

MCLEOD COOPERATIVE POWER

NEWS

DECEMBER 2020



2020: A YEAR TO REMEMBER

While the year didn't turn out the way any of us expected, McLeod Co-op Power stayed focused on reliable service, member satisfaction, and operational improvements that resulted in a successful year. 2020 won't be a year many of us forget, and here are a few highlights that top our list of most memorable.

NEW FACILITY

One of the greatest highlights of the year was finally opening the doors to our new facility in August. After several years of planning and 12 months of construction, the new McLeod Co-op Power combined facility became a reality.

An expanded warehouse and garage were the driving factors behind this project. 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. By resourcefully consolidating all of our resources in one location, the Cooperative will be able to improve response times in emergency situations and serve the community for years to come.

We are also happy to report that our old pole yard was purchased by Arnold's of Glencoe and Sam's Tire is leasing our former headquarters with the intent to purchase in 2021.

OPERATIONS PROGRESS

2020 hosted big goals for our operations department and they worked tirelessly on distribution system improvements. In 2020 so far, crews installed 169,211 feet of primary underground wire and 5,691 feet of secondary wire. In addition, they removed 139,205 feet of overhead primary line and 2,778 feet of secondary overhead wire. Of course, they also

responded to power outages, completed required maintenance work, and cleared vegetation within our right-of-way.

WORKFORCE CHANGES

Our workforce experienced significant changes primarily related to retirements in 2020. Sue Pawelk retired as Member Services Manager in May, Carrie Buckley retired as General Manager in June, and Manager of Finance Susan Noyes left shortly after. Then this fall our Line Foreman Grant Miller retired as well. All of these employees played significant roles at the Cooperative taking decades of knowledge and experience with them.

While we were sad to see them go, we filled big shoes with some great people. Dan Ehrke, Ron Meier, Steph Jakel were hired to fill the respective leadership roles. Ryan Schuette was promoted from within to become our new Line Foreman leaving an opening for journeyman lineworker Ryan Kobliska to be added to the team.

COVID-19

We can't close the year without acknowledging the impact of a pandemic and the resiliency of our team. As an essential service, our team adapted to alternative scheduling, telecommuting, and constantly changing circumstances. Restrictions and executive orders delayed our Annual Meeting and Director election while social distancing and increased sanitation changed the way we did business with members. We are proud of our employees for pulling together during a difficult year to serve our members.

Here's to 2020, a year we won't forget, and to serving you in 2021.

Be Prepared for Winter Power Outages

03

Community Award Winner Announced

04

Happy Holidays!

McLeod Co-op Power will be closed on Thursday, December 24, and Friday, December 25, 2020, in observance of Christmas and Friday, January 1, 2021, in observance of the new year. Please call (800) 927-5685 in the event of an outage or emergency.

Office Closed to the Public

McLeod Co-op Power's office is closed to the public until further notice to minimize exposure to the coronavirus (COVID-19). Minimizing risk to our employees is vital for our abilities to maintain power service as cases in the region continue to rise. Additional details are available at www.mcleodcoop.com/front-entrance-closed.

YOUR INVOLVEMENT MATTERS

DIRECTOR CANDIDATE FILING NOW OPEN

McLeod Co-op Power Directors are member-owners just like you who understand and listen to the community. They represent you on the Co-op's Board, while responsibly overseeing the business of the co-op and determining its strategic direction.

Each year an election takes place in three of the Co-op's nine districts to elect a Director. The election process ensures that every member has a voice in the operation of this organization.

Members in districts 4, 5, and 6; who meet the Bylaw qualifications and have an interest in serving as a director of McLeod Co-op Power should complete a director application at mcleodcoop.com/about/co-op-info by 4:30 p.m. 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.

VOLUNTEERS NEEDED

The co-op is also 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.

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 the Co-op at (800) 494-6272 no later than January 4, 2021.



CEO MESSAGE

“Twas the night before Christmas, when
all through the house, not a creature
was stirring not even a mouse...”

The immortal opening to Clement Clark Moore’s poem, A Visit from St. Nicholas stirs emotions in all of us who are familiar with it. Here at McLeod Co-op Power, we are always quietly stirring every day to keep the lights on, keeping everyone safe, and doing what we can to give back to the membership.

As we hang our stockings by the chimney with care at the end of this year, we already know that one of the presents to be found under the tree is no general rate increase for 2021. Through the diligent work of the elves at our power supplier Great River Energy and all the employees here at the Co-op, we are keeping costs under control for another year. This will be at least three years in a row without a rate increase.

Another present under the tree is the retirement of over \$300,000 in capital credits going back to the membership. Electric co-ops operate at cost, collecting only enough revenue to run and expand the business. The Co-op 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 and the Co-op has excess margin, the co-op retires, or pays, a portion of these Capital Credits back to its members. This is one of the fundamental differences of the cooperative business model.

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. So watch for that credit on your bill in December.



CEO RON MEIER

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.

These are some of the wonderful gifts you receive by being a member of the Co-op indeed.

As we come into winter and the elements come knocking while we are all snug in our beds, there will be nights when the line crews of McLeod Co-op Power will be out in the cold restoring power. Without a word, the crews go straight to work, so please, give them space when you see them out on the roads. They need to remain focused on the task at hand because their work can be extremely dangerous. They have their families to get back to after taking care of yours.

It is also the time of year where we look to you, our members, who have the time to help guide the Co-op into the future by being a board member. If you are interested in running for the board in districts 4, 5, or 6, please visit mcleodcoop.com/about/co-op-info for more information. Members representing members is critical to the governance of the cooperative model.

It comes time to close this note with the wink of an eye and a twist of a word so, I wish Happy Holidays to all, and to all a Good night!

Cooperatively,

NOVEMBER 2020
BOARD MEETING
HIGHLIGHTS

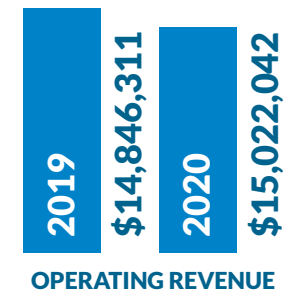
The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on November 24, 2020, at the MCPA headquarters. Eight board members were present. Others attending the meeting included CEO Ron Meier, the executive assistant, Co-op attorney, and department managers.

Highlights of the meeting included:

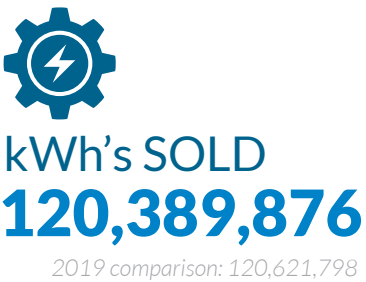
- Operations Manager Schade gave the monthly Operations/ Engineering Report, which included MREA’s pole top rescue and bucket rescue training held on October 7th.
- Rural Electric Safety Achievement Program (RESAP) inspection was conducted on October 22nd with the co-op receiving a satisfactory rating.
- STAR Energy Services has begun inspecting poles on Bell Substation.
- The Glencoe American Legion Post 95 was chosen as this year's Touchstone Energy Community Award winner. They received a plaque and a check for \$500 from the co-op.
- A motion was made, seconded, and carried to approve another 3-year term (2021-2024) for Operation Round Up Board Members, Virgil Stender and Mike Ruskamp.
- Finance Manager Jakel reviewed the 2021 proposed budget with the Board. No rate increase is anticipated for 2021. It was the consensus of the Board to defer approval of the budget until the December board meeting.

BY THE NUMBERS | Q3 2020

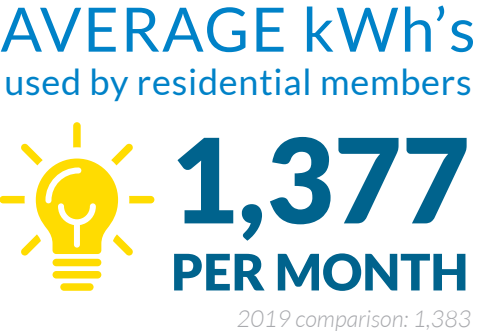
McLeod Co-op Power’s leadership spends substantial time managing and providing oversight of the Co-op’s operations, including ensuring that the organization remains in a strong and stable financial condition. Below is an overview of our Third Quarter Financial Report.



	2020	2019
Cost of Purchased Power	9,401,226	9,308,933
Other Operating Expenses	5,837,039	5,640,464
Total Cost of Electric Service	15,238,265	14,949,397



	2020	2019
Operating Margins	(216,223)	(103,086)
Non-Operating Margins	228,339	390,721



wishing you a
**WONDERFUL
HOLIDAY SEASON
AND A HAPPY
NEW YEAR**



from all of us at
McLeod Co-op Power

OPERATION ROUND UP GOES OPT-OUT

McLeod Cooperative Power has decided to convert our Operation Round Up® (ORU) 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.

The ORU 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. Grants are awarded once a year through an application process.

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. With “Concern for Community” guiding our decision, the Cooperative has decided to convert ORU to an opt-out program. Starting early next year, all residential accounts will be automatically enrolled in the program. This approach mirrors other electric co-op ORU programs and raises our ability to develop funding for the grants that make a significant difference in our community.

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. Opt-out instructions are available at mcleodcoop.com if you choose not to participate. You may also call the office at (800) 494-6272 to opt out.



WEATHERING A WINTER POWER OUTAGE



Winter storms can cause prolonged power outages by weighing power lines down with ice, causing trees to fall into lines, or creating hazardous road conditions resulting in vehicle accidents with power poles. To safely weather a winter outage, you need to prepare and know what to do when a storm strikes.

When the lights go out, you should first contact your utility company to inform them of the outage. McLeod Co-op Power can be reached 24 hours a day by calling (800) 927-5685. Once we are aware of an outage, we will immediately begin the assessment and restoration process. How long it takes to get your power restored depends on the extent of the problem, the number of outages, and the safety of our crews. Until the power comes back on, do all you can to keep your family comfortable.

Here are some tips on how to stay warm during a winter power outage:

- Stay inside, and dress warmly.
- Close off unneeded rooms and place draft blocks at the bottom of doors to minimize cold air entering the house.
- Cover windows at night.
- Be aware of the temperature in your home. Infants and elderly people are more susceptible to the cold. You may want to stay with friends or relatives or go to a shelter if you cannot keep your home warm.
- To protect your circuits and appliances, switch off lights and unplug appliances. Leave one light switched on as a quick reminder that the power is restored.

Apart from the cold, there are other dangers winter storms can bring. Downed power lines could be submerged in snow and ice, making them difficult to see. Therefore, stay indoors if possible. If you must go outside, use caution and treat all downed and hanging lines as if they are energized. Stay away, warn others to stay away, and immediately contact your utility company.

“A power line does not need to be sparking or arcing to be energized,” says Operations Manager Dan Schade. “It’s best to assume all low and downed lines are energized and dangerous. Lines that appear to be dead can become energized as crews work to restore power as well.”

If you are a motorist caught out in the storm, never drive over a downed line because that could pull down the pole and other equipment, causing additional hazards. If you see a downed line, do not get out of your car. The safest place is inside the vehicle. The only exception to this rule is if the vehicle is on fire, in which case you should jump out of the vehicle landing with both feet together, and shuffle away from the vehicle to avoid electric shock.

If you use a standby generator for temporary power, make sure it has a transfer safety switch to cut off at the breaker box before you operate it. If you use a portable generator, never plug it into a wall outlet. These precautions prevent back feed, which is when electricity travels from the generator back through the power lines. Back feed creates danger for anyone near lines, particularly crews working to restore power.

PEOPLE BEHIND YOUR POWER

RYAN KOBLISKA LINeworker

Ryan started working with McLeod Co-op Power in September 2020 as a Journeyman Lineworker. His favorite part of the job is being out in the community and supporting all the area has to offer.

When he’s not working he spends his time with his three children, fiancé and their puppy. As a family they enjoy being active outdoors and often attend the races in the summer.



Photo Credit: Jim Jordahl

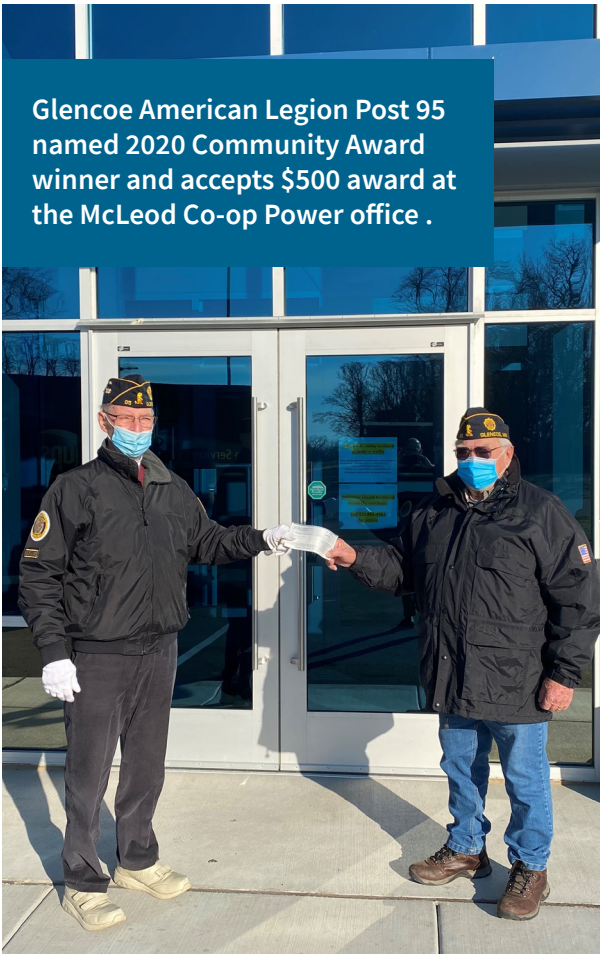


ENERGY EFFICIENCY

Energy bills can increase during the winter for a variety of reasons, like houseguests, more time spent at home, and shorter days and longer nights. Small actions, like turning down your thermostat, replacing old bulbs with LEDs, and washing clothes in cold water can help you save.

TOUCHSTONE ENERGY COMMUNITY AWARD

McLeod Co-op Power is honored to award its 2020 Touchstone Energy Community Award to Glencoe American Legion Post 95. This annual award recognizes a local business, non-profit or community group that made a positive impact within the Co-op’s service territory during the past year.



Out of nine organizations nominated for the award, Glencoe American Legion Post 95 was selected as the winner of the 2020 McLeod Cooperative Power’s Touchstone Energy Community Award. “The Legion clearly demonstrates a strong commitment to community that at the Cooperative we value highly,” Member Service Manager Dan Ehrke said. “We are very pleased to recognize this organization’s positive contributions to our local community.”

Celebrating its 100th anniversary, Glencoe American Legion Post 95 has a long history of service and civic duty. This award is a chance to recognize Glencoe American Legion Post 95 for all the great work they do in our service territory. Congratulations Post 95!

The legion’s members work diligently to support local veterans, area students, and other community groups. Some of the causes that the group supports financially include McLeod County Veterans Assistance Fund, American Legion Foundation for Hospitalized Veterans, Returning Vets Program, American Legion Family Hospital Program, Christmas Gifts for Shut-in Veterans, Veterans Pheasant Dinner Program, Minnesota State American Legion ROTC Program, Blizzard Blast Hospice Fundraiser, Glencoe Days, Glencoe Cub Scouts and Boy Scouts, Glencoe-Silver Lake (GSL) High School Scholarship Program, GSL After Prom,

GSL Booster Club, GSL Trapshooting, GSL Robotics Club, GSL Close-up Program, and the GSL Business and Professional Association.

As this year’s award winner, Glencoe American Legion Post 95 receives a \$500 donation. In addition, Glencoe American Legion Post 95’s award application will be submitted for consideration for the statewide Minnesota Touchstone Energy Community Award. The statewide award winner will be selected from a pool of local award winners from across Minnesota. The statewide winner will receive \$1,000 toward their community cause and be presented an award during the Minnesota Rural Electric Association’s annual meeting in 2021.

We want to thank everyone that submitted a nomination for this award. We also applaud all these groups and so many more that are working tirelessly to improve their communities. Thank you!

Minnesota Touchstone Energy Cooperatives are part of a national alliance of more than 750 electric cooperatives in 46 states that adhere to the values of integrity, accountability, innovation, and commitment to the community.

USPS 2220
PERIODICALS
POSTAGE PAID
HUTCHINSON, MN

LEAVING FOR WARMER WEATHER? SNOWBIRDS ARE ENCOURAGED TO NOTIFY THE COOPERATIVE

McLeod Co-op Power members saying goodbye to the cold and the snow this winter for sunny skies are encouraged to notify the Co-op before leaving. While your meter will continue to be automatically read each month, it is helpful to discuss and decide on your preferred payment arrangement during your absence.

OPTIONS INCLUDE:

- Advance payment
- Forwarding your mail
- Automatic payments from a checking or savings account
- Credit card payments over the phone
- Bill pay through your financial institution

Be sure to call the Co-op during business hours at (800) 494-6272 to make your billing arrangements.



3515 11th St. East
Glencoe, MN 55336

WWW.MCLEODCOOP.COM

The McLeod Cooperative Power News (USPS 2220) is published monthly by McLeod Cooperative Power Association, 3515 11th St. East, Glencoe, MN 55336-0070. Subscription rate: \$7.38 per year for members and \$14.76 per year for non-members. McLeod Cooperative Power is an equal opportunity employer.

Periodicals Postage Rate is at Hutchinson, MN. 55350 and additional mailing offices.

POSTMASTER: Send address changes to: McLeod Coop Power News, 3515 11th Street E. Glencoe, MN 55336-0070

OFFICE PHONE
(320) 864-3148
(800) 494-6272

24-HOUR OUTAGE PHONE
(800) 927-5685

WEBSITE
www.mcleodcoop.com

EMAIL ADDRESS
mcpainfo@mcleodcoop.com

CHIEF EXECUTIVE OFFICER
Ronald Meier

EDITOR
Dan Ehrke and Fuller Creative

BOARD OF DIRECTORS

District 1:
Oria Brinkmeier
(320) 485-2554

District 2:
Joe Griebie, Vice President
(320) 779-1101

District 3:
David Resch, Asst. Secretary-Treasurer
(952) 449-1793

District 4:
Doug Kirtz, President
(320) 583-7673

District 5:
Allan Duesterhoeft
(320) 587-9134

District 6:
Gary Burdorf
(507) 964-5815

District 7:
Randy Hlavka, GRE Representative
(320) 583-0037

District 8:
Keith Peterson
(320) 583-0997

District 9:
Susan Anderson, Secretary-Treasurer
(952) 250-3109