

MCLEOD COOPERATIVE POWER

NEWS

AUGUST 2022



A LOOK AT 2022

POWER OUTAGES

It's difficult, perhaps almost impossible in some cases, to live without electricity in today's world. That's why McLeod Co-op Power does everything possible to keep the lights on. However, despite our strong reliability record, there are many reasons why even the best utilities experience outages.

In the first half of the year, McLeod Co-op Power experienced two months with higher than normal power outage occurrences, primarily due to severe weather and damage to our wholesale power providers lines. These types of outages are unplanned and unpredictable.

In January, our Sherman substation went down temporarily due to damage on a transmission line that was denergized because of a vehicle accident. Then in May, as many remember, our service territory was hit hard with severe storms. Our system experienced a high level of damage due to high wind speeds, fallen branches, and downed trees during these storms. The majority of our restoration efforts were spent clearing the right-of-way for crews to even access the damaged lines to make repairs. We were thankful that two local utilities, the City of Hutchinson and the City of Chaska, assisted us to speed up the resoration process.

Outside of these major events, outages were relatively routine this year. Every month we expect and see isolated outages with causes ranging from unplanned incidents such as animals making contact with our lines to planned outages related to general maintenance and construction activities.

In fact, as you can see in the chart to the right, planned outages are our leading cause of outages in 2022. These types of outages are related to our system improvement efforts. As much as we would like to avoid outages, these are necessary to keep our employees working in the field safe. Planned outages are scheduled in order to make improvements that will increase electric reliability and decrease unplanned power outages for you

2022 POWER OUTAGES

MONTH	OUTAGES	MEMBERS	AVG. MINUTES
January	43	1,025	50
February	24	237	17
March	37	55	37
April	49	145	59
May	174	1,944	780
June	71	224	360

WHAT'S CAUSING OUTAGES?



and your neighbors. These improvements also build electric system capacity to support future growth and increase efficiency or make necessary maintenance or repairs to the distribution system to prevent future outages. Members impacted by planned outages are notified prior to the outage to minimize inconveniences.

Whether they are scheduled or unexpected, we are committed to getting the lights and your lives running again as quickly and safely as possible. We know that any outage, for any length of time can be an inconvenience and we are thankful for your patience and understanding.

HELP US REDUCE POWER OUTAGES

At McLeod Co-op Power, we pride ourselves on delivering safe and reliable energy. While we do our best to limit interruptions, some outages are unavoidable. While we do everything in our power to ensure your power stays on, we count on your help in a number of ways to prevent outages, restore outages quickly, and reduce the impact of interruptions on your life.

REPORT FREQUENT BLINKS, EQUIPMENT DAMAGE, OR OTHER POTENTIAL PROBLEMS. While most often a blink isn't anything to worry about, ongoing or frequent blinks should be reported to the Co-op. In addition, if you observe damaged equipment or other potential threats to the our system please report them during business hours so that our crews can further investigate potential issues and remedy them.

KEEP LINES, POLES AND EQUIPMENT FREE OF OBSTRUCTIONS. While we understand that our equipment might be considered an eye sore it's important to keep powerlines/ poles clear of trees. In addition, transformer cabinets and other equipment should not be painted, enclosed, or hidden by vegetation. Please avoid hanging things on poles as well.

CALL BEFORE YOU DIG. Before digging for any reason, call 811 to have utility lines located. This will help prevent damage to underground lines that could cause outages or severe injury.

STAY CLEAR OF CREWS WORKING. It should go without saying, but interfering with our crews working not only slows the restoration process, but it also presents safety concerns.

REPORT OUTAGES. While our technology helps us identify large outages, it does not tell us where or when individual outages occur. Also you can provide more detailed information about the outage than we can obtain, which helps our crews identify the issues and restore power quicker.

ANNUAL MEETING
RECAP

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TAKE CONTROL
OF YOUR ACCOUNT

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OFFICE CLOSED

The McLeod Co-op Power office will be closed on Monday, September 5, 2022 in observance of Labor Day. Please call (800) 927-5685 in the event of an outage or emergency.



CEO MESSAGE

Two hundred and fifteen, that is the number of people who attended our Annual Meeting back in July. It was my third Annual Meeting in the two years that I have been here. Still must remember my first Annual Meeting on my second day on the job was not successful in establishing a quorum. We were still in the beginnings of learning how to live with COVID and we had to have a second meeting that year.

At this year’s Annual Meeting, our Manager of Finance, Steph went over the 2021 financials. I want to highlight the work her and Teri did with refinancing our long-term debt in 2021, saving over a million dollars over time for our members. Financially, the cooperative did ok in 2021 with general retirements of nearly \$460,000 in capital credits to our membership. You can check our Annual Report on the website to get more info.

I did a brief presentation about some of the other numbers related to cooperative. Along those lines, did you know during the month of September in 1939, we had 1,602 members purchasing 143,100 kilo-watthours as compared to 6,956 members purchasing 13,324,254 kilo-watthours in 2021?

In addition to hearing about our successes from this past year, I shared how we have been navigating the challenges of supply chains delays along with cost increases. Some of the causes include impacts of COVID, storms in the southern regions of the United States, and wildfires in the west. The back-up generators that we sell are a great example of these supply chain impacts. Before 2021 it used to take two weeks for a generator to arrive, but in 2021 we started to see it taking over 20 weeks. That same generator also saw cost increases of 30%. I also shared that we are looking to invest over \$13 million into our electrical system over the next four years.



At this year’s Annual Meeting we tried something new. Dan our Member Service Manager led a panel discussion made up of 3 linemen along with our operations manager. Craig, Brad, Ryan, and Emerson shared their backgrounds and how they married their love with the outdoors to a career that keeps them there. Each one of them expressed the sense of accomplishment of seeing the lights come back on as they safely restore power during outages along with closing the discussion with various safety pointers for our members. I will admit it was the highlight of the meeting for me.

While there are a lot of numbers being discussed at the Annual Meeting, in the end the most important number is 26. This is the number of employees at the cooperative. I probably should add 9 to that number to include the board of directors. The employees and the board are the reason why the cooperative is successful. A tip of the hat and a quiet applause to all of them will be how I close out this month’s writings from me.

Oh wait, one more thing. This Annual Meeting was Katie’s last meeting; she will soon be retiring after 27 years. She has never missed the Annual Meeting. So, a loud applause for her.

Cooperatively,

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JUNE 2022 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on June 28, 2022, at McLeod Co-op headquarters. Nine board members, the attorney, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

- Operations Manager Brady reviewed the May 2022 outage report with a total of 174 outages, affecting 1,944 consumers.
- Representatives from Cooperative Finance Corporation (CFC) reviewed the results of the Cost-of-Service Study. It identified an overall revenue gap. Staff will continue to review the cost-of-service general findings and bring recommendations to the Board in the coming months.
- Accountant Teri Martin presented the Operating Statement and Balance Sheet for the month of May 2022 for review.
- A motion was carried to approve Resolution 2022-06-01 Requesting Guaranteed Federal Financing Bank (FFB) Loan.
- It was reported that applications are currently being taken for either a Journeyman Lineman or an Apprentice Lineman to fill a vacant position.

JULY 2022 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on July 26, 2022, at McLeod Co-op headquarters. Nine board members, the attorney, CEO Ron Meier, and department managers participated in the meeting. Highlights of the meeting included:

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- Operations Manager Brady reviewed the June 2022 outage report with a total of 71 outages, affecting 224 consumers.
- It was reported that Apprentice Lineman has been hired to fill an open position with a start date of August 2.
- Manager of Finance Jakel presented the Operating Statement and Balance Sheet for the month of June 2022.
- The results from the Cost-of-Service Study were discussed in great length. Further updates will be provided to the Board in August.
- A motion carried to accept the proposed contract for legal services with Melchert Hubert Sjodin and continue representation with Attorney Jason Thiemann.
- A motion was carried to reschedule the September board meeting to Thursday, September 29 at 8:30 a.m. due to a conflict with the MREA DC Legislative Visit.

ELECTION RESULTS

The Nominating Committee shared the election results with the membership as part of the 2022 Annual Meeting. The candidates elected by the membership included Randy Hlavka of District 7, Keith Peterson of District 8, and Susan Anderson of District 9.

ANNUAL MEETING HIGHLIGHTS



ENERGY ASSISTANCE PROVIDERS

At McLeod Co-op Power, we understand that unexpected expenses or circumstances may come your way from time to time. If you are experiencing financial hardship, call our Billing Department during business hours so we can work with you to set up an acceptable payment plan.

In addition, the Minnesota Department of Commerce has energy assistance programs and resources available for members struggling to pay their utility bills. The following agencies may be able to help:

KANDIYOHI, MCLEOD & MEEKER COUNTIES

United Community Action Partnership
(800) 992-1710
Willmar: (320) 235-0850
Hutchinson: (320)587-5244

MCLEOD COUNTY AREA

McLeod County Social Service Center
(320) 864-3144 | (800)247-1756
Hutchinson: (320) 484-4330

RENVILLE COUNTY AREA

United Community Action Partnership
(320) 523-1842

SIBLEY COUNTY AREA

Sibley County Public Health & Human Services
(507) 237-4000 | (866) 396-9963

MN VALLEY ACTION COUNCIL

(800) 767-7139
Gaylord: (507) 237-2981
Mankato: (507) 345-6822

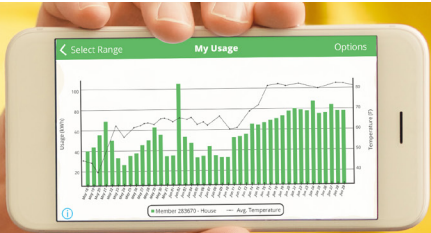
CARVER COUNTY AREA

Scott-Carver-Dakota Community Action Agency
(952)-496-2125

WRIGHT COUNTY AREA

Wright County Community Action
(320) 963-6500

Take Control Of Your Account



Life is fast, and it can be hectic, but it doesn't all have to be complicated. Paying your McLeod Co-op Power bill shouldn't be a complex task, and with our free SmartHub web portal and mobile app, it won't be.

SmartHub has several features that make managing your account as easy as possible. Whether through the web, or your smartphone or tablet (Android or iOS), you'll be able to pay your bill, view your use, report an outage and get the latest news.

As soon as you log in, you'll be able to view your billing history and make a payment with just a couple of clicks...or taps, if you're using the app. You'll be able to see your current bill, along with bills from the previous months or even the previous year, if you want to compare costs. Not only will you see your billing history, but you'll be able to view your actual use. You can see how your use is trending over time, which will allow you to take steps to lower your bill.

Making payments through SmartHub is fast and easy. The first time you make a payment either through the web or through your mobile device, you'll be able to securely store your payment information for future transactions. The next time you need to pay your bill, it will only take a couple of clicks. You can also view and pay on multiple accounts with ease and schedule payments.

Reporting a service issue or an outage is also quick and easy from the SmartHub mobile app. You can let us know about the issue with a few taps. You can also contact McLeod Co-op for customer service requests or with any questions you may have. SmartHub's contact us feature makes it quick and easy.

The SmartHub app is free (available for both Apple/iOS and Android mobile devices) to download and install, and is powered by the National Information Solutions Cooperative

SMARTHUB FEATURES



Analyze Your Usage

View and compare your usage daily with previous time periods. Enhanced features including weather data allow you to be more aware than ever of how your daily activities can change your electricity consumption.



Pay Your Bill and Manage Auto-Pay

- Credit/Debit Cards
- Recurring Bank Draft or Recurring Credit Card



View and Compare

View copies of your current and past bills while adding weather analysis and daily usage comparisons.



Contact Us

Easily contact McLeod Co-op with billing questions, service issues, or other requests.

(NISC), which developed and services the program.

Register for SmartHub

Full registration instructions are available on our website: www.mcleodcoop.com. You'll also be able to download our free, secure SmartHub app from the Apple or Google Play app stores.

Plenty of things in life are complicated. Manage your McLeod Co-op Power account simply, quickly and easily with SmartHub.

ENERGY EFFICIENCY

Close your blinds or drapes in the daytime to keep out the greenhouse effect of the sun. Southern- and western-facing walls take the brunt of the sun's heat, so invest in good drapes or shades for the windows on these walls and keep them closed.

GET NOTIFIED WHEN IT MATTERS



GET NOTIFICATIONS AND VIDEO ALERTS WHEN ACTIVITY OCCURS.

As part of a monitored security system, receive email, text, or image alerts when alarms are triggered, doors or windows opened, the power goes out or any other activity occurs.



SECURITY AUTOMATION VIDEO MEDICAL ALERTS
888.264.6380 heartlandss.com

DON'T FALL VICTIM TO UTILITY SCAMS

Every day, millions of Americans are targeted by scammers through phone calls, emails, text messages, online or in person. Scammers' tactics can change daily which is why it's imporatnt to stay alert and cautious.

TAKE YOUR TIME

Utility scammers try to create a sense of urgency so that you'll act fast and hand over personal information, especially over the phone. Take a moment to think about the situation before acting.

BE SUSPICIOUS

Scammers typically request immediate payments through prepaid debit cards or third-party apps. Unusual requests like this should raise red flags. Remember, if the request seems strange and out of the ordinary, you're likely being targeted by a scammer.

KNOW THE FACTS

If your account is past due, you will receive a written notice, with instructions on how to avoid disconnection. We do not accept prepaid debit cards or wire transfers as payment, and our representatives will not demand your information over the phone.

CONFIRM FIRST

If you're contacted by someone claiming to represent McLeod Co-op Power or any other utility but you're unsure, just hang up the phone call us directly at (800) 494-6272 to verify the situation.

REPORT IT

Contact McLeod Co-op Power with information about the scam so we can alert other members on Facebook, etc.

Scammers are creative, tenacious, and willing to invest their time for the potential payout. They might call hundreds of phone numbers to get one hit, netting them hundreds or even thousands of dollars. New capabilities for spoofing, or disguising, caller identification (ID) can make the phone number you see on your caller ID appear to be your utility company's. Spoofing makes it easier for scammers to deceive you, and makes it more difficult for you to immediately verify the call. If you are not 100% sure it's an actual representative from your McLeod Co-op Power calling, hang up and call us back at the number listed on your monthly statement or in this newsletter.

USPS 2220
PERIODICALS
POSTAGE PAID
HUTCHINSON, MN

RETURNING MONEY BACK TO YOU

UNCLAIMED CAPITAL CREDITS: HELP US LOCATE THESE MEMBERS

Capital Credits are just one of many differences that set cooperatives apart from other utility business models.

Each member of our Co-op is a part-owner and entitled to share in the financial returns of the co-op. This means McLeod Co-op Power allocates 100 percent of its margins (revenue

less expenses) to its members who purchase electricity during the year and retires (or pays back) those margins at a future date when the Cooperative's financial position allows. Meanwhile, the co-op uses those funds as operating capital to help the co-op pay debt and maintain the appropriate equity-to-assets balance.

Each year, funds that were not claimed or returned by the Post Office are sent back to the Cooperative. We need your help locating the members that these unclaimed Capital Credits belong to. We've created a handy searchable database online at <https://www.mcleodcoop.com/about/capital-credits/>. Any information you can provide regarding the location of these members is greatly appreciated. Those with information can call our office at (800) 494-6272.



3515 11th St. East
Glencoe, MN 55336

WWW.MCLEODCOOP.COM

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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

McLeod Cooperative Power is an equal opportunity employer and provider.