

@polecat230

August 2020

Newsline

BOARD MEETINGS August 25 ■ September 29

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Work underway to improve service and reliability

Lineupgrades, substation improvements and tree maintenance to benefit members

With an eye on minimizing rate pressure, Lake Country Power continues to make cost-effective and well-engineered investments in today's infrastructure to benefit members now and into the future.

As reported in the March *Newsline*, your cooperative is working to replace aged infrastructure to help improve service and reliability – especially since deteriorated infrastructure is the second most common reason for outages. Trees are number-one.

Overhead & Underground lines replaced

Summer construction activity is in full force as line crews work toward completing the projects scheduled in the 2020 work plan.

Of the 34.6 miles of overhead lines that will be replaced in 2020, 16.3 miles have been completed through June as crews continue working toward this year's finish line.

The completed overhead line replacements include areas near Gilbert, Forbes, southwest of Cook and Orr, Ely, Babbitt, Lake Vermilion, Aurora and Hoyt Lakes, Sturgeon Lake, Walker, Nashwauk and Blackberry. These areas represent 10 substations: Perry, Meadowbrook, Winton, Babbitt, Vermilion, Lakeland B, Sturgeon Lake, Onigum, Shoal Lake and Blackberry.

Of the 28 miles of underground lines to be replaced in 2020, six miles are complete through June – primarily in



▶ An LCP line crew builds the new Gunn Substation this summer as underground service, which will retire the original overhead substation east of Grand Rapids. The new sub will provide better power quality and reliability.

the Grand Rapids and Cohasset areas. These replacements are age related and converting some overhead lines to underground.

"We are on target to finish all our construction projects this year," said Derek Howe, chief operating officer. "The crews are working hard, and we appreciate their labor-intensive teamwork."

The Gunn Substation, located east of Grand Rapids, is being rebuilt this summer as a pad-mounted substation utilizing underground cable instead of overhead wires. The original Gunn Substation has aged equipment that could negatively impact reliability and crew safety.

"Substations served by underground infrastructure provide better reliability," added Howe. "We've seen the reliability

improve greatly in the Big Sandy area near McGregor after that substation was rebuilt as a pad-mounted substation."

The Cohasset and Arbo substations are also being improved this summer. The existing substation regulators are at capacity and will be upgraded along with new regulator bypass switches. The high-side fuses will also be replaced with transrupters (high voltage circuit breaker). The work will help improve reliability and power quality for members served by these two substations.

Tree maintenance going well

In a land of 10-billion trees, it is no wonder why the number-one reason for outages is caused by trees. Lake Country Power takes tree contact seriously. That's why the co-op continues to address the

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Electricity brings everyday value

Even though I'm a board member in the energy industry, like most people, I don't think too often about the electricity I use. I expect the lights to turn on when I flip the switch and the coffeemaker to work each morning. Because electricity is so abundant and reliable in America, we don't think much about it.

Since many of us have been spending more time at home during the COVID-19 pandemic, we have likely been using more energy. The only time we really think about electricity is when the power goes out or perhaps when the monthly bill arrives.

Electricity brings value

Given how electricity powers our modern lifestyle every day, electricity is a great value, especially when compared to other common services and expenses. For example, think back to the cost of a gallon of gasoline 20 years ago. Consider the cost of groceries or a cup of your favorite specialty coffee from a few years back. In comparison, the cost of electricity has remained largely flat, unlike most other consumer goods.

Like many of you, I have a cell phone to stay connected, and I subscribe to cable channels so I can enjoy more viewing options. Many of us consider these necessities

for modern day life. These things are tangible – we can see and touch what we are getting for our money. In contrast, when we use electricity, we do not necessarily “see or touch” all that we get for our money.



By Sherman
LIIMATAINEN
District 9 Director

But considering what electricity does for us, it's a tremendous value for our quality of life as well as our budgets. For comparison, consider that the average annual rent increase was nearly 4% from 2014-2019 according to the Bureau of Labor Statistics Consumer

Price Index (CPI). The cost of medical care increased 3% annually during this time, and education was not too far behind at 2.6%. So, where did electricity rank? According to the CPI, electricity increased by less than half a percentage point, 0.4%.

Appreciation for LCP employees

Since we haven't seen a general rate increase in four years, this is a testimony to the quality of work the employees are doing to operate the cooperative efficiently.

The staff and employees at Lake Country Power work diligently for all of us members. They are the most inspiring people I have ever worked with, and they truly represent your

Remembering George Harvey



George Harvey 1948 – 2020

It is with great sadness that we share the passing of District 3 Director George Harvey on July 11, 2020. Lake Country Power has lost a strong leader and a beloved family man. George served on the board of directors for more than 18 years, representing rural members on the Iron Range from Nashwauk to Virginia. He also served as LCP board secretary and president of Lake Country Power Holdings, Inc. – which oversees the operation of LCP's two for-profit subsidiaries, Lake States Tree Service and Lake States Construction. He will be dearly missed.

best interests as they aim to resolve the challenges we face. There is a presence of energy among the employees that's encouraging to watch. Each person knows their role and strives to do it with perfection.

Best interests of members

Lake Country Power provides the reliable service you expect and deserve, and wants to help you save energy and money as valued members of the co-op.

The past few months have been challenging for many co-op members. If you have questions about your account or are looking for ways to save energy at home, please call the co-op or visit www.lakecountrypower.coop.

As an electric co-op, Lake Country Power's sole purpose is to serve its membership and the needs of our local communities. That is everyday value.

The board and staff understand their responsibilities and always educate ourselves about the issues so we can collectively live up to our responsibilities. Making decisions is based on what is in the best interests of the membership as a whole. ■

Sherman Liimatainen was elected by members in Lake Country Power District 9. He can be reached at 218-879-3135 or sgliimatainen@gmail.com.

Frequently asked questions about the 2020 Rebates

Lake Country Power's member service representatives are happy to make rebates easy to access for those members who qualify. To help even more, we have put together the most commonly asked questions about the co-op's rebate program and the process to receive the funds.

Question:

What paperwork do I need to submit to get my rebate?

Answer: Members need to complete the rebate form and include a copy of the dated receipt with the model numbers, SKUs and/or the work performed. Please check the rebate form for additional requirements.

Question:

Will my rebate be issued as a credit on my electric bill or as a check?

Answer: Rebates are applied as a credit on your electric statement unless noted otherwise.

Question:

Can I use any HVAC contractor to install my new heat pump or furnace?

Answer: Yes and no.

No – if you are installing a ducted heat pump you need to use a Great River Energy certified contractor/installer. The certified list of contractors is available on our website at www.lakecountrypower.coop >

Money Saving Programs
> Contractor Resources.

If questions, please call a member service representative to confirm your contractor is qualified to be on the list.

- Yes – if you are installing ductless or Steffes heating equipment, you can use any contractor of your choice.

Question:

Why didn't I get the full \$1 per bulb LED rebate?

Answer: If you spend less than \$2 per bulb, you will not get the full rebate. Instead, you will get 50% of your purchase price (excluding tax or discounts).

Question:

Do all furnaces and air source heat pumps qualify for a rebate?

Answer: No, to qualify the systems must meet these standards:

- Furnace Motors: Must be electronically commutated motor or ECM.
- Air source heat pump: Must be 14.5 – 16+ SEER rates.
- Heat pumps must be installed on our cycled AC program

Question:

How long will it take for me to get my rebate?

Answer: It can take approximately 4 – 8 weeks to get your rebate, which will apply as a credit to your



electric bill. During busy times of the year, it may take longer.

Question:

If I buy a multi-pack of LED bulbs, will each bulb qualify for the rebate?

Answer: Yes – however, you will still receive the maximum \$1 per bulb rebate if you spend \$2 per bulb for each of the bulbs in the multi-pack. For example: If you buy a four-pack of bulbs for \$6, you will be rebated \$3. If you buy a four-pack of bulbs for \$10, you will receive \$5 in rebates.

Question:

Must I recycle my old refrigerator to receive the rebate?

Answer: Yes, and you also need to submit a receipt or slip of paper confirming the recycling was done.

Question:

Do you have rebates on water heaters?

Answer: Yes, we offer the following rebates.

- \$500 rebate on heat pump water heaters.
- \$600 rebate for installing a 100-gallon or larger Rheem electric water heater on off-peak water heating.

- \$100 rebate for converting an uncontrolled 50-gallon electric water heater to the 8-Hour Interruptible Water Heating program.

- \$200 rebate for converting a gas water heater to electric on our 8-Hour Interruptible Water Heating program.

- \$200 rebate for installing a 50-gallon water heater on the 8-Hour Interruptible Water Heating program for new construction projects.

Question:

Can I send in a copy of my receipt, rather than the original?

Answer: Yes, you can submit a photocopy of your receipt or printed invoice.

Question:

Who do I contact about rebates and how?

Answer: Lake Country Power has three member-service representatives who can help – one per service center. They can be reached by pressing “6” when you call 800-421-9959. They review the paperwork for each rebate request and process the rebates. Rebate forms are available online at www.lakecountrypower.coop or by calling the co-op. ■

Members save money on Energy Wise® load management programs

If you are not on an Energy Wise® program, you're not saving money on your energy costs. Now is a good time to learn about Lake Country Power's programs and the reduced electric rates offered for each program.

Receive electricity at nearly

half the regular energy rate by participating in one or more of the following load management programs. For more information, contact a member service representative at 800-421-9959, press "6," or visit www.lakecountrypower.coop.



Dual Fuel Program

- This heating program combines electric and non-electric heating sources.
- You will need an adequate backup heating system that is capable of heating your entire home for a period of up to 12 hours.
- When demand for electricity is high, the electric heat source is shut off, or controlled, up to a maximum of 400 hours per heating season. The maximum continuous control time can be 12 hours at a time, but control is most often 4 – 6 hours at a time.
- Plenum heaters are often installed with gas or oil furnaces in order to qualify for the dual fuel program rate.
- Electric boilers heat the in-floor tubing or hot water baseboards.



Water Heating Programs

Lake Country Power offers two programs: Off-peak and the 8-Hour interruptible program.

- Off-peak: 100-gallon electric water heater is required for this program. The water is fully charged (heated) eight hours a day, generally between 11 p.m. and 7 a.m.
- 8-Hour: 50-gallon (or greater) electric water heater is required. Program supplies hot water over a peak period while the electrical supply is controlled up to eight hours a day.
- Lake Country Power sells Marathon brand water heaters.



Off-Peak Storage Programs

- The storage unit is usually charged at night when energy costs and demand is lower.
- The units store all the energy needed for the next day's use.
- The storage heater releases the heat throughout the day for whatever temperature you set the thermostat.
- Available for electric water heaters, Steffes electric thermal storage furnaces and room units, and floor heating systems.



Cycled/Interruptible Air Conditioning Program

- High efficiency central air conditioners save you money over the life of the system by using less electricity to cool your home.
- You can take advantage of either a lower electric rate, or a credit for June, July and August – your choice.
- The lower electric rate is offered when you sign up for the cycled air program. Your air conditioner is cycled on and off every 15 minutes for up to six hours daily. The fan will continue to circulate air in your home or cabin during control periods.

Heat Pumps for cooling and heating

- Yes, you can heat and cool with one technology. Choose an air source heat pump or ground source heat pump for greatest efficiency at up to 300 percent and energy savings.
- With a constantly improving technology, air source heat pumps can heat your home several months of the year. ASHPs are ideal for summertime cooling, too.
- If you place your heat pump on our cycled



air program to receive the reduce rate, your unit's condenser will be controlled by being turned on and off in 15-minute increments by sending a signal to your load control receiver. (Your furnace fan will continue to run.)

- Control typically occurs only on the hottest days of the year when energy demand is peaking on the electrical grid and wholesale electricity prices peak.

Operation Round Up® making communities stronger

Through the contributions of Lake Country Power's participating members, the Operation Round Up® Trust Board recently approved \$50,675 in assistance to local community programs during its quarterly meeting.

The cooperative's Trust Board reviewed and considered 33 grant applications and distributed funds to 31 projects and programs this past quarter. Since

the program's inception in October 2004, more than \$2.5 million has been distributed to community-based projects and programs.

The City of Deer River Fire Department received funding toward its wildland fire and rescue operations. Fire Chief Jordan Osse said the contribution will help purchase a side-by-side highway vehicle which will replace the rescue machines

they presently use. It will improve their operations for faster response and efficiency. With tracks it can be used during all four seasons.

"For a city our size, any amount helps so we really appreciate the contribution from Operation Round Up," said Mark Box, city administrator for the City of Deer River.

Some of the other recipients will use their

funds toward a personal protection equipment air tank, a new self-contained breathing apparatus project, COVID-19 response emergency meals and fabric masks for the community.

For a list of the most recent recipients, please visit LCP's website. Applications are available online at www.lakecountrypower.coop (My Cooperative > Community > Operation Round Up®). ■

From P1

challenge with an aggressive integrated vegetation management (IVM) program.

IVM uses three components to successfully maintain its right-of-way corridors with proper clearing footage on both sides of its power lines: selective EPA-approved herbicide applications, mowing and trimming.

"These three components are the recipe for success," said Howe. "All are necessary for Lake Country Power to maintain our 99 percent reliability record."

Through June, more than 200 miles of lines are complete of

the 848 miles scheduled for IVM work this year.

While LCP's internal tree crews primarily tackle danger trees and work order requests from members, they are also helping reduce the co-op's costs for mid-cycle work. They are doing this by reducing the need to hire outside contractors for some of the danger tree removals and construction project clearing.

New tree services available

The LCP board recently approved a new policy, which allows the co-op's internal tree crews to offer more tree assistance to members. If you would like a tree(s) removed that is not in danger to the



▶ Another LCP line crew doing upgrades to the Cohasset Substation in June. The existing substation regulators are at capacity and were upgraded along with new regulator bypass switches. The high-side fuses will also be replaced with a transrupter. The work will improve reliability for members served by this substation.

power lines, LCP's tree crews, bucket and chipper can be scheduled for a fee. The estimated work time must be less than two hours and is being offered on a time-

available basis. If interested, please call 800-421-9959 to speak with a call center representative who can start a service order. ■

2020 Director Election Results

Although COVID-19 prevented a community of cooperative members from coming together in person for the Lake Country Power annual meeting, the novel virus could not stop the 2020 director elections from happening in Districts 3, 6 and 7.

More than 1,700 Lake Country Power members participated in the 2020 director election using a hybrid process where members in those three districts were given the opportunity to vote online or by U.S. mail.

"We are living in unprecedented times amid this global pandemic," said Lake Country Power General Manager Greg Randa. "In my 40-year career, there has never been a time when we have had to adjust the annual meeting from circumstances beyond our control. We are glad to have connected with so many members during the district member meetings this past winter, and look forward to

2021 when we can hopefully hold an in-person annual meeting in Cohasset."

Director election results were announced virtually by Survey & Ballot Systems on Friday, June 26. Candidates ran unopposed in Districts 3 and 7:

District 3: George Harvey, Britt*	431 votes
District 6: Daniel Kingsley, Hill City*	474 votes
Donald Simons, Grand Rapids	367 votes
District 7: Craig Olson, Culver*	413 votes

* Incumbent

Following a re-organizational meeting, board officers are: Craig Olson from District 7, President; Daniel Kingsley from District 6, Vice President; George Harvey from District 3, Secretary; and Craig Carlson from District 4, Treasurer. ■

May 26, 2020 • Regular Monthly Meeting

THE FOLLOWING REPORTS WERE GIVEN:

President Olson stated he had conversations with General Manager Randa about the May board meeting, and due to COVID-19 the meeting is being held via Webex and/or teleconference. Olson also reported about a meeting he participated in.

Directors Bruckbauer and Olson represent LCP on the Great River Energy board. They reported about the GRE financials and that April electric sales were lower than anticipated.

LCP Holding Board President Harvey reported about the subsidiaries. Lake States Tree Service operations continued during the first quarter while Lake States Construction operations were slower than normal. First quarter results are tracking historical trends. A dividend check was issued to LCP for the first quarter.

General Manager Randa reported about Northland Connect year-to-date operations; an online meeting for Minnesota Rural Electric Association district 2; a payroll protection loan/grant; legislative matters; meter exchanges; construction on LCP system; service centers are still closed to members and the public; and discussions

about involuntary service disconnections that were curtailed in mid-March due to COVID-19.

THE FOLLOWING ACTIONS WERE TAKEN:

Approved to adopt a resolution related to the impact of COVID-19 on the 2020 LCP annual meeting and director elections.

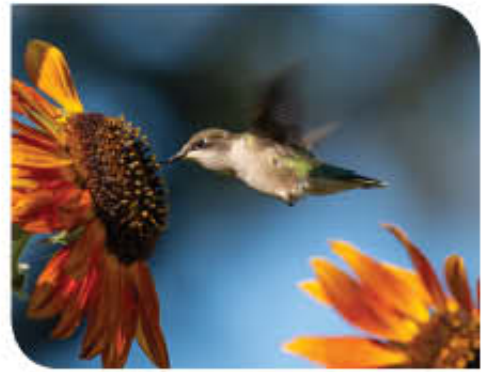
Approved the 2020 director election ballots as presented.

Approved the 2021 construction bidder list of three companies included.

Approved the 2021 right-of-way bidder list of five companies included.

Approved a resolution that supports Great River Energy entering into three power purchase agreements for renewable wind energy. ■

Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a printed copy.



► This picture earned a spot in the co-op calendar for August. Patty Maki of Gilbert took this photo of a hummingbird fueling up in the Lakeland area before the long journey south

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Sherman Liimatainen, 218-879-3135
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Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care that an ordinarily prudent person in a like position would exercise under similar circumstances.

Directors set policy, approve strategy and are charged with fiduciary responsibility of the cooperative. Directors do not oversee day-to-day LCP operations. Administration of maintenance, electric service and operations are the responsibility of employees and staff.

Members with questions or concerns about service, billing, outages or other service-related matters should call 1-800-421-9959.

Newsline

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Comparative Operating Statement

Year-To-Date – May 2020

	2020	2019
Electric Operating Revenue	\$39,116,741	\$40,287,717
Cost of Purchased Power	18,992,196	20,268,832
Distribution Expense - Operations & Maintenance	5,679,875	5,247,405
Consumer Accounts Expense & Informational	1,617,134	1,911,251
Administrative and General Expense	2,838,319	2,803,448
Depreciation, Interest Expense and Other Deductions	6,435,118	6,409,169
TOTAL ELECTRIC OPERATING EXPENSES	35,562,641	36,640,105
Net Electric Operating Margins	3,554,101	3,647,612
Non-Operating Margins	501,919	641,755
TOTAL MARGINS BEFORE SUBSIDIARIES	4,056,019	4,289,367
Net Income (Loss) from Subsidiaries	(229,873)	(244,379)
TOTAL MARGINS	\$3,826,146	\$4,044,988
TOTAL KWH SOLD (YEAR-TO-DATE)	273,711,838	295,834,193

Editor's Note: These financials are condensed. A complete set of financials can be viewed at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a copy.