MCLEOD COOPERATIVE POWER

NEWS

FEBRUARY 2023



When put together, trees and power lines mix about as well as oil and water. Trees cannot only cause downed power lines in storms, endangering the lives of people who live, work and play nearby, but also grow into power lines. This can cause outages for members, impacting electrical distribution system reliability, and posing safety threats to linemen. One of the most effective ways McLeod Co-op Power addresses these issues is through a proactive vegetation management program.

WHAT IS AN ELECTRIC LINE RIGHT-OF-WAY?

To understand why we do what we do, you first need to understand what it is we are talking about. A power line right-of-way is a strip of land that an electric utility uses to construct, maintain, repair or replace overhead and underground power lines. The right-of-way provides clearance from trees and other things that could interfere with line installation, maintenance, and operation.

At McLeod Co-op it is the boards policy to maintain the electric utility right-of-way 15 feet on both sides from the center of the right-of-way.

There are three main reasons to maintain a right-of-way: safety, reliability and affordability of your electric power.

SAFETY

Your safety is a top priority for McLeod Co-op. A tree that is growing too close to a power line creates a hazard. Danger increases when trees and power lines make contact, but the tree does not even need to be touching the line to cause deadly results. Electricity can jump, or arc, from the power line to a nearby conductor, such as a tree.

RELIABILITY

You hear thunder rumbling in the distance. A storm is coming. Do you know that your chances of receiving uninterrupted service through a storm are greatly increased if your electric cooperative maintains clear rights-of-way? Contrary to what many people believe, lightning rarely causes power outages. It's wind and ice build-up that causes trees and limbs to fall on power lines. An effective right-of-way maintenance program keeps many of the potential problems away from power lines and improves

ELECTRIC SNOW BLOWER DEMONSTRATIONS

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reliability for you and your neighbors down the line. A tree growing too close to your neighbors' power lines can knock out power for hundreds of others - including you.

Additionally clear right-of-ways ensure safe access to electric lines for our crews completing maintenance and outage response work.

AFFORDABILITY

An electric cooperative is a not-for-profit business, which means we provide a service and cover costs. When trees grow too close to power lines, the potential for costly repairs grow. Suddenly, minor restoration efforts could become major restoration efforts. As these costs increase, so do your electric rates. An effective right-of-way program can help with electric rates.

2023 TREE TRIMMING

This year the Co-op is working with a new tree contractor, TreeStory. The bulk of this year's work will be happening on the west side of our service territory starting with the western side of District 4 (Kingman, Bird Island, and Norfolk townships). Work is anticipated to begin around the middle of March.

TreeStory will then work east through District 4 (East Lake Lillian, Oscelola, Melville, and Palmyra townships) and on any other remaining spots in this part of the service territory. Later this year (late summer or early fall) they will move to the east side of the service territory in the Carver County area to begin trimming trees in this area. We will provide additional updates on the townships involved before work begins in this part of the service territory.

As a reminder, residents will receive a door hanger notifying them of the contractor working in their area about two weeks prior to the start of the work. The contractors vehicles and equipment will be recognizable with the company's logo decal shown below.



RURAL ELECTRIC YOUTH TOUR 2023

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REMINDER: OPERATION ROUND UP APPLICATIONS DUE

Operation Round Up grant applications are once again available from McLeod Co-op Power's charitable donations program. The program collects donations from participating members by rounding up their electric bills to the nearest dollar and then distributing funds to worthy causes in our service territory that improve the quality of life for our community. The deadline to apply for funds is Wednesday, March 1, 2023.

DIRECTOR NOMINATIONS NOW OPEN

The Annual Meeting is scheduled for July 11th this year and this year's election will include Districts 1, 2, and 3. The election process ensures that every member has a voice in the operation of this organization. Directors represent our members by responsibly overseeing the business of the co-op and determining its strategic direction.

Members in Districts 1, 2, and 3; 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 4:00 p.m. on March 31, 2023. If you have additional questions, need more information, or would like to request an application by mail please call (800) 494-6272.

DISTRICT 1: Franklin, Hollywood, Victor, Winsted, Woodland

DISTRICT 2: Hassan Valley, Rich Valley, Sumter

DISTRICT 3: Bergen, Glencoe, Helen

VOLUNTEERS NEEDED

The co-op is also seeking volunteers to serve on the Nominating Committee for Districts 1, 2, and 3. 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 Annual Meeting on July 11, 2023. Committee meetings are tentatively scheduled for April 11 and May 9, 2023, at 10:00 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 February 28, 2023.



CEO MESSAGE

Numbers, we are surrounded by them. For some they see patterns in numbers, mainly mathematicians. One number that always comes to my mind is 3. Having grown up with my dad being in the Air Force, I knew about the nuclear triad of bombers, subs, and ICBMs. Of course, there is the 3-legged milking stool. While 3 is an odd number being that is the first prime but finding itself stuck between 2 and 4, it is also a number in our industry of significance. Case in point, we use 3 phase power lines to deliver electricity. In my old engineering world, we took the square root of it all the time to calculate how the electrical system worked.

As I moved through my career and started to think beyond electrical engineering, I see a 3 in the relationship of policy, economics, and physics – a triangle of that interconnects each one. Those 3 topics are interconnected and dependent upon each other.

Policy, economics, and physics all must come to balance to keep the lights on. Our operations team really understand the physics, while the accounting team balances the economics. The policy side is where a lot of new challenges are coming from in our industry. This is where our policy makers often set the stage for the physics and economics. In the history of cooperatives, the physics were being understood thanks to minds like Westinghouse and Tesla and all the other pioneers. Of course, economics were figured long before the physics, but it took the policy makers to help our local communities get electricity to rural America.

Local leaders worked with leaders in Washington DC to ultimately establish the Rural Electrification Administration back in 1935 and the electric cooperatives were born. (There are three 3 in 1935 by the way. Two are hidden in the 9. When you multiple the first hidden three against the second hidden three, you get the 9.)

Today, as I am writing this article, the Minnesota policy makers are expected to



CEO RON MEIER

pass new legislation calling for carbon-free electricity by 2040 in our state with various milestones along the path. We have been working as hard as we can to help make this key piece of legislation something that doesn't upset the balance of economics and physics while still meeting the goals of the policy makers in their efforts to represent us all. To hit this target, it is going to take a bit of economics to convert, build and continue to develop technologies to meet the proposed 2040 goal. We can make the physics work and have been on this path for a while now, but to be frank there still is a lot of work in newer technologies and rebuilding current infrastructure that is going to be a strain on the economics to keep the lights on.

Over the recent past we have tragically had real world experiences of what happens when the lights go out. From wildfires burning down whole systems in the west, to the polar vortex winter that brought down the Texas grid a couple of years ago; we know the reliability of the system must be considered or the consequences will be steep. If we don't take the time to work with our policy makers to help them craft well thought out legislation, we can unnecessarily drive up of the costs to each one of us while finding our electrical system becoming less reliable.

If this is something you are concerned about and want to help, there are 3 actions you can take. You can call, email, or visit your local State Representative or Senator and let them know your concerns of costs, reliability, and the environmental impact of electricity.

JANUARY 2023 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on January 24, 2023, at McLeod Co-op headquarters. Seven board members, the attorney, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

- Operations Manager Brady reviewed the outage report for the month of December 2022 with a total of 27 outages, affecting 187 consumers. It was highlighted that on the December 23rd snowstorm there were twenty members without power for over 8 hours. The longer outage was attributed to unsafe travel conditions from the severe winter storm resulting in the crew being unable to respond to the outage until the next morning. All outages were then restored the next morning at approximately 8:40 a.m.
- A motion was made and carried to approve the request from the City of Winsted to increase the Economic Development Loan to \$200,000 over 10 years with an interest rate of 1.5%.
- Manager of Finance Steph Jakel presented the preliminary Operating Statement and Balance Sheet for the month of December 2022.
- A motion was made and carried to approve Resolution 2023-01-02 Loan Borrower Adjustment for RUS funding to receive a Treasury Direct
- A motion was made and carried to approve Resolution 2023-01-01 RUS Loan Secretary Certification as required for RUS lending.
- A motion was made and carried to approve the 2023 Depreciation Rates.

HOW WAS THE MEMBER **DOLLAR SPENT?**





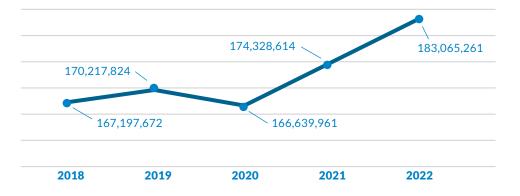




22¢ Operating and Maintenance Expenses

10¢ Depreciation 5¢ Interest

KWHs SOLD



WE WANT YOUR FEEDBACK

COMPLETE OUR SURVEY FOR A CHANCE TO WIN \$100

McLeod Co-op Power is conducting a Member Satisfaction Survey. We appreciate your feedback.

Included in your February billing statement, members will receive a survey. Those with paperless billing can call our office to have a survey mailed to them. This is your chance to provide direct feedback to the Cooperative on how satisfied you are with your electric service. We want to know what you think about your current experience and the future direction of the Co-op.

Complete and return the survey in the mail by March 22, 2023. For participating in the survey; you'll be entered in a drawing to win one-of-five \$100 electric bill credits.

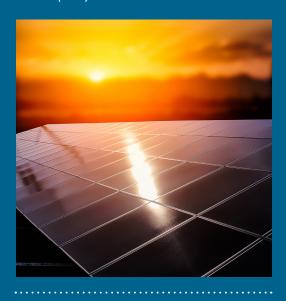


NOTICE TO COGENERATORS

In compliance with McLeod Cooperative Power Association's adopted rules relating to cogeneration and small power production, McLeod Cooperative Power Association is obligated to interconnect with and purchase electricity from cogenerators and small power producers, who satisfy the conditions as a qualifying facility.

McLeod Cooperative Power Association is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Details on rates and applications can be found online (www.mcleodcoop. com/services/renewable-energy/) using the Co-op's Nova Power Portal.

Any dispute over interconnections, sales, and purchases is subject to resolution by the McLeod Cooperative Power Association Board. Interested members should contact McLeod Co-op Power, 3515 11th St. East, Glencoe, MN 55336, or call (800) 494-6272.





ENERGY EFFICIENCY

Do you have a home office? Set equipment like printers and scanners to automatically switch to sleep or energy-saver mode when not in use. In addition to saving energy, the equipment will stay cooler, which will help extend its life. Another way to save in the home office is to use energy efficient lamps for task lighting. Small lamps use less energy than whole-room lighting.



There's a lot to consider when buying a snow blower, including how wide a path the snow blower clears in each pass, how far it throws snow, how easy the machine is to maneuver, especially on turns, and how much snow it can handle. And now with the growing popularity of electric battery powered snowblowers, the power source is now a consideration as well.

Like many of you, McLeod Co-op Power has been curious to see how electric snow blowers perform, so this winter we've been demoing EGO's single stage and two stage models at our office.

"We've been able to use both models over the past month and have been really impressed with these two electric snow blowers. The single stage is a nice model, but the the 2-stage has more power so it's able to handle deeper and heavier snow loads. This has been especially important with the amounts of snow we've had this year as it throws the snow further," Emerson Brady, McLeod Co-op's Operations Manager shared.

"However if you have a tighter space, the single stage maneuvers better for smaller clearing projects, and it's lighter to move around."

Some of the advantages of an electric snowblower are less yearly maintenance than a gas powered snow blower, lower operating costs, and lower noise levels. Of course one of the most common questions about electric snow blowers though is how long does the battery last. The EGO models McLeod Co-op is using stay charged for 45 to 60 minutes or longer depending on the snow conditions and the outside temperature. The battery length was definitely one of the things that surprised our employees.

"Our team overwhelmingly said they would recommend these EGO brand snow blowers. Of course, we recommend that you do your own homework, but even with a few of us being skeptical, we have to say that these two models won us over. After putting them to test, we can see the value of having an electric snow blower for home applications."

STAGE 1

- Peak Power™ technology combines the power of any two EGO POWER+ 56V ARC Lithium™ batteries
- Throws snow up to 45 feet
- Clears a 16-car driveway with 8 inches of snow on a single charge when used with the two recommended 7.5Ah ARC Lithium™ batteries
- Auger-propelled design cleans pavement quickly and easily
- Heated handle grips allow comfortable handling in even the coldest conditions
- High-efficiency brushless motor
- 21-inch clearing width

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- Variable auger speed control system adjusts snow throwing distance
- Weather-resistant heavy-duty steel and composite construction to handle challenging conditions
- Two bright LED headlights for increased visibility for nighttime snow removal
- Convenient, handle-mounted chute adjustment
- Quick-fold handle for compact storage
- 5-year tool warranty, 3-year battery warranty

STAGE 2

- Peak Power™ technology combines the power of any two EGO POWER+ 56V ARC Lithium™ batteries
- Throws snow up to 50 feet
- Clears an 18-car driveway with 8 inches of snow on a single charge when used with the two recommended 7.5Ah ARC Lithium™ batteries
- 24-inch clearing width/20 inch intake height
 Variable speed self-propel with forward and reverse directions
- Variable auger speed control system adjusts snow throwing distance
- Independent brushless motors: self-propel and auger
- Weather-resistant heavy-duty steel and composite construction to handle challenging conditions
- Four bright LED headlights for increased visibility for nighttime snow removal
- 200-degree rear chute control; rear chute deflector
- Adjustable handle height
- Adjustable skid shoes
- Metal Auger
 5-year tool warr
- 5-year tool warranty

BONUS REBATE

Ace Hardware in Hutchinson is a distributor for EGO brand yard equipment including EGO snow blowers. They are partnering with McLeod Co-op Power to offer a limited time Bonus Rebate when purchasing an EGO snow blower from their Hutchinson store. Members can complete the Co-op's Electric Lawn Equipment rebate form on the MCPA website, and they'll receive an additional Bonus Rebate of \$50 when purchasing the single stage model and an additional \$75 when purchasing the 2-stage model. Again, the purchase must be made at the Hutchinson Ace Hardware store to receive this Bonus Rebate and the rebate form needs to be submitted to the Cooperative's office using our normal rebate submittal process. This limited time Bonus Rebate is only available until April 15, 2023.

WIN A TRIP TO WASHINGTON D.C.

If you are a High School Junior or Senior and your parents live in McLeod Cooperative Power Association's service area (McLeod, Sibley, Renville, and Carver Counties) you could win an all-expense paid trip to Washington, D.C.



What is the Washington, D.C. Youth Tour?

Each year, rural electric cooperatives across the nation sponsor roughly 1,900 students on the Rural Electric Youth Tour to Washington, D.C. The Youth Tour program continues to foster the grassroots spirit of the rural electric cooperatives by demonstrating to high school juniors and seniors how our government works and what the electric cooperative business model is all about.

Nearly 50,000 students from rural areas and small towns across America have participated in this program. The Youth Tour has brought high school students to Washington DC for a week in June nearly every year since the late 1950s. Students gain a personal understanding of American history and their role as a citizen by meeting their Representatives and Senators. In a time when energy is at the forefront of our nation's issues, this is a great opportunity to be an electric cooperative advocate!

Who is eligible?

In 2023, McLeod Co-op Power will sponsor an all-expense-paid trip to Washington, D.C. to one qualifying candidate. The contest is open to any current high school



junior or senior whose family is a member of our cooperative.

The selected student will visit with congressional representatives, tour some of the most famous museums and monuments in the world, and make memories and friends that will last a lifetime.

How do I apply?

If you want to be part of this fun (free!) week in Washington, D.C., please complete the application available online and submit a letter of reccomendation from a teacher, coach, or youth organization leader.

What is the application deadline?

The application deadline is March 1, 2023.

Where can I learn more?

Learn more or download an application at www.mcleodcoop.com/about/ youth-programs/.

PERIODICALS
POSTAGE PAID
HUTCHINSON, MN

PEOPLE BEHIND YOUR POWER

PEYTON JASKEN APPRENTICE LINE WORKER

Peyton recently joined the McLeod Co-op Power team as an apprentice line worker after working in the field with Highline Construction for the last year. He enjoys getting outdoors and being active so a career in the field was the perfect fit. Here at the coop he's looking forward to a steady schedule and less travel.

Fun Fact: Peyton's favorite hobbies include hunting, fishing, and hanging out with his buddies.





WWW.MCLEODCOOP.COM

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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

www.mcleodcoop.com

EMAIL ADDRESS mcpainfo@mcleodcoop.com

CHIEF EXECUTIVE OFFICER Ronald Meier

EDITOR

Dan Ehrke and Fuller Creative

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) 5<u>87-9134</u>

District 6: **Gary Burdorf** (507) <u>964-5</u>815

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.