make a big difference to someone in need.

Operation Round-Up Donations 9/13-7/14

- Friendship Ventures
- Special Olympics
- LQP Valley Camp Buckskin
- Montevideo Scholarship Fund
- YME Dollars for Scholars
- Lakeview Dollars for Scholars
- LQP Ghosts of Christmas
- National Kidney Foundation
- LQP Valley Dollars for Scholars
- Dawson Boyd Scholarship Fund
- LQP Valley Child Guide Program
- Granite Falls Ambulance Service
- Living at Home/Block Nurse Program
- Pioneer Public Television
- Stevens Elementary Project Respect Council
- SW/WC Service Cooperative
- Lee-Mar Ranch Therapeutic Riding Program
- United Way of SW Minnesota
- Farm Rescue
- Assistance to two families for help with medical expenses

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

The seasons are changing quickly! It is now time to start collecting on your planned spring and hard-earned crop rewards. July was a very dry month and it stayed dry until the 9th of August when some much needed rain arrived. Hopefully the crops made it through without too much yield loss.

The system is in good shape and ready to provide you with your fall electric needs. We did have Chapman Substation out (outage) for a short period of time in August. This was caused by birds shorting across some wires inside the substation, knocking out primary power. This past month, we started replacing some old lines and

building some new ones just north of Dawson. This will help improve system reliability and provide better access for maintenance. We also built three-phase into four farm site operations for corn dryer load, with an additional one to go before fall harvest.

Hopefully if you have electrical needs for fall or "that white stuff season," you have spoken to us about an upgrade already for scheduling. B three twenty one zero one B Always keep your required electrical set-back distances in mind when planning for improvements. As a reminder, current National Electric Safety Code (NESC) compliance has to be met if we do any improvements on your facilities.

Comparative Report

	Jan-Jul 2014	Jan-Jul 2013	Jan-Jul 1994
Kwh Purchased	126,802,392	123,625,069	80,535,101
Kwh Sold	120,337,514	117,465,924	73,563,987
Cost Of Purchased Power	\$5,727,886	\$5,659,925	\$2,558,044
Patronage Capital Margins	\$1,079,013	\$727,878	\$53,219
Reserve For Taxes	\$178,156	\$191,001	\$160,340
Cost Per Kwh Purchased (mills)	45.17	45.78	35.80
	July-14	July-13	July-94
Total Plant	\$62,777,434	\$61,906,839	\$23,745,909
# Of Members Receiving Service	5,269	5,255	5,166
Average Residential Bill	\$189.49	\$192.26	\$115.00
Average Residential Kwh Consumption	1,615	1,656	1,333
Average Kwh Usage All Consumers	2,881	2,898	1,828
Peak Kw Demand (Peak Load)	30,227	30,229	21,547

Energy Saving Tip



Repair leaking water faucets.

They can waste many gallons of water per day, and if it is a hot water faucet, the water leaking from it has also been previously warmed by the water heater.



There were no winners from last month's issue. Keep looking!

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.



Member Services Manager

The Heating Season is Right Around the Corner

It doesn't seem possible, but it's just about time for a new heating season. With summer winding down, we want to remind you that until September 22nd the Double Rebate Dollar program is still in effect. That means from now until September 22nd, your rebate for installing either an air source heat pump or geothermal heat pump will be doubled. Contact your local HVAC contractor or the Member Services Department at Minnesota Valley Cooperative to take advantage of this offer. If you are looking at a new heating system, please consider a heat pump. They are still the most economical way to heat and cool!

With fall closing in on us, have you thought about servicing your existing heating system? A fall tune-up can assure that your furnace is ready for another season. A lack of regular furnace maintenance could be costing you money. You can take some simple steps to service your heating equipment or have your heat source serviced by professionals. Many times, it is best to have your furnace professionally cleaned and serviced. If interested, contact your heating contractor or Minnesota Valley to schedule a fall maintenance service call.

Don't Forget!



Contact Minnesota Valley to schedule your fall furnace inspection.

Cash in on the "Double Rebate Dollar Days" by installing a heat pump before September 22nd.

First Call Provides Peace of Mind...



- ✓ For the person you care about – the independence they want and the security they need
- ✓ For family and friends – peace of mind for everyone

By pressing the button on the neck or wrist pendant, a response center is called and appropriate help is contacted within seconds.

Call for more information or a free demonstration: 320.269.2163 or 800.247.5051.

Recent Hires at the Cooperative



Jan Eric Landmark was hired on June 9th as an Apprentice Lineworker. He is a graduate of Minnesota West Community and Technical College, Jackson with a degree in Powerline Technology.



Mark Johnson was hired on August 11th as a Member Services Representative. He is a graduate of Minnesota State University, Mankato with a Bachelor's Degree in Business (Finance).

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