

January 2016

# Newsline

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 Board Approves 2016 Budget

## Retired couple build all-electric with Steffes products

When it came time to retire, Colin and Pat Ylinen considered their options. They both agreed to leave the Brainerd-lakes area, but weren't quite certain if it would be to live on a lake further up north or on a hobby farm. They opted to go with Pat's wishes to retire on a quiet lake in the deep woods up north.

After finding a plot of land on the edge of Chippewa National Forest of rural Deer River, it was time to build. Having worked 37 years as a building contractor, Colin now had time to build their retirement home with his own two hands. In May 2002, he started building their guest cabin, which sits on top of the garage. This is where he and Pat lived 10 years before building and moving into their new home.

Colin and Pat have wintered three heating seasons in their new home. To stay cozy warm and safe off the beaten path, they heat entirely with electric on Lake Country Power's off-peak and dual fuel programs.

"I'm really sold on the Steffes product, and I've actually done a few installations of Steffes central storage furnaces, including one for my daughter," said Colin Ylinen. "Electric heat is competitively priced, it's clean and it's 100 percent efficient. Plus, I pay for the energy after we've used it. Not before it's used like you do with propane in the spring for next winter's heating."

Their 2,200 square-foot home uses a large Steffes electric furnace for the main floor and loft, plus an RSF-Canadian-brand wood fireplace for aesthetic appeal and



Pat and Colin Ylinen find great value in building an all-electric home with Steffes products.

extra warmth. The basement is equipped with a mini-boiler for in-floor heating. The 576 square-foot guest cabin has two Steffes room storage units, an auxiliary heater and the garage below uses hydronic in-floor heat.

Colin's organized records show that their total electric heating bill for the 2013-2014 winter was \$920.23. They also own a Marathon® brand electric water heater, which is on LCP's off-peak water heating program.

"It's amazing how efficient the water heater is," said Colin. "We've never run out of hot water with the 105-gallon, even when entertaining company for the weekend."

In 2014, their total water heating bill was \$84.08.

"We're sold on being all electric," added Colin. And Pat is quick to agree. She worked 25 years at St. Joseph's Medical Center in Brainerd, and loves their new retirement home in the deep woods of northern Minnesota.

For more information about Steffes heating products and Lake Country Power's off-peak and dual fuel programs, call the member service department at 800-421-9959, press #6. Or visit [lakecountrypower.coop](http://lakecountrypower.coop).

### BOARD MEETINGS

Jan. 26—9:30 a.m. at Grand Rapids Service Center

Feb. 29—9:30 a.m. at Kettle River Service Center

### REPORT AN OUTAGE

SmartHub is the quickest way to report an outage. Sign up for SmartHub today at [lakecountrypower.coop](http://lakecountrypower.coop), or call 800-421-9959 for assistance (press #5).

### PRIMARY NUMBER

Lake Country Power's phones are answered 24-hours a day.

**Our primary phone number is 1-800-421-9959.**

### EDITOR'S NOTE

Co-op events, including board meeting schedules, are posted at [lakecountrypower.coop](http://lakecountrypower.coop). Go to "Community Service" and click "Meetings/Events."

# Election process underway

Date	Election Timeline
January 29, 2016	Nomination Packets Available at Lake Country Power Service Centers
February 18, 2016	Nomination Deadline: Nomination petitions, candidate biography and Nominee Qualification Questionnaire must be submitted to the Headquarters Office at 2810 Elida Drive in Grand Rapids by the close of business – 4:30 p.m.
Between April 8, 2016 and April 13, 2016	Mail Official Annual Meeting Notice and election ballots for Director Districts 2, 4 and 8
April 28, 2016	Annual Meeting – Merritt Elementary School, Mountain Iron, Minnesota

The nomination process for Lake Country Power board of director positions begins January 29, 2016. The three-year board terms for District 2 (Scott Magie, incumbent), District 4 (Craig Carlson, incumbent) and District 8 (Danny Smith, incumbent) are expiring.

Any Lake Country Power member who has voting rights in Districts 2, 4 and 8 and is interested in seeking nomination for the board of directors should follow these procedures:

1. Pick up 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.
- A portion of the nomination materials will be posted in the “member’s area” under “annual meeting” at [www.lakecountrypower.coop](http://www.lakecountrypower.coop).

## District meetings to address rates and regulations

The 2015 capital credit retirement you received in December is just one of the \$2 million reasons to attend your local co-op district meeting. Additional topics will be discussed including rate changes and rules for carbon.

Letters of invitation will be mailed to all members a couple weeks before the reservation deadline. Please keep watch and then R.S.V.P. if you plan on attending. We'll serve a light supper at 5:00 p.m., followed by the meeting at approximately 5:30 p.m.



DATE	TIME	LOCATION	TOWN/DISTRICT	R.S.V.P. By*
January 18	5 - 7 p.m.	Bear River School (the corner of Hwy 5 & 22)	Bear River/Togo, MN –District 1	January 11
January 27	5 - 7 p.m.	Tamarack Sno-Flyers	Tamarack – District 8	January 20
January 28	5 - 7 p.m.	Our Redeemer Lutheran Church, 515 Skyline Blvd.	Cloquet – District 9	January 21
February 4	5 - 7 p.m.	Remer High School	Remer – District 5	January 28
February 9	5 - 7 p.m.	Spang Hall, 35402 Spang Road	Hill City – District 6	February 2
February 23	5 - 7 p.m.	Grand Ely Lodge	Ely – District 2	February 16
February 25	5 - 7 p.m.	Cohasset Community Center	Cohasset – District 4	February 18
March 3	5 - 7 p.m.	Sand Lake Chapel, 9038 Biss Road	Britt – District 3	February 25
March 10	5 - 7 p.m.	South Ridge School	Culver – District 7	March 3

\*R.S.V.P. by calling Angie Hanttula at 800-421-9959, ext. 4521, or 218-322-4521, or e-mail your reservation to [ahanttula@lakecountrypower.com](mailto:ahanttula@lakecountrypower.com). Be sure to include the location you'll attend.

# Scholarship program goes electronic

Lake Country Power's scholarship program is now streamlined to offer an online application process for busy students and adults providing letters of recommendation. The Lake Country Power Les Beach Memorial High School Scholarship program.

Students will want to hurry as the application deadline is January 31, 2016. The Web address is <https://scholarship.lakecountrypower.coop> where the application process can be completed.

The scholarship program has also been revamped to offer greater funding. Students may qualify for up to \$4,000 in scholarships through Lake Country Power's new program. Scholarships are renewable for up to eight semesters, and students must maintain a grade point average of 2.5 or higher. They must also have a full-time enrollment status.

The funds are being made possible through Lake Country Power's unclaimed capital credits. For seven years, LCP tries to locate previous members to return their capital credits. After the seven-year period has passed, state law approves the co-op use the funding for programming like scholarships.



To qualify for the co-op's scholarship program, the student or student's parent/guardian must be a member of Lake Country Power.

## Required materials in the application process include:

- Two letters of recommendation

- Written essay
- Completed online application

Visit [lakecountrypower.coop](http://lakecountrypower.coop) (community service/scholarships) for an "application tips" sheet.

# Lake Country Power Board approves the 2016 budget

After holding off on a rate change in 2015, the Lake Country Power Board of Directors approved a 2016 budget that includes a \$5 million revenue increase. But members won't see a change on electric bills until April.

It's the first change in rates for costs the co-op controls directly since September 2012 and the average residential consumer will see a rate change of six percent.

The increase in operating revenues will cover an additional investment of \$2 million for clearing trees along power line corridors, \$1.8 million for additional interest and depreciation expense and \$1 million for rising wholesale power costs.

When changes go into effect this spring, the average co-op member using 750 kilowatt-hours per month will see a \$10 per month change on electric bills.

"We had a good operating year in 2015 and were able to hold off on a rate change," said Greg Randa, general manager. "We're making the change to account for rising costs that have a direct link to maintaining safe and

reliable electric service for our members."

In addition to changes to residential energy (kWh) rates, changes will also be applied to commercial accounts and Off-Peak and Dual Fuel heating programs.

"We're not seeing growth on the system, which is also a factor," said Randa. "An upward pressure is put on rates when members use less energy. The tipping point occurs when costs continue to rise and energy sales fall. The combination of increasing costs and lower sales is tough on any business, including not-for-profit electric cooperatives."

"Employees are holding down costs and providing members with safe and reliable electricity," said Board President Dale Long. "If you kick the issue of rates down the road, it will only cost more to make the necessary reliability investments in the long run."

LCP rates vary by season. When the change goes into effect, residential energy rates will rise 1.38 cents per kilowatt-hour, per season.

## Be prepared for winter storms

Winter storm severity varies depending on where you live, but nearly all Americans are affected by extreme winter storms at some point. Lake Country Power cares about your safety, and wants you to be prepared.

Heavy snow and ice can lead to downed power lines, leaving co-op members without power. During extremely low temperatures, this can be dangerous.

During a power outage, our crews will continue to work as quickly and safely as possible to restore power.

For winter safety tips, visit [www.ready.gov/winter-weather](http://www.ready.gov/winter-weather).

# Energy assessments can help you save



If your electric bill seems higher than normal and you haven't changed any routines in your home, it may be time to look into the situation through an energy assessment, and perhaps an audit by a certified energy auditor.

Lake Country Power is your contact for general energy assessments and is your liaison for professional home energy audits by certified energy auditors. The cost of an energy assessment is covered by Lake Country Power, while the cost for a blower door test or infrared analysis is covered by the homeowner.

During a home energy assessment, a complete analysis is done to your home within 1.5 - 2 hours by a certified energy auditor. The auditor will check your appliances, electronics, the home's envelope and structure, water heater, lighting, air handling and heating/cooling system.

Energy assessments can be performed any season, however, winter is a popular time to schedule an energy audit so any cold spots, air leaks or door drafts can be detected with an infrared camera.

Once the energy assessment is complete, the certified energy auditor will prepare a complete report for the homeowner and Lake Country Power. Recommendations are also provided within the report to help homeowners identify any improvements that can be made to help save energy and reduce electric bills. Lake Country Power provides information about its rebates and EnergyWise heating/cooling programs when the certified energy auditor requests follow-up.

If you're interested in receiving an energy assessment/audit, please contact Lake Country Power at 800-421-9959, press #6. A member service representative will help assess your general situation and provide the certified energy auditor with your contact information. The auditor will contact you to schedule an appointment.

## It all adds up: Investing in a reliable electric system

The electric co-op industry is capital intensive. This is just one of 13 questions from a quiz to help put into perspective some of the costs that go into your service.

### How much does one regulator\* cost?

- A. \$500
- B. \$2,200
- C. \$9,000
- D. \$12,000

\*LCP has 241 regulators on its system. Regulators maintain the proper voltage at your home so the lights don't dim and power quality isn't reduced if you live a long distance from the substation.



Answer: C



We work hard to keep your coffee hot, your milk cold, your batteries charged and your home warm.

The value of electricity ...  
**Energy that Powers Our Lives**

**800-421-9959**  
lakecountrypower.coop



### ENERGY EFFICIENCY Tip of the Month

Save energy and money by lowering your water heater thermostat to 120 degrees Fahrenheit. This will also slow mineral buildup and corrosion in your water heater and pipes.

Source: [energy.gov](http://energy.gov)

## Cold weather rule effective October 15

In 1991, the Minnesota Legislature passed a law that includes electric cooperatives in the Cold Weather Rule. The law provides that utilities must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

1. Household income of the customer is at or below 50 percent of the state median income. Income may be verified on forms provided by LCP or by the local energy assistance provider.
2. The customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household; and

3. A customer receives from LCP referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

The law does allow for LCP to disconnect when it is necessary from October 15 to April 15, so please act promptly. LCP works with members during the Cold Weather Rule period, just as we do throughout the year. We don't want to interrupt service to any member, but in a cooperative, all members suffer when any bill remains unpaid. If bills remain unpaid, this amount must be absorbed by members who faithfully pay their bill each month. LCP would rather work with members to establish and maintain adequate payment schedules of their past due bill, but sometimes disconnection must be made when necessary, within the limits of the law. Before disconnecting service to residential customers from October 15 to April 15, the cooperative must provide the following information:

- notice of proposed disconnection (disconnection notice);
- statement explaining customers' rights and responsibilities;
- list of energy assistance providers;
- forms available for customer to request cold weather disconnect protection; and,
- a statement explaining the payment plan to secure continued service.

If you receive a disconnection notice this winter, you must act promptly. If you do not meet all the conditions of the Cold Weather Rule, mutually acceptable payment arrangements can be set up to prevent interruption of an electric service. Please contact Lake Country Power if you have any questions about the Cold Weather Rule.

## Energy Assistance Providers

Should you find it difficult to pay your electric bill this winter, these agencies can provide additional assistance and more information.

AEOA  
800-662-5711

• Virginia  
218-749-2912

• Duluth  
218-623-3011

Aitkin County  
800-328-3744

Bi County CAP  
800-332-7161

Bois Forte Tribal  
800-221-8129

Carlton County  
800-642-9082

Cass County  
218-547-1340

Fond Du Lac Tribal  
800-365-1613

Itasca County  
800-422-0312

Kootasca  
877-687-1163

Lake County  
218-834-8400

Lakes & Pines  
800-832-6082

Leech Lake Tribal  
866-864-8668

Mille Lacs Band  
320-532-7880

Pine County  
800-450-7263

Salvation Army Offices:  
800-842-7279

• Cloquet  
218-879-1693

• Grand Rapids  
218-326-5620

• Duluth  
218-722-7934

• Hibbing  
218-263-5096

• Virginia  
218-741-1889

St. Louis County  
Social Services:  
800-450-9777

### Recipe Corner

## Holiday Harvest Muffins

Sandy Wentkiewicz, Barnum



Preheat oven to 350

Generously grease muffin tin

2 1/4 cup flour

3/4 cup sugar

1 1/2 teaspoon baking soda

3/4 teaspoon baking powder

3/4 teaspoon salt

1 teaspoon cinnamon

1/8 teaspoon ground cloves

1/8 teaspoon nutmeg

3/4 cup finely shredded & toasted coconut

1/2 cup finely chopped & toasted walnuts

1 stick melted butter

1 8-ounce can pineapple (drained well, but save 1/4 cup juice)

3 eggs

1 teaspoon vanilla

2 apples, peeled and chopped into small pieces

1 cup finely shredded carrots

1/2 cup finely chopped squash (zucchini, butternut, etc.)

1 cup raisins (to plump raisins soak in water, then drain)

Mix the dry ingredients in large mixing bowl.

Chop nuts in food processor then add coconut and pulse a few times.

Toast the nuts and coconut in fry pan then mix with dry ingredients.

Add melted butter and mix.

Add pineapple and 1/4 cup juice, eggs and vanilla. Then mix.

Add apples, carrots and squash. Mix.

Add raisins and mix gently.

Fill muffin tins 2/3 full

Bake 25 minutes or until toothpick comes out clean.

You can try different fruits, like pumpkin for squash. Tastes

great using gluten free ingredients.

Submit your favorite recipe to Lake Country Power, Attn. Editor, 2810 Elida Drive, Grand Rapids, MN 55744, or e-mail tzaun@lakecountrypower.com. If your entry is drawn and printed in Newsline, you'll receive a \$5 credit on your electric bill. Entries must include name, address and phone number on account. Recipes will be published as space allows.

**October 26, 2015 • Regular Monthly Meeting**

**The following reports were given:**

President Long stated Director Harvey completed the required credits for NRECA's Board Leadership Certification. Long presented the certificate to Harvey to acknowledge his accomplishment.

General Manager Randa provided a written report to the board, including verbal updates on matters. Department reports were included in the material provided to the board.

The Policy Committee (Directors Olson, Simons and Harvey) reviewed revisions with the board to 13 of LCP policies for consideration.

**The following actions were taken:**

Approved Director Long's request to attend Credential Cooperative Director classes offered by the Minnesota Rural Electric Association.

Approved Director Long remain LCP's voting delegate for MREA and Director Simons be the voting alternate.

Approved the \$2 million capital credit retirement recommendation presented by staff. The three oldest years (1983, 1984 and 1985) would be entirely retired, and the remainder would be retired on a percentage basis to all members.

Approved a resolution that supports LCP making a \$2,000 contribution to each of the three United Way agencies in LCP's service area.

Approved the 2016 Director Election Timeline, including the new online voting option for members.

*Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at [www.lakecountrypower.coop](http://www.lakecountrypower.coop) in the "Member's Area." 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 January 2016. It was taken by Bonnie Eiden of Jordan, MN. She zoomed her lens to capture this lovely photograph of a Blue Jay near their cabin. Request a free 2016 Lake Country Power calendar online at [www.lakecountrypower.coop](http://www.lakecountrypower.coop).

## Comparative Operating Statement

Year-To-Date — October 2015

	2015	2014
Electric Operating Revenue	\$69,071,971	\$72,458,027
Cost of Purchased Power	37,120,979	40,025,485
Distribution Expense - Operations and Maintenance	10,502,221	10,024,186
Consumer Accounts Expense & Informational	3,281,463	3,228,415
Administrative and General Expense	4,762,887	4,620,285
Depreciation, Interest Expense and Other Deductions	12,507,663	12,213,845
<b>TOTAL ELECTRIC OPERATING EXPENSES</b>	<b>68,175,213</b>	<b>70,112,216</b>
Net Electric Operating Margins	896,758	2,345,812
Non-Operating Margins	997,552	934,587
<b>TOTAL MARGINS BEFORE SUBSIDIARIES</b>	<b>1,894,310</b>	<b>3,280,399</b>
Net Income (Loss) from Subsidiaries	113,833	614,303
<b>TOTAL MARGINS</b>	<b>\$ 2,008,144</b>	<b>\$3,894,702</b>
<b>TOTAL kWh SOLD (YEAR-TO-DATE)</b>	<b>508,988,312</b>	<b>551,793,319</b>

**Editor's Note:** These financials are condensed. A complete set of financials can be viewed at [www.lakecountrypower.coop](http://www.lakecountrypower.coop) in the "Member's Area." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a copy.

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## Co-op Contacts

- Greg Randa, General Manager** 800-421-9959  
[granda@lakecountrypower.com](mailto:granda@lakecountrypower.com)
- Dale Long, District 1** 218-757-3634  
[jljong004@centurylink.net](mailto:jljong004@centurylink.net)
- Scott Magie, District 2** 218-365-2703  
[ScottMagie@aol.com](mailto:ScottMagie@aol.com)
- George Harvey, District 3** 218-741-6633  
[gharvey@accessmn.com](mailto:gharvey@accessmn.com)
- Craig Carlson, District 4** 218-999-7175  
[carlsonlcp@gmail.com](mailto:carlsonlcp@gmail.com)
- Robert Bruckbauer, District 5** 218-566-2436  
[bobbruckbauer@northic.com](mailto:bobbruckbauer@northic.com)
- Don Simons, District 6** 218-326-2184  
[dcsimons42@gmail.com](mailto:dcsimons42@gmail.com)
- Craig Olson, District 7** 218-393-2276  
[cdolson106@aol.com](mailto:cdolson106@aol.com)
- Danny Smith, District 8** 218-357-3605  
[dangsmith@frontiernet.net](mailto:dangsmith@frontiernet.net)
- Sherman Liimatainen, District 9** 218-879-3135  
[sgliimatainen@gmail.com](mailto:sgliimatainen@gmail.com)

Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care than 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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2810 Elida Dr., Grand Rapids, MN 55744  
Editor: Tami Zaun  
[tzaun@lakecountrypower.com](mailto:tzaun@lakecountrypower.com)

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