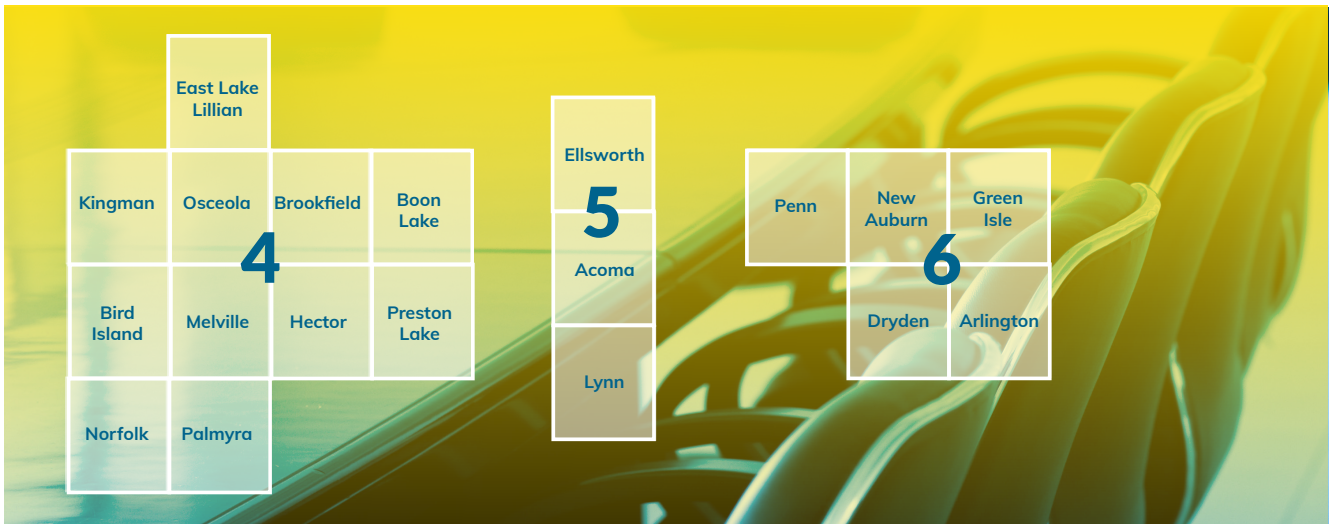


MCLEOD COOPERATIVE POWER

NEWS

NOVEMBER 2020



CANDIDATE FILING FOR BOARD OF DIRECTOR POSITIONS FROM DISTRICTS 4, 5, AND 6 IS NOW OPEN.

McLeod Cooperative Power Directors are member-owners just like you who understand and listen to the community. They represent you on the Cooperative's Board, while responsibly overseeing the business of the co-op and determining its strategic direction. The cooperative model depends on its members to provide leadership and guidance.

Each year an election takes place in three of the Cooperative's nine districts to elect a Director. The election process ensures that every member has a voice in the operation of this organization. Members that meet the position's qualifications and desire to be actively involved in their co-op may seek election.

DIRECTOR QUALIFICATIONS AND EXPECTATIONS:

- Be a member in good standing of the Cooperative and a resident of the district you wish to represent.
- Cannot be a close relative to an employee, or board member.
- Cannot be employed by the Cooperative or an enterprise that competes with the Cooperative, or have any other conflict of interest.
- Must have the time available to attend a minimum of 12 regular board meetings and additional meetings or training sessions.
- Must possess basic computer skills to receive electronic communication and reports from the Cooperative.

- Directors must also be willing and able to fully participate in the business activities of the Cooperative. From time-to-time, directors may be called upon to represent the Cooperative at meetings or events, in addition to expected attendance at regular monthly board meetings.

A complete list of qualifications can be found in the cooperative's Bylaws.

In addition to these qualifications, there are also some important personal characteristics that a director should possess.

- Directors should have a sincere interest in preserving the strength of the Cooperative's operations and maintaining a productive relationship with its member-owners. They must be accessible to the members who they represent and work with each other to ensure equitable treatment to all members across the entire distribution system.
- Directors should also be business-minded in order to evaluate strategic decisions, corporate policies, and financial reports.

Members in districts 4, 5, and 6; who meet the qualifications and characteristics described here and have an interest in serving as a director of McLeod Cooperative Power should complete the director application at mcleodcoop.com/about/co-op-info by 4:30 pm on January 15, 2021. If you have additional questions, need more information, or would like to request an application by mail please call (800) 494-6272.

Changes to the Operation Round Up Program

02

\$300,000 in Capital Credits To Be Returned to Members

03

Happy Thanksgiving!

McLeod Cooperative Power Office Closed

McLeod Cooperative Power will be closed on Thursday, November 26, and Friday, November 27, 2020, in observance of Thanksgiving. Please call (800) 927-5685 in the event of an outage or emergency.

New Office Location

The McLeod Cooperative Power office has moved! We are now serving you from 3515 11th St. East, Glencoe, MN 55336.

VOLUNTEERS NEEDED

McLeod Cooperative Power is searching for members who reside in Districts 4, 5, and 6 willing to dedicate time in January and February to select candidates for the 2021 Director Election.

Are you looking for a simple way to be involved in your cooperative and your community? Volunteering for the McLeod Co-op Nominations Committee might be a perfect fit.

McLeod Co-op is currently seeking volunteers to serve on the Nominating Committee. Volunteers participate in the election process by reviewing candidate applications and submitting two applicants per district to the Board of Directors for approval. They also assist in collecting and counting ballots at the Co-op's Annual Meeting on April 13, 2021.

DISTRICT 4:

Kingman, Osceola, Brookfield, Boon Lake, Preston Lake, Hector, Melville, Bird Island, Norfolk, and Palmyra Townships in Renville County and East Lake Lillian Township in Kandiyohi County.

DISTRICT 5:

Lynn and Acoma Townships in McLeod County, and Ellsworth Township in Meeker County.

DISTRICT 6:

New Auburn, Green Isle, Arlington, and Dryden Townships in Sibley County, and Penn Township in McLeod County.

Committee meetings are scheduled for January 27 and February 18, 2021, at 9:30 a.m. Members who serve on the Nominating Committee are paid a per diem for each meeting plus mileage.

If you are interested in serving on this committee, please call McLeod Co-op at (800) 494-6272 no later than January 4, 2021.

Nominating candidates to run for board seats is an important part of the democratic process that makes your cooperative unique and effective.



CEO MESSAGE

Operation Round Up Program Transitions to Opt-Out

Let me tell you a story about a van in a parking lot and what it means to care for our community. At the cooperative I came from in Colorado, there was a van parked in the corner of the parking lot. Every week, volunteers from the Disabled American Veterans (DAV) group would pick up the van and drive veterans over four hours to the nearest VA hospital. Rain, snow, or shine these volunteers showed up to serve. The best part, that van was funded by a grant from Operation Round Up® (ORU).

As a not-for-profit electric cooperative, created to serve the needs of the area, one of our core cooperative principles is “Concern for Community.” It is one of the things that sets us apart from other types of businesses. Caring for the community has been part of our DNA since the cooperative model was created.

The ORU program was created to help co-ops across the nation live out this important principle. The program allows our member-owners to give back to their local communities by rounding up their monthly electric bill to the nearest dollar. The “rounded-up” amount is pooled together in a fund that is administered to support local non-profits and their endeavors serving our communities.

Here at McLeod Cooperative Power applications are accepted throughout the year from non-profits for consideration by the ORU board of trustees. Grants are awarded once a year. To date, \$130,000 has been distributed to organizations doing important work in our service territory since 2004.

While the program has been successful, the needs of our local community have continued to grow, and unfortunately, ORU funding hasn’t been able to keep pace. Because we know that a grant from ORU can make or break a project that impacts our community, we want to be able to help more.

With “Concern for Community” guiding our decision, McLeod Cooperative Power has decided to convert ORU to an opt-out program. Starting early next year, all residential accounts will



CEO RON MEIER

be automatically enrolled in the program. This approach is found at other electric co-op ORU programs and raises our ability to develop funding for the grants that make a significant difference in our community.

McLeod Cooperative Power has decided to convert our Operation Round Up® to an opt-out program. In 2021, residential accounts will be automatically enrolled and your electric bill will be rounded up to the nearest dollar. This change will grow funding, allowing the Cooperative to keep up with the needs of our community. Opt-out instructions are available at mcleodcoop.com if you choose not to participate.

Despite this change, the program remains voluntary, and we understand that there will be members who are unable to help and would prefer not to participate. If that’s you, all you have to do is opt-out. Members should have received a mailing last week regarding these changes, including instructions for opting-out.

The DAV van I mentioned earlier is one of my favorite ORU success stories, and seeing it every day when I arrived for work was a reminder of the good that ORU programs across the cooperative family do. I’m proud that McLeod Cooperative Power members are making an impact here as well, noted by a few of the stories below, and I’m excited to see how this program transition will grow funding and support our community for many years to come.

Cooperatively,
R1PL

OCTOBER 2020 BOARD MEETING HIGHLIGHTS

The regular meeting of the Board of Directors of McLeod Cooperative Power Association was held on October 27, 2020, at MCPA headquarters. All nine board members, the attorney, CEO Ron Meier, and department managers were present.

Highlights of the meeting included:

- Operations Manager Shade reviewed the September Outage Report which included 130 outages, affecting 232 consumers.
- A motion was carried to approve the changes to Policy 5-19A Flame Retardant Clothing for Non-Union Employees to include the Engineering Aids.
- IT Manager Sell provided an update that GRE is sunsetting their current load management radio receiver program for load control by the year-end of 2025. This will require the cooperative to invest in new radio receivers and software for its related programs.
- CFC will perform a Cost of Service Study in January 2022. The timing of the study should work out perfectly with GRE’s project Phoenix and the potential changes to the GRE rate structure.
- A motion was carried to approve Director Griebie as the voting delegate for the Cooperative Network Director Election and the Proposed Restated Articles of Organization / Restated Bylaws.
- Director Hlavka reported on the Great River Energy (GRE) activities for the past month. The 2021 GRE Budget was reviewed.



McLeod Emergency Food Shelf was the recipient of a \$1,000 Operation Round Up donation in 2020. The donation help support start-up costs for a mobile outreach program - Driving Away Hunger.



Crow River Habitat for Humanity was the recipient of a \$500.00 Operation Round Up donation in 2016. The donation helped support a Habitat home build in Hutchinson.



Community Giving Hope was the recipient of a \$1,500 Operation Round Up donation in 2019. The donation was used to support the Cancer Cruise of Sibley County fundraiser assisting local community members with medical expenses.



The Brownnton Fire Department was the recipient of a \$2,000 Operation Round Up donation in 2020. The donation was used to purchase a K12 Rescue Saw.

LOOKING FORWARD TO 2021?

We are too! McLeod Cooperative Power 2021 calendars are now available featuring scenic landscape photos from our service territory!

Stop by the office to pick up a copy today. Calendars are available on a first-come, first-serve basis while supplies last.



SAYING THANKS WITH DONUTS

McLeod Cooperative Power celebrated 85 years as a cooperative on October 20th by serving donuts. That morning members were invited to drive up to our new headquarters where McLeod Co-op employees handed out donuts to mark the occasion.

There was a pending snowstorm making attendance a little lighter than expected, with the true cooperative spirit in mind we made deliveries to local businesses as well.

While the celebration looked different than what we hoped for at the beginning of the year, we were still honored to serve our members and our community in recognition of all we've accomplished. Giving back to the very people that make our cooperative a success is the only way to celebrate, no matter the circumstances.

In all, over 400 donuts were served, making a lot of smiles and a one of a kind anniversary celebration!



MCLEOD CO-OP BOARD AUTHORIZES \$300,000 CAPITAL CREDIT RETURN

1. McLeod Co-op tracks how much electricity you use through the year.

2. Each year, after expenses are paid, McLeod Co-op calculates margins.

3. Margins are used to invest in the system and allocated to members based on their usage.

4. If financial conditions allow, McLeod Co-op retires (returns) capital credits to members.

McLeod Cooperative Power's continuing strong operational and financial condition will again provide a gift to members with a capital credit refund on their energy bill this holiday season.

As a not-for-profit electric cooperative, McLeod Cooperative Power is not like other utilities— you, as a member and consumer, own a portion of the business. One benefit of that membership involves the allocation of excess revenue, called margins, in the form of Capital Credits.

Electric co-ops operate at cost, collecting only enough revenue to run and expand the business, unlike investor-owned electric utilities, which are designed to make a profit for shareholders. McLeod Cooperative Power assigns any money collected above the cost of operations to its members in the form of Capital Credits. When the Co-op's financial position permits, the co-op retires, or pays, a portion of these Capital Credits back to its members.

McLeod Cooperative Power's board of directors recently declared a capital credit return of \$300,000 to its members.

Capital credits are being applied to active electric accounts and will show as a line item credit on each bill for members that receive a refund. Former members who no longer have an active electric account will be mailed their refund in the form of a check, in December. Capital Credit amounts less than \$10 are held until additional Capital Credits are retired.

"Co-ops exist to make sure the needs of their members are being met, not to make a profit," said Board President Doug Kirtz. "When we have a strong year, the members are able to share in the profits through capital credit refunds."

Since 1935, we have distributed more than \$18 million in Capital Credits to our members. Capital Credit payments are quantifiable proof that as a member of McLeod Cooperative Power, you are an owner of a successful, effective organization. Kirtz added that capital credits refunds are one of the many benefits of being a member of an electric cooperative.

If you have questions regarding Capital Credits, please contact our office during regular business hours at (800) 494-6272.



COOPERATIVE PRINCIPLE #3 MEMBERS' ECONOMIC PARTICIPATION

All co-op members invest in their cooperative. This means people, not shareholders, benefit from a co-op's profits.

PEOPLE BEHIND YOUR POWER

RYAN SCHUETTE LINE FOREMAN

Ryan has worked at McLeod Cooperative Power for 14 years working his way from apprentice lineworker to his recent promotion as Line Foreman. His role is to organize the way line department jobs get completed and manage day-to-day operations in the field. Ryan's favorite part of the job is restoring outages, especially during storms. He says seeing lights come on across the countryside in the middle of the night is very satisfying. Working at a co-op is important to him because as a member-owner himself, he knows he is working for his family and neighbors.



Photo Credit: Jim Jordahl

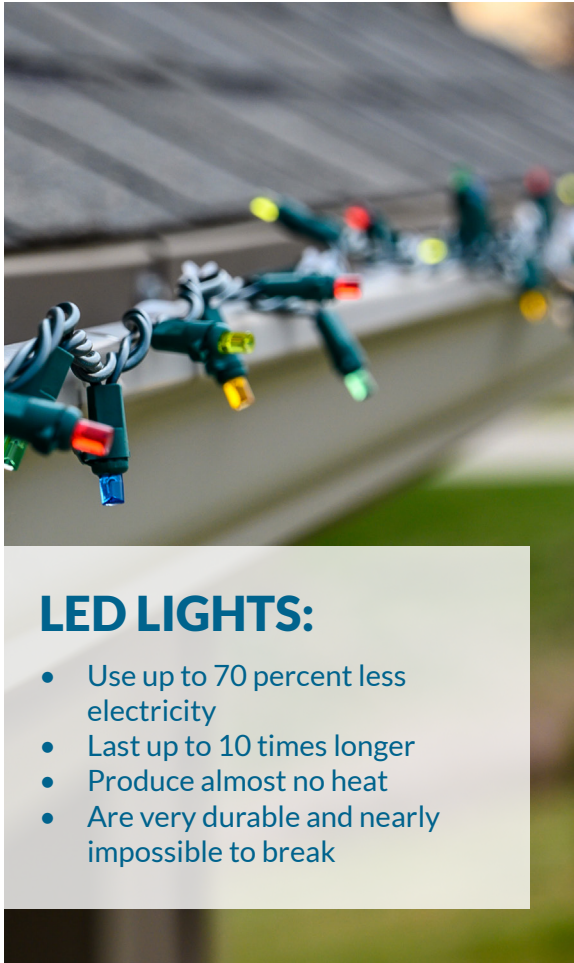


ENERGY EFFICIENCY

Keep cold air out to save energy. Seal air leaks around pipes and any gaps around chimneys and unfinished spaces behind cupboards and closets.

EFFICIENT LIGHTING FOR THE HOLIDAYS

It's a shame that the holidays can lead to higher energy bills, but the good news is, there are strategies that can save you money without dampening your holiday spirit!



LED LIGHTS:

- Use up to 70 percent less electricity
- Last up to 10 times longer
- Produce almost no heat
- Are very durable and nearly impossible to break

The holiday season is fast approaching, making for an expensive time of year for many homeowners. All the additional shopping, travel, hosting, and gift-giving adds up quickly, and so do the bigger energy bills that come with heating a home during the coldest months of the year. Adorning the house and trees around it with electricity-sapping decorations doesn't help either.

Fortunately, if you are savvy about how you decorate, increased electricity costs are not a requirement of the season. Read on for tips on how to cut your home energy usage during the holidays without turning into a Grinch.

SWITCH TO LED OPTIONS

Christmas tree lighting definitely increases the season's electricity bills, but replacing incandescent holiday lights with energy-efficient LED lights can help. ENERGY STAR® qualified LED lights use 70 percent less energy while providing a brighter light.

USE FIBER OPTIC LIGHT DECORATIONS

Want to take holiday energy savings a step beyond LED? Consider fiber optic decorations. Fiber optic technology uses one lamp source

to light multiple light points, making it a super economical and energy-efficient choice.

USE A TIMER

One of the simplest ways to cut your energy bills is to limit electricity usage to periods when the decorations may be fully enjoyed. Using automatic timers to turn lights off at the evening's end is a good start.

LOCATE DECORATING ALTERNATIVES

Not all illumination has to come from decorative lights. Festive options such as ornaments and tinsel have highly reflective properties, making them the perfect complement to traditional lighting options.

We hope these tips help raise your holiday spirits without giving you the budget blues in January!

BUY ONE STRING OF ENERGY-SAVING LED HOLIDAY LIGHTS, GET ONE FREE!

Visit energywisemnstore.com today! Take advantage of this limited-time BOGO offer, available only to the first 200 members. Offer begins November 1, 2020.



SUPPORTING HARVEST SAFETY IN OUR COMMUNITY

Each year, McLeod Cooperative Power joins forces with the Chamber of Commerce to provide a safety message and bucket of thanks to our local farmers.

This annual program is organized by the Agri-Business Chamber of Commerce committee. Local companies in Glencoe and Hutchinson donate a variety of snacks, wellness, and safety items that are packed and hand-delivered to the local farmers out in the field during harvest time. This program has proven to be a valuable tool, letting the area farmers know they are an important part of our community and economy. It's also a chance to remind them to stay safe by taking breaks during the harvest season.



CEO Ron Meier (right) assisted with delivering Farm Fatigue buckets in Hassan Valley Township. McLeod Co-op member Jeremy Luthens (left) was a proud recipient.

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