

MCLEOD COOPERATIVE POWER

NEWS

APRIL 2022



McLeod Co-op Power is dedicated to providing our members safe and reliable electricity. However, trees planted too close to our power lines can significantly impact our ability to deliver a safe and reliable product. A clear right-of-way is essential.

We understand that many people are protective of the trees in our beautiful service territory and on their properties. McLeod Co-op Power also appreciates trees for all their intrinsic values, but we also recognize that trees have a proper place. That place is not within the power line right-of-way corridors. We clear trees and vegetation from power line rights-of-way because:

- Power outages are frequently caused by trees or branches contacting overhead power lines. These outages can range from momentary blinks to lengthy outage that impacts numerous accounts. Service quality and reliability depend on proper vegetation management.
- A tree that is in close proximity to a power line poses a lethal threat to anything that could climb it and contact an energized power line. This could be an adult, a child, or an animal. The result may be a tragic fatality. Public safety depends on utility vegetation management.
- Power lines contacting tree branches can spark fires that quickly spread out of control.

Each year, McLeod Co-op crews do a visual inspection of our power lines to identify areas where tree clearing or trimming may be needed. Then vegetation type, location, growth factors, property aesthetics, and more are considered when determining corrective action for right-of-way concerns.

McLeod Co-op uses a variety of methods to maintain our right-of-way including:

- Tree trimming
- Brush mowing
- Removal of hazardous trees
- Low-volume herbicide spraying to control fast-growing vegetation

WHAT CAN YOU DO TO HELP?

Members can help by trimming trees and underbrush that could grow to interfere with right-of-way guidelines. For safety reasons, don't attempt to remove or trim trees already near or touching the lines. Call McLeod Co-op Power and we will ensure that a crew takes action and prevents possible power loss.

MEMBER MOMENT

"There was a pine tree that was rotting and infested with ants on my property across from some power lines. I knew I needed to cut it down before it fell on its own and thought that if I notched it correctly I could control where it went. Unfortunately, it fell into the power line and caused an outage for me and my neighbors. Thankfully no one was hurt. I definitely learned to call the co-op first. They'll send a crew out to assess the danger and if there is a risk they'll send a tree crew to address it at no charge."*

*Tree trimming requests are completed based on current workloads and the level of risk. If a member would like trees removed sooner by their own contractor, McLeod Co-op will work with the consumer to allow them to do it safely.

When planning future landscaping, consider the mature size of trees and shrubs to determine a proper planting distance. Planting guidelines are available at www.mcleodcoop.com to help you choose the best vegetation for you and your cooperative.

Together, we can find solutions that allow trees to flourish while maintaining a clear right-of-way for power lines and ensuring reliable power for all.

KNOW WHAT'S BELOW

CALL 811

Digging into an outdoor project? Remember to keep safety in mind for all projects—especially those that require digging near underground utility lines.

Most of us never think about the electric, gas, water, and other utility lines buried below the ground, but hitting one of these lines while digging is not the reminder you'll want—trust us! McLeod Co-op Power reminds all members who are planning a digging project to call 811 at least three business days before you start. Or you can submit a request online by visiting gopherstateonecall.org.



Here's how the process works: After you call 811 or submit your request online, all affected utilities will be notified of your intent to dig. The utilities should be marked within 48 business hours, so please be patient. The affected utilities will send someone out to mark the buried lines with paint or flags. Before you break ground, confirm that all the utilities have responded to your request. If you placed your request by phone, use the process explained by your 811 call center representative. If you submitted your request online, refer to your 811 center ticket to confirm everything. Please note McLeod Co-op Power does not mark private utilities, meaning anything beyond your meter.

By taking this important step before you break ground on your project, you can help protect not only yourself but our community. Disrupting an underground utility line can interrupt service, cause injuries and cost money to repair, so remember to call 811 first and know what's below.

SUMMER COOLING AND
AIR SOURCE HEAT PUMPS

03

LINEWORKER
APPRECIATION

04

COLD WEATHER RULE ENDS APRIL 30

If your account is past due, you will no longer be protected under the Cold Weather Rule after April 30. The Minnesota Cold Weather Rule helps homeowners and renters protect and reconnect heat during the winter months. Contact McLeod Co-op Power at (800) 494-6272 before the due date of your bill if you are worried about paying your electric bill on time. By making/maintaining a payment arrangement we can help you avoid disconnection.



CAPITAL CREDITS

WHAT ARE THEY AND HOW DO YOU RECEIVE THEM?

What many people don't know when they sign up to buy power from an electric cooperative is that they become part-owners of the cooperative. With that, capital credits (also known as members equity) are created when there are excess margins left over at the end of each year. The process in which that happens is called "allocation". During that process, the cooperative assigns a portion of the excess margins to each member based on their usage for the year being allocated. As you might have seen in the past and on this upcoming bill, there is a notification that tells you what your share of capital credits are for that year.

"Your 2021 Capital Credit Allocation for MCPA is \$XX.XX and your GRE Allocation is \$XX.XX"

As you can see from the example above, there are two allocations. MCPA's power supplier, Great River Energy, is also member owned which means you also receive capital credits from them. The allocation process is the same but your amount of investment in each is more than likely different. The reason being is the cooperative uses its excess margins to calculate the portion of MCPA that you invested in, and Great River Energy gives the cooperative the amount to be passed through to the members based on their year-end financials as well.

WHEN DO YOU SEE A CASH RETURN ON YOUR INVESTMENT?

Capital credits continue to accumulate over the years. Each fall, the Board of Directors considers the retirement of capital credits while being mindful of working towards keeping the rates as low as possible while considering the financial position of the cooperative.

MCPA is on an 18-year rotation with capital credits at this current time. If you are a current member of the cooperative, you saw the following message on your last December bill:

"The General Retirement credit on this statement is for 100% of the remaining balance of 2002 and/or 20% of 2020 capital credit patronage. This amount is applied to the oldest years first."

If you are no longer a current member of the cooperative, a check (\$10 or more) is sent to the last known address that we have on file. It is important if you move that you do inform the cooperative so that this yearly check finds its way to you. If your check is returned to the cooperative, we do our due diligence trying to find you. Your check could eventually be turned over to unclaimed property to the state of your last known address or our operation roundup program if the last known address was in Minnesota. We want to make sure that you get the money back that you invested in the cooperative and need your help to make sure that happens.

HOW CAPITAL CREDITS WORK

STEP ONE

Money to cover operating costs comes directly from members paying their monthly electric bills.

STEP TWO

Operating expenses are subtracted from the amount of money collected and the remaining balance, the margin, is allocated to members based on your energy purchases during the year.

STEP THREE

The margin is used by the Cooperative for operating capital, necessary reserves, storm damage and other contingencies.

STEP FOUR

When the Co-op's financial condition permits, the Board decides to retire Capital Credits. Credits are then converted into money and sent to you in the form of a check.

MARCH 2022 BOARD MEETING HIGHLIGHTS

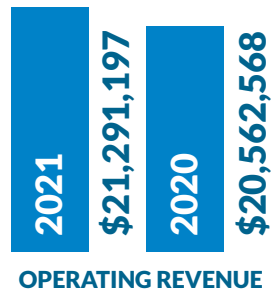
The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on March 22, 2022, at McLeod Co-op headquarters. Eight board members, the attorney, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

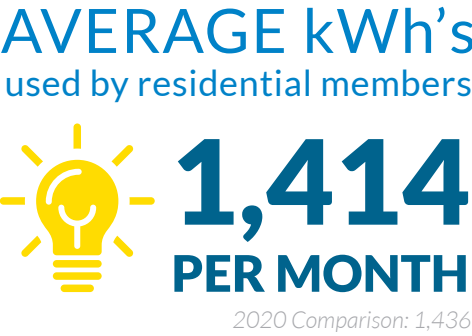
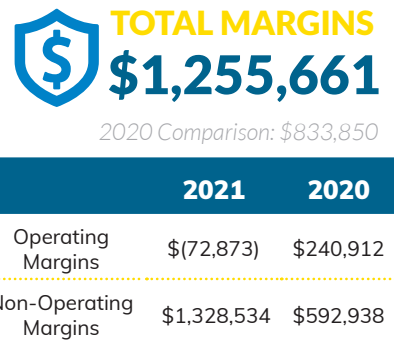
- Finance Manager Jakel reported that the auditors with Eide Bailly have completed the 2021 audit.
- Finance Manager Jakel presented the Operating Statement and Balance Sheet for the month of February 2022 for review.
- A motion carried to approve Resolution 2022-03-01 Allocation of 2021 Margins. The total amount to be allocated for 2021 is \$1,444,595.44.
- Operations Manager Brady reviewed the outage report for the month of February 2022. There was a total of 24 outages, affecting 237 consumers.
- The Safety Report was reviewed for the month of February 2022, after which a motion was made, seconded, and carried to approve the Safety Report.
- Member Service Manager Ehrke reported that the Economic Development Loan to FRH Motorsports has been dispersed.
- A motion was carried to approve the 2022 Nominating Committee Volunteers as presented.
- A motion was carried to approve Policy 2-8 Director Meeting Attendance.

BY THE NUMBERS | Q4 2021

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 Fourth Quarter Unaudited Financial Report.



	2021	2020
Cost of Purchased Power	\$13,389,016	\$12,656,274
Other Operating Expenses	\$7,975,054	\$7,665,382
Total Cost of Electric Service	\$21,364,070	\$20,321,656

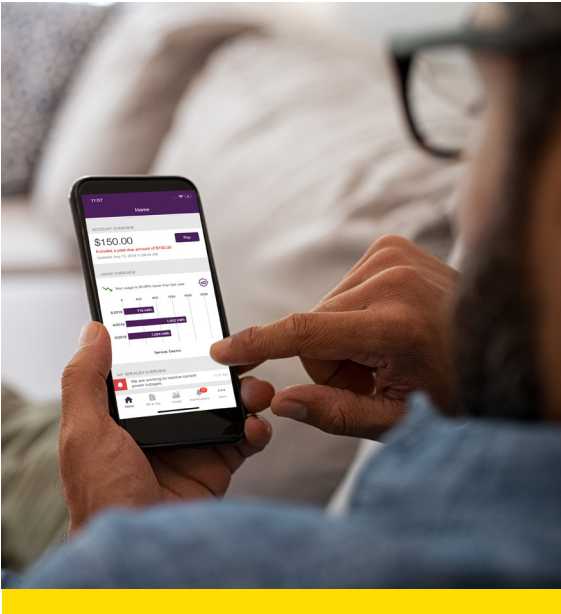


YOU HAVE THE POWER TO

- Pay Your Bill
- Manage Your Account
- Report An Outage
- Get Account Updates and Reminders
- Monitor Usage

DOWNLOAD THE SMARTHUB APP TODAY!

www.mcleodcoop.com/about/smarthub



SPRING STORM OUTAGE PREP

Every year in April we recognize Severe Weather Awareness Week. Now is a good time to refresh your knowledge on what to do if your power goes out.

Safely delivering reliable, consistent electricity to our members is our mission at McLeod Co-op Power. But when spring and summer storms strike, outages can occur that are unfortunately out of our control.

When the lights go out, our crews spring to action. At the same time, homeowners start gathering flashlights, and crews of line workers are dispatched to restore power as quickly as possible.

We encourage you to plan ahead and prepare for potential power outages:

- Create an emergency kit with food, supplies, and flashlights
- Have a place to store food safely
- Know how to check breakers and fuses during a power outage
- Test your generator if you have one available
- Know how to report a power outage by either calling the Co-op at (800) 927-5685 or using the SmartHub app.

Severe weather can also cause damage to power lines, leaving dangerous situations. Remember these tips if you see a down power line:

- Never drive over a downed power line. Call [911] to report it and find another route.
- If a power line falls on your car or otherwise contacts your vehicle, stay in your vehicle. Use your cell phone to call 911 and wait for help to arrive.
- If you must exit your vehicle, jump with both feet out of the car and shuffle a safe distance.

UPGRADING YOUR AC? CONSIDER AN AIR SOURCE HEAT PUMP, NOW BUILT FOR COLD WEATHER CLIMATES



Heat pumps now built for colder weather! Advancements in air source heat pump (ASHP) technology for colder climates have led to increased adoption of these systems in recent years.

“Now that air source heat pump technology can effectively heat in subzero temperatures, we are seeing more interest. ASHPs have really started gaining momentum,” said Jeff Haase, manager of member services and end-use strategy at Great River Energy, McLeod Co-op Power’s wholesale power provider.

Great River Energy serves members across Minnesota and is part of the Minnesota ASHP Collaborative, a joint effort that also includes Center for Energy and Environment (CEE), Minnesota Power, Missouri River Energy Services, Ottertail Power Company and Southern Minnesota Municipal Power Agency.

ASHPs are very energy-efficient technologies with the potential to meet members heating and cooling needs at reduced energy costs. As technology has advanced in recent years, variable-speed heat pumps have emerged as an even higher-efficiency option for heating and cooling homes in all climates. Cold-climate heat pump technology can operate effectively below 20 degrees Fahrenheit and can save homeowners 30- 55% on home heating costs.

As an added incentive for cold-climate ASHPs, McLeod Co-op Power is offering increased rebates this Spring and Summer. Details on this special rebate promotion can be found below this article.

With increased awareness and incentives available, ASHPs are becoming more common. “We believe that trend will continue as the technology continues to evolve and consumer awareness increases,” Haase said. Homeowners may learn about ASHPs from their electric cooperative, through advertising, or by word of mouth, but need to find a trained and knowledgeable contractor in order to install the technology. Doing some research and getting multiple quotes can help ensure a good fit.

“We encourage members to visit the Co-op’s website (www.mcleodcoop.com/about/affiliated-organizations/) to find a listing of qualified installers,” said Member Services Manager Dan Ehrke. “The combination of an expert HVAC installer and an informed homeowner will ensure the system will efficiently keep your home comfortable.”

Every house is unique, and a homeowner needs to understand its features of theirs to be the most efficient and comfortable.

“Even with the learning curve that comes with new technology, it is encouraging that members, contractors, and utilities are satisfied with the progress being made with cold climate ASHPs, especially in a climate like Minnesota,” Haase said.

Visit <https://www.energywisemn.com/airheat-pumps> to learn more about ASHPs.

McLeod Co-op Power also offers a variety of load management programs you can enroll in with an ASHP to save even more. Check out the details at www.mcleodcoop.com/services/off-peak-programs/



ENERGY EFFICIENCY

When streaming content, use the smallest device that makes sense for the number of people watching. Avoid streaming on game consoles, which use 10 times more power than streaming through a tablet or laptop. Streaming content with electronic equipment that has earned the ENERGY STAR® rating will use 25% to 30% less energy than standard equipment.



SPRING REBATE SPECIAL



Now through August 31, 2022, get up to a \$2,000 rebate from McLeod Co-op Power when you install a qualifying, energy-saving air source heat pump!

It’s the best of both worlds! Air Source Heat Pumps (ASHPs) provide home cooling and supplemental heating with less electricity than conventional air conditioners and furnaces. The technology concentrates heat in the air and moves it into or out of your home depending on the season. ASHPs are one of the most effective ways to improve your home’s energy efficiency.

ASHP	PROMO REBATE
≥ 9.0 HSPF Ductless ASHP	\$500
≥ 8.2 HSPF ASHP	\$1,000
≥ 9.0 HSPF ASHP	\$2,000

(Equipment must be installed by August 31, 2022, and rebate must be submitted by September 16, 2022.)

Visit <https://www.mcleodcoop.com/i-want-to/rebates/> to learn more about these limited-time rebates!

Funds are available and awarded on a first-come, first-served basis. Rebate amounts and programs are subject to change without notice due to limited funding being available for this promotion.

THE PEOPLE BEHIND YOUR POWER

Our lineworkers are on call 24/7, 365 days a year. They give their all to keep your power on. Say thank you with us on Lineworker Appreciation Day, April 11.



You’ve likely noticed McLeod Co-op Power’s crews out and about, working on power lines and other electrical equipment in our community. It’s no secret that a lineworker’s job is tough—but it’s a job that’s essential and must be done, often in challenging conditions. This month, as we celebrate Lineworker Appreciation Day on April 11, we thought we’d share some interesting facts about electric lineworkers with you.

The work can be heavy, in more ways than one. Did you know the equipment and tools that a lineworker carries while climbing a utility pole can weigh up to 50 pounds? That’s the same as carrying six gallons of water. Speaking of utility poles, lineworkers are required to climb poles ranging anywhere from 30 to 120 feet tall. Needless to say, if you have a fear of heights, this likely isn’t the career path for you.

Lineworkers must be committed to their career—because it’s not just a job, it’s a lifestyle. The long hours and ever-present danger can truly take a toll. In fact, being a lineworker is listed in the top 10 most dangerous jobs in the U.S.

Lineworkers often work non-traditional hours, outdoors in difficult conditions. While the job does not require a college degree, it does require technical skills, years of training, and hands-on learning. Did you know that becoming a journeyman lineworker can take more than 8,000 hours of training (or about four years)? That’s because working with high-voltage equipment requires specialized skills, experience, and ongoing mental toughness. Shortcuts are not an option, and there is no room for error in this line of work.

Despite the many challenges, McLeod Co-op’s lineworkers are committed to powering our local community. During severe weather events that bring major power outages, lineworkers are among the first ones called. They must be ready to leave the comfort of their home and families unexpectedly, and they don’t return until the job is done, often days later. That’s why the lineworker’s family is also dedicated to service. They understand the importance of the job to the community as they are part of the community.

McLeod Co-op Power has 9 lineworkers that are responsible for keeping power flowing 24/7, 365 days a year. To do this, they maintain 1,921 miles of power lines across 7 counties. In addition to the highly visible tasks lineworkers perform, their job today goes far beyond climbing utility poles to repairing a wire. Today’s lineworkers are information experts who can pinpoint power outages from miles away. Line crews now use laptops, tablets, drones, and other technologies to map outages, survey damage, and troubleshoot problems.

Being a lineworker may not seem like a glamorous job, but it is essential to the life of our community. Without the exceptional dedication and commitment of these hardworking men and women, we simply would not have the reliable electricity that we need for everyday life. So, the next time you see a lineworker, please thank them for the work they do to keep power flowing, regardless of the time of day or weather conditions. After all, line workers are the power behind your power.

USPS 2220
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POSTAGE PAID
HUTCHINSON, MN



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: \$5.56 per year for members and \$11.12 per year for non-members.

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

WORK ZONE AWARENESS

If you see utility or emergency crews working on the side of the road, we kindly ask that you move over when possible and give them extra space to work. Can’t move over? In this case, we simply ask that you slow down when approaching roadside crews.

The Minnesota Move Over Law is intended to keep emergency workers safe and prevent motorists from crashing into stopped vehicles. This law includes and protects utility crews. There’s plenty of room for all. Let’s work together to keep everyone safe on our local roadways.



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(800) 494-6272

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