MCLEOD COOPERATIVE POWER

NEWS

AUGUST 2020



NEW BUILDING TO OPEN AUGUST 18

The construction is over, and we're excited to serve you from our new location beginning August 18.

After several years of planning and 12 months of construction, the new McLeod Cooperative Power combined facility is a reality. The demand for a new facility was driven by the need for a new garage and warehouse.

The new facility is approximately 63,000 square feet, comprised of 44,000 square feet of warehouse and vehicle storage, 12,000 square feet of office and meeting space, and 7,000 square feet of mezzanine storage and mechanical space. The facility also has 42,750 square feet of fenced area for outside storage of materials.

"For the past several decades, the Co-op has been finding creative ways to fit 21st-century equipment and trucks into a small 1950s era garage," said Board President Doug Kirtz. "Our priority has always been reliability and outage restoration. Bringing our entire team together by combining our pole yard, covered storage, and office space makes the most sense. Plus for the first time in 85 years, our building will receive power from our own lines."

Located in Glencoe's East Industrial Park, our new headquarters remains in a central location within our service territory, which is a key factor in outage response times. The sturdy, pre-cast concrete structure and emergency generator provide a safe

Pole Testing Leads to Better Reliability

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and reliable space to operate, especially during large storms when power outages are most common.

Our new building meets all of the Cooperative's current needs for expansion, provides efficiencies by housing all of our operations under one roof, and creates room for future growth.

Because the Cooperative has done a number of things to minimize rate impacts, set aside money during good times, and will apply the proceeds from the sale of our existing buildings to offset construction costs, there will be no immediate impact to rates due to the new facility.

"This new space has been given a vast amount of thought and due process over the years while taking into consideration the needs of our members and staff," said Kirtz. "We built the facility to be functional, positioned for the future, and also incorporated a number of energy efficiency measures."

Ultimately the new facility gives us space to gain efficiencies and provide better service to our member-owners. By resourcefully consolidating all of our resources in one facility, McLeod Co-op will be able to improve response times in emergency situations and serve the community for years to come.

Operation Round Up Makes an Impact

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Office Closed for Moving

The McLeod Cooperative Power office will be closed on August 12-17, 2020, for moving. We will reopen our lobby on Tuesday, August 18 in our new location at 3515 11th St. East, Glencoe, MN 55336. Adjusted lobby hours, in response to COVID-19, from 9 a.m. to 4 p.m. will remain in place at our new location. We appreciate your patience while our team makes the move to our new facility. Please call (800) 927-5685 in the event of an outage or emergency.

Office Closed for Labor Day

The McLeod Cooperative Power office will be closed on Monday, September 7, 2020, in observance of Labor Day. Please call (800) 927-5685 in the event of an outage or emergency.

NEW BUILDING HIGHLIGHTS AND STATS

LOCATION:

3515 11th St. East, Glencoe. MN 55336

OPENING:

August 18, 2020

PROJECT ARCHITECT:

Brunton Architects and Engineers

CONSTRUCTION MANAGER:
Adolfson and Peterson Construction

CONSTRUCTION BUDGET: \$9.2 million



62,420 TOTAL SQUARE FEET

- 43,700 Warehouse and Garage
- 11,900 Lobby, Office and Meeting
- 6,820 Mezzanine and Mechanical

DESIGN DETAILS

PRECAST CONCRETE PANELS

by Wells Concrete

- 186 panels
- 134 truckloads
- 3,981,000 pounds

CONCRETE FLATWORK by Ultra Concrete

• 1,830 cubic yards

- 1,830 cubic yards181 truckloads
- 7, 411,500 pounds
- STRUCTURAL STEEL

by Briese Iron Works

- 1,204 pieces of steel
- 33 truckloads
- 452,000 pounds





CEO MESSAGE

Its been just over a month since I moved to Minnesota to start this new adventure. I'm so thankful for the warm welcome I've received in our community and especially thankful to recently retired General Manager Carrie Buckley, who provided me the luxury of help transitioning and getting me up to speed in my first two weeks. Carrie, I hope you enjoy your retirement, those grandkids, and sleeping in! Thank you.

HIRING

Things got off to a quick start. On my first day, I found out that our Manager of Finance, Susan Noyes, had given her one month's notice just the day before. She is off on new adventures with her family and we wish her well. We are also thankful that our partner in this business, Great River Energy, is assisting us in our search for the next Manager of Finance. Susan is leaving some big shoes to fill.

COVID-19

I'm sure you're tired of hearing all the latest updates about the Coronavirus, I know I am. But it's a reality and safety for everyone is our number one priority here at McLeod Cooperative Power. We continue to watch the developments of the pandemic very closely. Under the Stay Safe Minnesota quidance, we have been able to reopen our lobby with additional safety measures in place. While we welcome and look forward to seeing you all in-person, we still recommend that if you can, complete your business with us via our website, over the phone, or by using our payment dropbox. If you do prefer to come in, please be aware of social distancing and courteous of others that may be in the lobby. To comply with the Governor's most recent executive order, masks are now required to be worn when visiting the lobby. Also, don't



CEO RON MEIER

be surprised to see the addition of plexiglass dividers between you and our member service team. New lobby hours are 9:00 a.m. to 4:00 p.m. Monday through Friday.

NEW BUILDING

In other exciting news, as you've read on the front cover, we are making plans to move into our new; world headquarters in the middle of August. You will find us on the east side of Glencoe at 3515 11th Street East. Don't worry; our phone number isn't changing, just our street address. There will be a lot to do once we move in, and we are all very excited. Having all the operations of the cooperative under one roof will lead to efficiencies in our service to our members. The building was built for the next 85 years, and it is an amazing investment for the cooperative.

LOOKING FORWARD

By this time next month, we will likely be announcing our next Manager of Finance, getting closer to the end of this pandemic, and someone probably has already scratched the paint in the new world headquarters. The future is bright for McLeod Co-op and our service to you, our member-owners.

Cooperatively,



JULY 2020 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on July 28, 2020 at the Glencoe City Center. All nine board members were present for the meeting. The attorney, CEO Ron Meier, and department managers were also present.

Highlights of the meeting included:

- An update was provided on the final construction activities with the new facility. The office move is scheduled to take place August 12-17.
- The board heard a review on the Federal Legislative Bill (S4152/HR7483). This bill could provide an opportunity to reduce interest expense by allowing cooperatives to refinance debt to lower interest rates while avoiding a pre-payment penalty.
- A report provided information on an incident where an employee's email was compromised due to an email phishing scheme. All machines that may have been affected have been investigated. To date, there have been no further incidents or signs of compromise. It is a reminder to be careful when opening attachments to emails.
- Several resolutions approved new CEO Ron Meier as the Co-op's designated representative.
- Director Hlavka reported on Great River Energy (GRE) activities for the past month. GRE is in the discussion stage of trying to meet the needs of all members through a new contract, called MDR-2.0, which would allow members more flexibility on purchasing power.

2020 ELECTION RESULTS

As part of the Annual Meeting, held on July 21, the Nominating Committee announced this year's election results (listed below). Thank you to all of the members that voted. We'd also like to thank the candidates that ran in this year's election. Local democracy is a cornerstone of our cooperative and we are grateful to have a membership that actively participates in our elections.

Election Results:

- District 1 Oria Brinkmeier
- District 2 Joe Griebie
- District 3 David Resch

The proposed Restated Articles of Incorporation and By-Laws were approved.

Board Leadership Changes:

In an organizational meeting held by the Board of Directors following the Annual Meeting, the following leadership positions were elected.

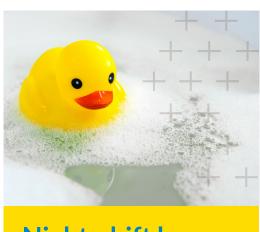
- Doug Kritz, President
- Joe Griebie, Vice-President
- Susan Anderson, Secretary-Treasurer
- Dave Resch, Asst. Secretary-Treasurer
- Randy Hlavka, GRE Representative

NO POWER? NO WORRIES

Protect your home and family from the expense and inconvenience caused by power outages. Operate your sump pump, furnace fan, lights, refrigerator, and other important appliances with a Briggs and Stratton Automatic Generator sold and installed by McLeod Cooperative Power.

Call (800) 494-6272 for more info!





Night-shift hours. All-day savings.

Qualifying members receive a \$400 rebate, 0% financing, and a lifetime of energy savings when you upgrade to an Electric Thermal Storage water heater.

ETS water heaters draw electricity at night when it's in low demand and less expensive, saving you up to 50% on your water heating costs. They're lightweight, easy to install, and backed by a lifetime warranty. Visit www. mcleodcoop.com/i-want-to/rebates/ for more information or call (800) 494-6272 to talk to an Energy Specialist.

OUTSMART UTILITY SCAMMERS

With all of the confusion and uncertainty in our world today, scammers are taking advantage of these circumstances to target consumers by phone, email, and text. These con artists claim to be from McLeod Cooperative Power and threaten to shut off power unless an immediate payment is made.

The best defense against a utility scammer is an educated member. Follow these tips to protect yourself from a potential scam:

Know The Facts

If your account is past due, you will receive a written notice of your account status, with instructions on how to avoid disconnection of service. While our representatives may call a member whose bill is past due to remind them that a payment is due, the representative would explain how a payment can be made using our established payment options. In addition, McLeod Co-op does not accept prepaid debit cards or wire transfers as payment, and our representatives will not demand your bank information or credit card number over the phone.

Take Your Time

Do not be rushed. If you receive a call, text, email, or visitor saying you have to pay your bill immediately to avoid disconnection, tell them you would like to verify that they are a legitimate co-op representative by calling a verified number for the local co-op office. Beware if a representative exhibits impatience, annoyance, or anger when you question their authority.

Always Ask Questions

Ask the person contacting you to provide you with your account number, your last payment amount, and the date of payment. If they are a legitimate representative, this information will be readily accessible. If not, hang up or shut the door, and call McLeod Co-op directly to report the suspicious activity.

Call If You Have Concerns

If you receive a phone call that you question, hang up the phone and call us directly at (800) 494-6272 to find out the true status of your account.

MAINTAINING SYSTEM RELIABILITY: ONE POLE AT A TIME



Utility poles are probably one of the most iconic structures in the electric industry. Since electric cooperatives began constructing their systems back in the 1930s, images of line workers setting poles, climbing poles, and hanging the lines have reflected the hard work involved in bringing vital electricity to rural America.

Today, McLeod Cooperative Power maintains close to 30,000 poles in its system. The Co-op is continually working to ensure every one of those poles is in the best possible condition to do its job and keep your power on.

Over the next month, McLeod Co-op is conducting annual pole inspections in the Bell Substation service area. This essential maintenance helps to keep our electric delivery system performing at the highest possible level. McLeod Co-op has contracted this inspection service to be completed by Star Energy Services.

There are varying inspection methods for poles based on their age. A newer pole may only require a visual inspection, which includes looking for damage of any type. A pole could have been the target of a woodpecker or may have been struck by a vehicle or machinery.

For poles that are more than 15 years old, Star Energy Services digs down about 6 to 12 inches beside the pole, drills into it, and removes a core sample. If they find

it has decayed and can't be expected to last another 10 years (based on Rural Utility Service guidelines), they will reject the pole. A rejected pole is then replaced by McLeod Co-op line workers shortly after the inspection. Of the 3,122 poles inspected in 2019, 123 were rejected.

It's our goal to inspect every pole on our system in a 10-year rotation. It's important to note that just because a pole is rejected doesn't mean it is in imminent danger of failure.

The purpose of the inspection process is to prevent future issues with the poles and to document the status of each one if it is deemed to be in good enough condition to remain in service. With any pole, a GPS point is taken in order to keep track of the poles that require attention.

The pole inspection process also turns up other issues on and around a utility pole. Broken guy wires, chipped insulators, broken lightning arrestors, frayed wires, and even loose bolts are noted by the inspectors and remedied by our crews.

"We have found that having a pole testing and replacement program in place certainly reduces the number of broken poles we experience during storms that affect our area," said Operations Manager Dan Schade. "The inspection and repair program creates an additional layer of safety and reliability to our system."

PEOPLE BEHIND YOUR POWER

DAN EHRKE MANAGER OF MEMBER SERVICES

Dan manages the Cooperative's billing, load management, and member relations services at the Cooperative. By helping his team provide excellent customer service with a member first approach, he helps McLeod Cooperative Power demonstrate the cooperative difference. Dan is active in our community coaching sports, is an avid reader, and loves spending time outdoors hiking.

Fun Fact:

Dan's favorite summer treat is fresh raspberries.





ENERGY EFFICIENCY

Installing a smart power strip is a quick and easy way to start saving money while making your home more energy-efficient. Smart power strips can cut the power off to save energy since they can detect when a device is in standby mode.

MCLEOD CO-OP MEMBERS DONATE \$21,100 TO 19 LOCAL AND WORTHY CAUSES

Your spare change adds up, allowing 2020 Operation Round Up® grants to be distributed to support our community. Learn about how these funds support the local food shelf below!





Through the Operation Round Up® program, McLeod Cooperative Power gives our members the opportunity to give back to the community. Each month the rounded-up funds (between 1¢ and 99¢) are placed in a trust fund and administered by the volunteer Trust Board. In March, McLeod Emergency Food Shelf (MEFS) was one of nineteen local organizations to benefit from this grant program. They received funding to support start-up costs for a mobile outreach program - Driving Away Hunger.

"Driving Away Hunger is designed to reduce transportation and mobility issues associated with food access in our communities. The mobile outreach vehicle will be stocked with shelf-stable pantry items, fresh produce, frozen proteins, grains, dairy, and bakery treats," shared Executive Director, Lennie Albers.

MEFS was founded in 1983 and has provided millions of meals with the generous support of the local community. In their first year, 109 households were served with the number stretching over the years to as many as 1,857 distinct households. In 2019, 8,322 distributions provided enough food to prepare more than 384,000 meals. More than a halfmillion pounds of food is distributed each year!

"McLeod Co-op is guided by a set of principles that influence our business decisions and ensure that our actions are in the best interest of our members, which means being a responsible member of the community and doing all we can to meet needs in our service territory," said McLeod Co-op Member Services Manager Dan Ehrke. "The Operation Round Up grants we distribute improve the quality of life in our service area and the success of this program is a direct result of the members who participate. It's members helping members."

Albers shared her appreciation, "Thank you! There is real power in MANY doing even a small part to make a HUGE difference."



SIGN UP FOR OPERATION ROUND UP TO **SUPPORT CAUSES LIKE THIS AND MORE!**

Visit the McLeod Co-op website to sign up for the program and round up your bill today!

2020 OPERATION ROUND UP RECIPIENTS

Aveyron Homes Inc.	\$1,500
Buffalo Lake Ambulance	\$2,000
Buffalo Lake – Hector – Stewart Preschool	\$1,000
GFW Dollars for Scholars	\$500
Homes McLeod	\$1,000
Mayer Fire Department	\$2,000
McLeod Alliance	\$300
McLeod County Historical Society	\$1,200
McLeod County Toward Zero Deaths Safe Roads Coalition	\$500
McLeod Emergency Food Shelf	\$1,000
McLeod For Tomorrow	\$1,000
New Germany Fire Department	\$2,000
Buffalo Lake Fire Department	\$2,000
Silver Lake Civics Association	\$500
The Salvation Army Northern Division	\$500
Hutchinson Area Women of Today	\$100
GSL School District #2859 – JH STEM	\$1,000
Brownton Fire Department	\$2,000
BLHS Robotics – Hector	\$1,000

SUPPORTING THE COMMUNITY: SMALL CHANGE, BIG IMPACT

McLeod Co-op's Operation Round Up® program has awarded nearly \$130,000 thousand totaling 163 donations to local nonprofit organizations and community service programs since the program's inception in 2004. In March 2020, the Cooperative and Operation Round Up®contributed \$21,100 to 19 area organizations. (See the complete list to the left.)

LEARN MORE:

Operation Round Up funds are given to local civic organizations and worthy causes through an application and selection process. For further information or to obtain an application form, visit https://www.mcleodcoop.com/ services/operation-round-up/ or call (800) 494-6272.

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POSTMASTER: Send Power News, PO Box