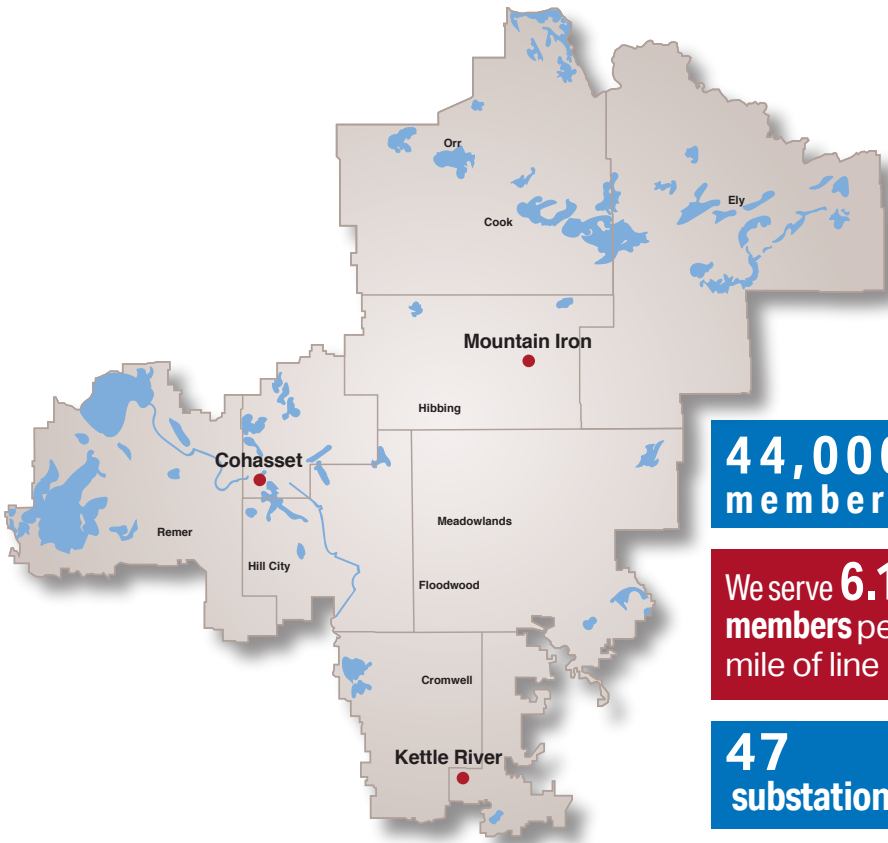


INFORMATION SUMMARY

FOR LAKE COUNTRY POWER BOARD CANDIDATES

The "Information Summary" provides a broad overview of information helpful for members running for election on the Lake Country Power Board of Directors. This is a high-level summary. Additional documents such as annual reports, audits, bylaws, and policies are also available online or upon request.



WHERE WE SERVE

44,000
members

8,421 miles of distribution line

We serve **6.1**
members per
mile of line

6,136 miles of overhead line
2,285 miles of underground line

47
substations

Including **125+** miles of water
access line (most of which is in and
around Lake Vermilion)



Energy that Powers Our Lives

OUR MISSION:

To enhance our communities
by providing safe, reliable,
and affordable energy
services to our members.

ABOUT OUR BOARD

- The Board of Directors is elected by members within their respective districts and is responsible to govern Lake Country Power.
- Nine directors serve staggered three-year terms in designated districts.
- Directors must be active members of Lake Country Power and reside in the district of which they have chosen to be the “voting designation” on their LCP account.
- Directors must meet qualifications set by members in the cooperative bylaws and by board members in co-op policies.
- The co-op’s board of directors establishes basic policies, goals and strategies.
- Basic Commitments:
 - Monthly board meetings and preparation before each meeting to review materials sent in advance by co-op staff.
 - Committee assignments, as needed or necessary.
 - Attend pertinent governance or educational seminars.
 - Attend relative industry educational conferences.
 - Primary contact board member in your respective district for members with questions or concerns.



Board members may choose to study through the National Rural Electric Cooperative Association’s three-part Director Education Program – the Credentialed Cooperative Director (CCD) program. It consists of five courses that focus on basic governance knowledge, financial and the essential skills required of cooperative directors. The CCD prepares directors to fulfill their fiduciary duty as elected officials serving on behalf of their membership.

Upon completion of all five CCD courses, directors are awarded the Credentialed Cooperative Director Certificate by NRECA. Once the CCD is completed, participants can then pursue the Board Leadership Certificate. LCP policy requires board members achieve their CCD within six years.

COOPERATIVE BOARD RESPONSIBILITIES

James Baarda in *The Circle of Responsibilities of Co-op Boards* (CIR 61, published by USDA Cooperative Programs), describes seven major responsibilities for directors:

1. Represent members
2. Establish cooperative policies
3. Hire and supervise management
4. Oversee acquisition and preservation of cooperative assets
5. Preserve the cooperative character of the organization
6. Assess the cooperative’s performance
7. Inform members

LAKE COUNTRY POWER TOP 5 IN 2024

- 1 Provided leadership and support for numerous community-related organizations and events.
- 2 Continued investment and commitment to service reliability by intensive right-of-way clearing and age-related line replacement, rebuilds and underground service installations.
- 3 Member meetings were held in all nine Lake Country Power districts to offer informative cooperative reports and allow for direct member feedback to directors, management and staff.
- 4 A bore crew was hired to offset outside contractor costs and availability. The new crew will begin assisting members in 2025 in a variety of ways including underground applications and maintenance.
- 5 The cooperative was active in meeting with area state legislators on several energy-related topics including alternative energy and carbon-free goals.



VISION, MISSION & VALUES

This is who we are. Dating back to the origins of electric cooperatives, we continue to serve our member-owners and the communities we live in.

Vision – To exceed our member-owners' expectations.

Mission – To enhance our communities by providing safe, reliable, and affordable energy services to our members.

Values – Safety, Communication, Excellence, Integrity, Respect, Teamwork



SEVEN COOPERATIVE PRINCIPLES

These are what we live by. As one of over 900 electric cooperatives nationwide, these principles drive our existence and guide nearly everything we do.

- #1 Open and Voluntary Membership
- #2 Democratic Member Control
- #3 Members' Economic Participation
- #4 Autonomy and Independence
- #5 Education, Training, and Information
- #6 Cooperation Among Cooperatives
- #7 Concern for Community



RELIABILITY

- \$6.1 million in 2024 focused on tree and vegetation clearing to reduce outages.
- \$20.8 million capital investment in 2024 for engineering and operations for aged line replacements, new services and capital equipment.
- Line patrol each spring to identify maintenance issues on the distribution system.
- Pole testing each fall to identify necessary replacements.
- LCP is 99.97% reliable largely due to aggressive right-of-way vegetation management.



COMMUNITY RELATIONS

- Economic development loans: More than \$6.7 million since 1992.
- Operation Round Up®: More than \$3.2 million since 2004.
- Hundreds of children reached with safety demonstrations and lessons from LCP lineworkers.
- GreenTouch™ State Park clean up for volunteers.
- Touchstone Energy Community Award recognizes a deserving local non-profit/grassroots organization each fall.
- Les Beach Memorial Scholarship offered at more than 30 local high schools.
- Scholarships offered at five local community colleges and three technical colleges in Minnesota.
- Employees volunteer hundreds of hours through LCP's community service program.

MEMBER SERVICE

- \$369,896 in rebates given back to LCP members in 2023.
- Energy Wise® programs like off-peak, dual fuel and water heating strategies are offered to members at reduced electric rates in exchange for controlling loads during times of high demand.
- More than 11,122 electric accounts participate in an Energy Wise® program, as of 2023.
- More than 18,917 load management meters are controlled through LCP's Energy Wise® programs, as of 2023.
- Member Appreciation Days draws nearly 1,000 members each summer.
- District member meetings engage and inform members with a light evening dinner, followed by senior staff presentations.



EDUCATION IMPROVEMENT PROGRAM

- In June 2022, LCP board of directors approved the Education Improvement Program. The program uses “unclaimed capital credit” funds. The State of Minnesota allows unclaimed funds to be used at the co-op’s discretion if it meets State criteria.
- Funds are kept local while benefiting communities and schools within the co-op’s service area.
- School districts may qualify for a grant up to \$100,000 through the Education Improvement Program.
- Application process is open to all independent school districts in the co-op’s service territory.
- Applications should come from the school district administration for projects at any facility in their respective district.
- November 30 is the application deadline. After this date, the LCP board will determine which projects require further consideration and may request in-person presentations. The board will then meet for discussion and an approval process. Grants are awarded the following spring.
- Grants are awarded for projects and programs that improve the educational experience of local students and will not be awarded for advertising, individuals, fundraisers, or ongoing operational expenses.
- Applications must be submitted on the official Education Improvement Program application form, available at lakecountrypower.coop.



WHOLESALE POWER SUPPLY

Great River Energy (GRE)

- Lake Country Power purchases 100% of its energy from Great River Energy under a legacy contract that expires in 2045.
- GRE focuses on keeping electricity reliable and affordable while being responsible stewards of the environment.
- Over the past several years, Great River Energy has begun to transition from an energy mix heavily reliant on coal to one that will be over half renewable energy sources by 2025.
- The portfolio changes will significantly reduce Great River Energy’s costs, which will save money for Lake Country Power’s membership over the long term.
- GRE’s generation portfolio by 2037 is projected to be more than 70% renewable.
- By 2035, GRE’s retail electric sales will be 90% carbon-free, and carbon emissions will be more than 90% reduced from 2005 base levels.
- Two Lake Country Power board members serve on the GRE board to represent the LCP membership and maintain accountability.



FINANCIAL HIGHLIGHTS

2023 Budget Recap

| | |
|--|----------------|
| Operating Revenue | \$ 113,615,388 |
| Wholesale Power Cost | 58,767,453 |
| Operating Expenses (operations, maintenance, administration, member support) | 31,242,922 |
| Fixed Expenses (depreciation, interest, other) | 19,590,000 |
| Non-Operating Revenue/(Expenses) | 2,267,000 |
| Patronage Capital/Margins | 6,282,013 |

2023 Financial Recap

| | |
|--|----------------|
| Total Assets (what we own) | \$ 393,961,504 |
| Total Liabilities (what we owe) | 259,180,223 |
| Net Worth (members' equity in the co-op) | 134,781,281 |

Employees

- 141 full-time among LCP's eight locations (3 service centers & 5 outposts).
- Engaged culture – low employee turnover at an average of 6.95% since the inception of LCP.
 - 41% retirement
 - 26% temporary employment ended
 - 23% voluntary separation
 - 7% involuntary termination
 - 3% deceased
- 9.2% of LCP's workforce have served in the U.S. military.
- LCP is a member of Vets Power Us, a national hiring initiative led by the National Rural Electric Cooperative Association (NRECA) that helps electric co-ops recruit, hire and honor veterans.
- Employees pledged \$13,850 to northern Minnesota United Way organizations in 2024.



LCP Cohasset Service Center

