



BOARD MEETINGS December 29 ■ January 26



IN THIS ISSUE

Parting Thoughts
Meter Project Update
Scholarships Open January 1
Election Process Begins

\$60.9 million and counting \$3.9 MILLION CREDIT TO BENEFIT MEMBERS THIS MONTH

Members will see a special credit printed on their December billing statements this month. Lake Country Power's board of directors approved a \$3.9 million capital credit retirement during the monthly October board meeting.

Of this amount, \$3 million is from Lake Country Power's regular retirement of capital credits. Another \$929,000 is from Great River Energy, LCP's wholesale power supplier, which will be retired to LCP members as well. This is the second capital credit retirement from GRE to its 28 member-owner cooperatives.

Benefits of Membership

What does that mean for you? If you're a current

member, you'll see the benefit show up as a credit on your December electric bill.

Co-op capital credits are a membership benefit of being served by a cooperative like Lake Country Power. When financial conditions allow, your co-op will allocate any extra margins back to the members we serve based on the amount of the electricity a member purchases in a given year.

Here's how the 2020 capital credit retirement will work, based on the LCP capital credit portion and the GRE portion. An individual member's general retirement is from one, or all, of the following calculations listed below.

Two Part Process

LCP Portion
(represents \$3 million):

- Members from 1994 will receive 100% of their unretired credits
- Members from 1995 will receive 50% of their unretired credits
- The remaining \$853,000 will be retired on a percentage basis to former and current members

GRE Portion
(represents \$929,000):

- Members from 1988 – 1990 will receive the entire amount of their unretired Great River Energy capital credits

- Members from 1991 will receive approximately 33.6% of their unretired GRE credits

Active members will see a credit applied to their December 2020 billing statement. Inactive members (those who have moved off the co-op system) will be mailed a check to their last known mailing address if the credit amount is \$10 or greater.

Between Lake Country Power and its three predecessor cooperatives, more than \$60 million in capital credits have been returned to members through the years.

WHY DO CO-OPS ISSUE CREDITS?

Unlike for-profit companies, co-ops do not operate to build shareholder wealth. Member equity, also called capital credits, is created when any earnings (revenues minus expenses) are left over at the end of each year. This creates a margin. At the end of each year, the co-op assigns each member's account a share of the margin, known as an allocation.

When financial conditions allow, the board retires, or returns, part of your allocation through a capital credit retirement.

Before returning these margins back to members, electric cooperatives use the capital to help offset the cost of debt for equipment and materials used for the construction and maintenance of the electric

distribution system. This helps lower financing needs.

To learn more about capital credits, or to review our list of unclaimed capital credits, visit our website at lakecountrypower.coop.



Parting thoughts on my 41-year co-op career

It is hard to believe I've been part of this cooperative family for more than 40 years as I will retire next month. It has gone by so quickly.

I would like to sincerely thank everyone in the organization for enhancing each role I've had during my career at Lake Country Power and the former Carlton



By Greg
RANDA
LCP general
manager

County Cooperative Power Association. All these years wouldn't have been so rewarding without support and encouragement of family, employees, friends, the board of directors, and of course, you, the member.

My greatest memories include the many interpersonal interactions

with many of you and progress we have made striving to make things better and fair for all.

I've been proud of the cooperative's forward-thinking philosophy, especially over the past eight years since I took over as general manager. It's been exciting to see the cooperative grow in employee talent and enthusiasm, enjoy rate stability and improved reliability.

I firmly believe positive relationships, trust, and transparency are the foundation for success and good morale. Seeing all the changes which has happened over the past four decades, I am enthused about the future of the co-op as I prepare to pass the reins.

It has been my great pleasure and privilege to serve at Lake Country Power. Thank you, best wishes, and farewell. ■

Meter replacements nearly finished

If you have ever ran a long race, you know how good it feels to cross the finish line. To-date, 68,777 Aclara meters have been installed for co-op members. With a small number of meters left to exchange primarily in the southern locations of Lake Country Power's service area, the co-op has nearly crossed the finish line.

The remaining meters will be done case-by-case. Some of the meters could not be accessed by the Allegiant technicians due to reasons beyond their control.

"Throughout the installation of the new metering technology, Allegiant Utility Service worked with us to achieve project milestones, solve the unexpected and reach our collective desired outcomes," said Ryan Ferguson, senior engineer metering and SCADA.

Lake Country Power's goal is to finish deployment in the coming months.

Observing the Benefits

Ferguson and other LCP employees are keeping a close eye on the expected benefits that Aclara promised and are pleased to report that the company is delivering on their word.

The fault detection and location (FD&L) feature is working well. Recently, the new Aclara meters identified several unreported outages, most of which were restored during normal business hours. The outages included multiple faults caused by squirrels, an underground fault, an overloaded service, and two on islands.

"In each case, these outages would have normally gone unreported until the member arrived home that night or until next summer when cabin owners return," said Ferguson. "A lot can go wrong when the power is off such as spoiled food, no heat, no security alarm system, no slow-cooker meal for supper that night, no power to get



school assignments done, and so forth."

Delivering Member Service

Time is of the essence, and the Aclara meters are helping co-op linemen deliver excellent member service in this respect. The new meters allow members to view their hourly energy usage through their SmartHub account –

giving you more tools and opportunities to manage and save energy. Another benefit is the consistent monthly readings the meters are providing and a better understanding of when loads should be controlled. For more information, visit www.lakecountrypower.coop > Newsroom > New Meter FAQs. ■

ELECTRICAL SAFETY

Don't always believe what you hear

MYTH

VS

FACT



Electricity always takes the path of least resistance

Although the path of least resistance is the easiest to take, an electrical current can take any conductive path.



Voltage has to be high to kill

Although the voltage plays a role in how strong the current flows, exposure to the current itself is what's deadly. Even lower voltages can kill.



Heavily insulated tools will always protect against shock and electrocution

Don't let a tool give you a false sense of security; take all precautions even if a tool is marketed as safe or insulated.

LEARN MORE AT [SafeElectricity.org](https://www.SafeElectricity.org)



RECIPE CORNER CREAMY PINEAPPLE CAKE

From the Kitchen of:
Joan Ruder
Grand Rapids



INGREDIENTS

- 1 slice of pound cake, 3/4 inches thick, or sponge cake dessert shells
- 1 20 oz. can crushed pineapple, drained
- 1 1/2 cups cold milk
- 1 pkg. 3.4 ounces instant vanilla pudding mix
- 2 cups whipped cream, divided
- 1 cup chopped walnuts

DIRECTIONS

Place cake in ungreased pan (11x7x2). Top with pineapple, cover and set aside. Mix milk and pudding mixture. Fold in one cup of whipped cream. Pour over pineapple. Spread remaining cream over pudding. Sprinkle with nuts. Refrigerate.

We need more recipes!

Submit your favorite recipe to Lake Country Power, Attn: Editor, 26039 Bear Ridge Drive, Cohasset MN 55721, or e-mail tzaun@lcp.coop. If your entry is printed in Newsline, you'll receive a \$5 credit on your electric bill. Entries must include name, address and phone number on account.



A Touchstone Energy® Cooperative
Energy that Powers Our Lives

COVID-19 Relief

Financial assistance is available for eligible members to help with utility bills.



Need Assistance?

Visit: www.lakecountrypower.coop/covid-19-energy-assistance

If you have a past-due balance with Lake Country Power, or you are concerned about how to pay for heating costs this winter, there are some new resources available to help those in need.

800-421-9959 | www.lakecountrypower.coop

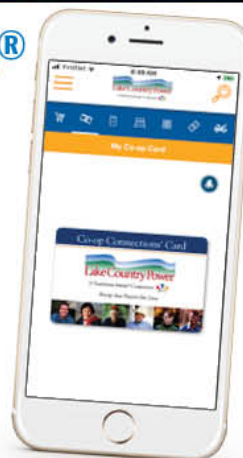
Save money with Co-op Connections®

You work hard, so let The One Card That Does It All® work hard for you. Bring your Co-op Connections® Card to save money at the participating local businesses in northern Minnesota. If you don't have the card or lost your card, don't worry. You can download the App by searching "Co-op Connections" in the App Store on your Apple or Android device.

Remember to use your card for discounts on prescriptions as well. Categories in the local business list include: Automotive, entertainment, financial services, fitness, florist, garden center, golf, health and

beauty, healthcare, homecare, lodging, photography, real estate, recreation, remodeling, restaurants, retail, service, technology and a few others.

For a full listing of business participants or assistance to download the App, visit www.lakecountrypower.coop (My Cooperative > Community > Co-op Connections Card - <https://www.lakecountrypower.coop/co-op-connections-card>).



IT ALL ADDS UP:

Investing in a reliable electric system

What is the range in cost for a typical substation?

- A. \$200,000
- B. \$3.2 million
- C. \$1.3 million
- D. \$580,000



LCP owns and operates 46 substations. To meet the needs of a safe and reliable electric system, the co-op will invest over \$12 million in its current work plan through 2021 in the distribution system.

Answer: C

1-800-421-9959 • [LAKECOUNTRYPOWER.COOP](https://www.LAKECOUNTRYPOWER.COOP)

High School Seniors: Scholarship applications open JANUARY 1, 2021

Graduating high school seniors whose parents or guardians are LCP members are invited to apply for the Les Beach Scholarship. The scholarship application process opens January 1, and must be completed electronically from the coop's website by 11:59 p.m., January 31.

To complete the electronic application and submit electronic letters of recommendation, go to www.lakecountrypower.coop > My Cooperative > Community > Scholarships.

Scholarship recipients may

qualify for up to \$4,000 over four years to help pay for college or technical education. Scholarships are renewable for up to eight semesters, and students must maintain a grade point average of 2.5 or higher. They must have a full-time enrollment status at a technical school, community college or university. Qualifying students must also have parents or legal guardians who are members of Lake Country Power.

Lake Country Power offers scholarships to one student, per year, at more than 30 high schools in the LCP



► The Operation Round Up Trust Board voluntarily meets each year to choose scholarship recipients.

service area. Scholarships are also offered for home-schooled students and to students who qualify in the "at-large" category, as defined on LCP's website.

Letters of recommendation from teachers will be accepted via the online link through February 15, but all other student-submitted

materials must be complete by January 31. ■

HOLIDAYS OBSERVED

LCP will be closed December 24 – 25 for Christmas, and January 1 for New Year's Day. If you experience a power outage, use SmartHub to report an outage or call 800-421-9959, press #1. Register for SmartHub at lakecountrypower.coop.

Service continues while lobbies remain closed

At Lake Country Power we are committed to supplying our members with safe and reliable electric service during the uneasy times being created by the COVID-19 pandemic. As the world witnesses the continuing impact of the coronavirus outbreak, we are



taking precautionary steps to help keep our members and employees safe.

Rest assured that while our offices remain closed to the public for the safety of members and employees, we are committed to serving our members.

- **Payments:** Members will still be able to make payments at the drop boxes that are on-site, the kiosk in the entryway of our service centers, through their SmartHub accounts, by phone, or through regular U.S. mail.
- **Outages:** If members experience a power outage, please report it as usual by SmartHub or phone

and we will dispatch our linemen to make the repairs as expected.

- **Sales and Assistance:** Our representatives remain available by phone or appointment. Please call 800-421-9959 (press 5 for billing) or (press 6 for member service and our Energy Wise® heating programs). ■

Energy assistance available for those in need

As temperatures decline, the cost of heating starts to increase. During the cold weather months, some Lake Country Power member-consumers might have trouble paying their electric bills. We know

that COVID-19 has created additional financial hardships, placing an even greater burden on families already struggling to pay their bills or bring their accounts current.

Please contact us at 800-421-9959 (press 5) to set up a monthly payment plan.

If you have a past-due balance with Lake Country Power, or you are concerned about how to pay for heating

costs this winter, there are some new resources available to help those who are eligible and meet the funding qualifications. For details visit: www.lakecountrypower.coop/covid-19-energy-assistance.

Election process underway

The nomination process for Lake Country Power board of director positions begins January 15, 2021. The three-year board terms for District 1 (Jason Long, incumbent), District 5 (Robert Bruckbauer, incumbent) and District 9 (Sherman Liimatainen, incumbent) are expiring. A special election will be held for District 3 to fill a two-year vacancy.

Any Lake Country Power member who has voting rights in Districts 1, 5, 9 and 3, and is interested in seeking nomination for the board of directors should follow these procedures:

1. Call to request a nomination packet, and complete a qualification questionnaire confirming you meet all qualifications for director as

described in Article III, Section 2 of the Bylaws of Lake Country Power.

2. Submit a nomination petition signed by 15 Lake Country Power members. **If a husband and wife have a joint membership, it will be counted as one signature.**
3. Submit a board candidate biography of no more than 180 words in length.

Nomination packets will be available at all three service center locations beginning January 15. Due to COVID-19, interested members are asked to call and request a packet be mailed to them. Call 800-421-9959 (press 5). The deadline for submitting nomination materials is 4:30 p.m.,

February 4, at the Cohasset Service Center.

The notice of the annual meeting and ballots for electing directors will be mailed to all members of Lake Country Power between March 26 – 31.

The annual meeting will be held Thursday, April 15 at the Cohasset Service Center, Cohasset, MN. Registration begins 4:30 p.m. with the meeting to follow at 6:00 p.m. An evening meal will be served during registration, pending any COVID-19 restrictions. If you have questions regarding director elections, contact Tami Zaun at 800-421-9959, ext. 7152. ■

How do capital credits work?



When you move into a home or establish a business in Lake Country Power's (LCP) service area, you become a member of the co-op.



A capital credit account is established in your name. LCP uses this account to record your investment in the co-op. Each year, any revenue (net margins) remaining after expenses have been paid are allocated to your capital credit account. LCP allocates net margins as "capital credits" to members. A notice of this allocation appears on your June billing statement.



Capital credits increase on your account over a period of time and are based on the amount of electricity you use, so your allocation may vary each year.

Because electric cooperatives operate at cost, any excess revenues, called net margins, are returned to members in the form of capital credits.



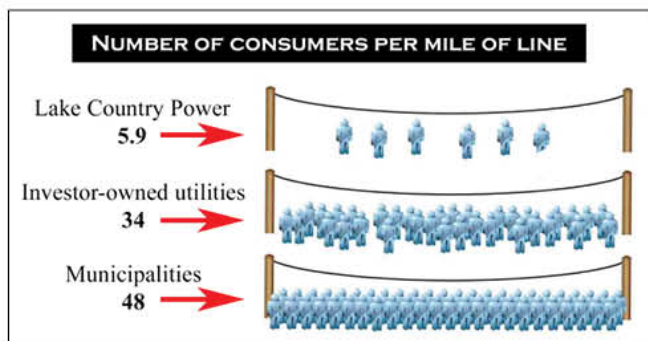
LCP uses the allocated capital credits as a source of equity to build and maintain its electrical system. This reduces the need for interest-bearing loans, which helps keep costs down for all members.



Each year, the board of directors carefully evaluates the financial condition of LCP to determine if the co-op can retire (which means pay) capital credits. There may be years that capital credits are not retired.



You, a member-owner of LCP, receive a capital credit payment.



This graph shows the difference in density among populations of people served by Lake Country Power compared to other neighboring utilities. LCP's density per mile-of-line is low because cooperatives serve the rural countryside areas, not cities. Nearly 95 percent of LCP's membership base is residential and seasonal.

Other electric companies that serve large commercial and industrial (C&I) loads and populated cities benefit greatly from larger revenues, which helps offset their overall fixed costs and rate structure. Learn more about your electric cooperative at lakecountrypower.coop where you will find access to board minutes, financials, bylaws, etc. ■

Condensed Board Minutes

September 29, 2020 • Regular Monthly Meeting

THE FOLLOWING REPORTS WERE GIVEN:

President Olson reported about a political gathering he attended and stated he had several calls during the month from members.

General Manager Randa stated the Great River Energy member managers met virtually in September. Randa reported that GRE will not have an increase in 2021 wholesale power rates. He reported about a possible greenhouse project at Spiritwood Station and GRE financials through August. He also reported about environmental testing at the former Grand Rapids Service Center due to a pending sale of the property.

THE FOLLOWING ACTIONS WERE TAKEN:

Approved to rescind the motion made and approved at the August board meeting to purchase the safety-education trailer.

Approved that the LCP board make application to the LCP Electric Trust to purchase the safety-education trailer for safety demonstrations at schools in LCP's service area. ■

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 December. Cheryl Bunes of Bovey photographed this red barn and shed north of Grand Rapids.

ENERGY EFFICIENCY TIP OF THE MONTH



Energy bills can increase during winter for a variety of reasons, like houseguests, more time spent at home, and shorter days and longer nights. Small actions, like turning down your thermostat, replacing old bulbs with LEDs and washing clothes in cold water can help you save.

Co-op Contacts

Greg Randa, 800-421-9959
General Manager granda@lcp.coop

Jason Long, 218-240-9611
District 1 jlong@lcp.coop

Michael Forsman, 218-365-5789
District 2 mforsman@lcp.coop

Vacant (To be filled spring 2021),
District 3

Craig Carlson, 218-999-7175
District 4 ccarlson@lcp.coop

Robert Bruckbauer, 218-566-2436
District 5 rbruckbauer@lcp.coop

Daniel Kingsley, 218-697-2628
District 6 dkingsley@lcp.coop

Craig Olson, 218-393-2276
District 7 colson@lcp.coop

Jim Huhta, 218-644-3997
District 8 jhuhta@lcp.coop

Sherman Liimatainen, 218-879-3135
District 9 sliimatainen@lcp.coop

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

Published monthly by Lake Country Power
26039 Bear Ridge Drive, Cohasset, MN 55721
Editor: Tami Zaun • tzaun@lcp.coop
Lake Country Power Service Centers:
Cohasset • Kettle River • Mountain Iron
800-421-9959 • www.lakecountrypower.coop
This institution is an equal opportunity provider and employer.



Comparative Operating Statement

Year-To-Date – September 2020

	2020	2019
Electric Operating Revenue	\$67,969,521	\$67,683,299
Cost of Purchased Power	33,934,845	34,332,114
Distribution Expense - Operations & Maintenance	10,560,484	10,638,426
Consumer Accounts Expense & Informational	2,997,523	3,416,245
Administrative and General Expense	4,816,697	4,891,800
Depreciation, Interest Expense and Other Deductions	12,777,120	12,758,913
TOTAL ELECTRIC OPERATING EXPENSES	65,086,670	66,037,498
Net Electric Operating Margins	2,882,851	1,645,801
Non-Operating Margins	777,972	902,387
TOTAL MARGINS BEFORE SUBSIDIARIES	3,660,823	2,548,188
Net Income (Loss) from Subsidiaries	987,490	416,096
TOTAL MARGINS	\$4,648,312	\$2,964,284
TOTAL KWH SOLD (YEAR-TO-DATE)	435,534,957	448,792,514

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.