

June 2019

Newsline

BOARD MEETINGS June 25 – 9:30 a.m. at Mountain Iron Service Center ■ July 29 – 9:30 a.m. at Grand Rapids Service Center



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Behind your power
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Unclaimed credits stay local for scholarships

\$120,000 value awarded for 30 students

Lake Country Power is pleased to announce 30 local high school seniors from 30 different schools have been awarded the Lake Country Power 2019 Les Beach Memorial Scholarship – valued at \$120,000.

The \$4,000 scholarships, issued at \$500 per semester for four years, will help the following graduating seniors pursue their college plans and career dreams:

Jessica Schatz: Barnum School

Alena Wallin: Carlton School

Mariah Ortiz:
Cass-Lake-Bena School

Paige Chadwick: Cherry School

Lucy Lindstrom:
Chisholm School

Kaylee Anderson:
Cloquet School

Madisyn Anderson:
Cromwell-Wright School

Frank Villeneuve:
Deer River School

Shane Spangler:
Ely-Memorial Secondary School

Samantha Stueber: Esko School

Jacee Zasadni:
Eveleth-Gilbert School

Wyatt Rauvola:
Floodwood School

Makenzie Birkey:
Grand Rapids School

Rose Carpenter:
Greenway-Coleraine School

Sara Furlong: Hibbing School

Taya Gilmer: Hill City School

Grace Anderson:
McGregor Secondary School

Carson Becicka:
Mesabi East School

Charis Blacklock:
Moose Lake School

Macy Savelle:
Mountain Iron-Buhl School

Anna Tripp: North Woods School

Sophie Lenz:
Northeast Range High School

Beau Anwiler: Northern Lights
Community School

Taylor Tschida:
Northland-Remer School

Samantha Mullvain:
Proctor School

Elias Tuominen:
South Ridge School

Dawson Flatley: Virginia School

Amelia Emery: Walker-
Hackensack-Akeley School

Taylor Peck: At Large category

Kaitlyn Graf: Home school

The Les Beach Memorial Scholarship is available to local students from more than 30 area high schools. Qualified students must be co-op members through their parents or legal guardians who receive electricity services from LCP.

The electronic application process for high school seniors will open again,



► Grace Anderson, McGregor, receives scholarship from LCP's Dave Kooda.



► Lucy Lindstrom, Chisholm, receives scholarship from LCP's Misty Ryan.

January 1, 2020, when qualifying high school seniors may apply for the next round on LCP's website.

Lake Country Power also offers \$1,000 scholarships to five area community college foundations and

three Minnesota lineworker schools to support students in trade schools and community/technical college programs. Applications for these scholarships are available directly through the colleges. ■

The Les Beach Memorial Scholarship is made possible through unclaimed capital credits. After seven years of trying to locate former members, the State of Minnesota permits electric cooperatives like Lake Country Power to use unclaimed funds for charitable purposes, such as scholarships. If LCP didn't use the funds locally for scholarships, the State of Minnesota would require the funds be used in the state's general fund.

For a list of names of former members with their last known city of residence, visit lakecountrypower.coop/my-account/capital-credits. If you know someone on the list, call 800-421-9959 and press 5.

HOLIDAY OBSERVED

All LCP offices will be closed July 4 for Independence Day. If you experience a power outage, use SmartHub to report the outage. Register for SmartHub at lakecountrypower.coop. Or call 800-421-9959, press #1.

The strength and courage behind your power

Most of us can ride out a storm from the comfort and convenience of our homes. As we move into summer storm season, I'd like to give some appreciation and gratitude for the group of professionals that spring into action when the weather takes a turn for the worst. They are our co-op line workers.



By Sherman
LIIMATAINEN
District 9 Director

limiting potential injuries from burns and sparks. Insulated and rubber gloves are worn in tandem to protect them from electrical shock. While the gear performs a critical function, it also adds additional weight and bulk, making the job more complex.

In addition to the highly visible tasks line workers perform, their job today goes far beyond climbing to the top of a pole to repair a wire. They are also information experts. Line crews use their laptops and cell phones to map outages, take pictures of the work they have done and troubleshoot problems.

Lake Country Power's line workers are responsible for keeping 8,300 miles of lines across eight counties working, in order to bring power to your home, cabin or business, regardless of weather, holidays or personal considerations.

Safety First

To help keep them safe, line workers wear specialized protective clothing and equipment at all times when on the job. This includes special fire-resistant clothing that will self-extinguish,



Dedication and Service

While some of the tools that line workers use have changed over the years, namely the use of technology, dedication to the job has not. Being a line worker is not a glamorous profession. At its essence, it is inherently dangerous, requiring them to work near high voltage lines in the worst of conditions, at any times of the day or night. During storms, wildfires, and an increase in derechos, crews work hard and steady to restore power – and it takes time and patience.

As part of the co-op family, it's important we take a moment to express appreciation and gratitude to Lake Country Power's 42 line workers. Thank you all for the challenging and dangerous hard work you do every day, regardless of conditions or circumstances. You are the power behind our power. Thank you! ■

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

Capital credit allocation made for all members

This month, the co-op's board approved to allocate more than \$6.6 million of the Lake Country Power and Great River Energy 2018 margins into long-term member capital credit accounts.

Because Lake Country Power and Great River Energy are not-for-profit cooperatives, all margins (revenues minus expenses) are allocated back to member-owners in the

form of capital credits. The allocation represents your share of "ownership" in the co-op and is paid back to you – over time – as financial conditions allow.

Allocation notices are being mailed in June. To keep you up-to-date on your capital credit account, the line items, listed on your 2018 Notice of Capital Credit Allocation represent the amount of the 2018 margin allocated

to your capital credit membership account.

The allocation is based on patronage and your proportionate share of the cooperative's revenue. Until capital credits are returned through a board approved general retirement, your allocation is invested to improve the reliability and service of your cooperative.

Your capital credit membership account represents your share of ownership in the co-op, and is used to reduce the amount of bank financing for equipment like electric lines, utility poles, substations, transformers and trucks. Visit www.lakecountrypower.coop for more information about allocations and capital credits. ■

Co-op community connects at Lake Country Power annual meeting

A community of cooperative members "plugged in" to Lake Country Power at the annual meeting in Hibbing on Wednesday evening, April 17. More than 400 members and guests heard about co-op membership benefits, the co-op's long-term investments, and the co-op's commitment to serve locally.

"I started with the co-op in 1979, and I've seen many changes over my 40-year career," said Lake Country Power General Manager Greg Randa. "But one thing that hasn't changed is our daily effort and commitment to provide safe and reliable service for our members."

Randa emphasized that the need to make the electric grid even more reliable remains a high priority.

"We have built, maintained and improved our distribution system over the last 80 years, and we have much work ahead," said Randa. "We are making important investments to change out aging poles, wires, equipment and infrastructure, which means

more than 75 miles of age-related replacement work is needed and necessary every year and well into the future."

Modern Initiatives

Randa said it is time to modernize the electric grid to meet members' needs and expectations for security, power quality, battery storage, renewable energy, electric vehicle charging, smart home devices, and two-way consumer communications with their co-op provider.

One of LCP's initiatives involves replacing nearly 70,000 meters with new technology. The new meters will allow LCP members to monitor hourly electric usage and account information. It'll improve the number of meters that communicate with LCP and read on a regular basis. He also gave an update about the construction progress of the cooperative headquarters building in Cohasset.

While reliability is important, so is safety, and Randa emphasized that by saying



► Five lucky members won a grand prize from LCP, which included a \$100 credit to their May billing statement. They are, left to right: Barbara Pearman, Ann Doree, Becky Simpson, Donald Doroff and James Luke.

the co-op's quest for zero injuries is more important than ever along with the ability to maintain stable and affordable rates.

Commitment to Community

Randa also emphasized the co-op's commitment to community and working together.

"We were built by our co-op community, we belong to our co-op community, and we are owned by our co-op community," Randa said. "We're working to help make our region stronger and better for members who call northern Minnesota home."

Members made contributions to the Salvation Army of Hibbing that evening as well – 172 pounds in food and \$415.48. In exchange, LCP gave 232 LED bulbs to members. Lake Country Power donated all left-over food from dinner to the Salvation Army that night as well.

2019 Director Election Results

Candidates ran unopposed in Districts 2 and 4. Three-year terms:

District 2:
Michael Forsman, Ely*
614 votes

District 4:
Craig Carlson, Cohasset*
374 votes

District 8:
Jim Huhta, Cromwell*
455 votes

Danny Smith, Tamarack
284 votes

*Denotes incumbent

Immediately following the adjournment of the annual meeting, the board of directors held a re-organizational meeting. Board officers are: Craig Olson from District 7, President; Sherman Liimatainen from District 9, Vice President; George Harvey from District 3, Secretary; and Craig Carlson from District 4, Treasurer.



Missed the annual meeting? Annual meeting videos can be found online at www.lakecountrypower.coop or www.youtube.com/user/lakecountrypower.



Powering Up After an Outage

When the power goes out, we expect it to be restored within a few hours. But when a major storm or natural disaster causes widespread damage, extended outages may result. Our line crews work long, hard hours to restore service safely to the greatest number of members in the shortest time possible. Here's how we get to work when you find yourself in the dark:

1. High-Voltage Transmission Lines:

Transmission towers and cables supply power to transmission substations (and thousands of members), and they rarely fail. But when damaged, these facilities must be repaired before other parts of the system can operate.

2. Distribution Substation:

A substation can serve hundreds or thousands of members. When a major outage occurs, our line crews inspect substations to determine if problems stem from transmission lines feeding into the substation, the substation itself or if problems exist further down the line.

3. Main Distribution Lines:

If the problem cannot be isolated at a distribution substation, distribution lines are checked. These lines carry power to large groups of members in our local communities.

4. Tap Lines:

If local outages persist, supply lines (also known as tap lines) are inspected. These lines deliver power to transformers, either mounted on poles or placed on pads for underground service, outside businesses, schools and homes.

5. Service Lines:

If your home remains without power, the service line between a transformer and your residence may need to be repaired. If you experience an outage, please give us a call so we can isolate the issue.



SmartHub is a Web and mobile app that allows you to interact with us like never before. View and pay your bill, monitor your use 24/7, report service issues and more. Billing notifications will ensure you never miss a payment, which you can make through the app or on the Web with just a few clicks.

Take control of your account with SmartHub.
Available on Apple and Android devices and on the Web.

How to Report Outages:

As a courtesy, we'd like to remind members that Facebook and Lake Country Power's other social media sites are not monitored 24/7, so messages will likely be missed if used to report power outages.

The two most reliable ways to report outages is by calling 800-421-9959 (press 1), or by using SmartHub. Download SmartHub at lakecountrypower.coop today – it's the fastest way to report an outage and goes straight into dispatch with no on-hold waiting.

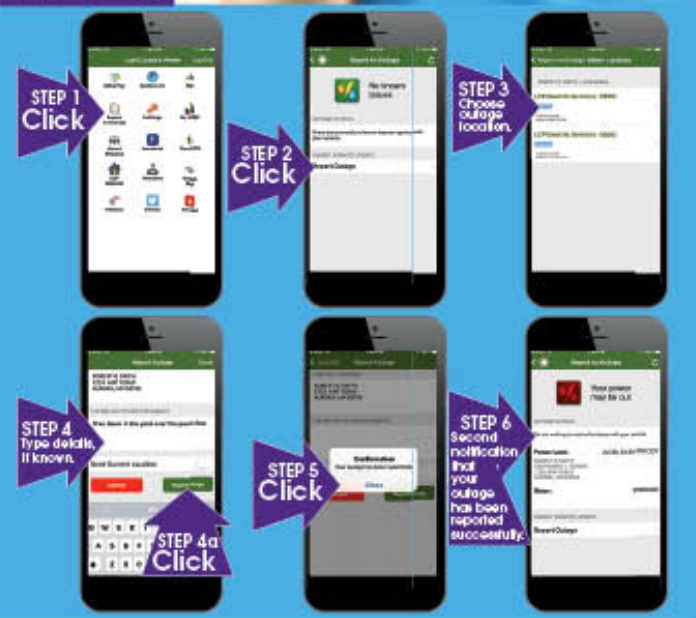
Save Time, Save Money, and Report Outages with SmartHub

Our SmartHub mobile app allows you, the member, to report power outages in just seconds, and it's faster than making a phone call. If known, report downed power lines or other outage related reasons.

It's quick and easy!



Here's how:



Bus Tour: Coal Creek

Reserve a seat with Lake Country Power for a fascinating opportunity to see how energy is made from baseload coal generation when you travel with us on the Coal Creek Tour.

The Coal Creek Tour takes place in central North Dakota, and is scheduled for September 17 – 19. The cost is \$170 per person. Your registration includes transportation, two nights lodging at the Holiday Inn Express in Bismarck, dinner and a full day tour with lunch. Registrations are due by August 21.

On tour day you'll see:

Coal Creek Station—the largest power plant in North Dakota; learn why this power plant is vitally important to Great River Energy's generation mix.

Falkirk Mine—see the gigantic equipment that is used to help supply 8 million tons of lignite coal each year to Coal Creek Station.

Blue Flint Ethanol—uses a mix of primary and waste steam to produce ethanol, making it one of the lowest-cost facilities in the nation.

Garrison Dam—the fifth largest earthen dam in the world; see the plant that generates electricity which is marketed by the Western Area Power Administration.

Headwaters Fort Mandan Visitors Center—coal combustion products were used in construction of the visitor center; tour the fort and walk the trails along the Missouri River. ■



Register me for the Coal Creek Tour!

I understand space is limited so I'm signing up today.
___ Enclosed is my check for \$170 per person.

Name(s): _____

Address: _____

Telephone Number: _____

E-mail address: _____

Pick-up locations available (please choose one):

___ Grand Rapids service center

___ Kettle River service center

___ Mountain Iron service center

Please mail this registration form and payment to Tami Zaun, Lake Country Power, 2810 Elida Drive, Grand Rapids MN 55744. Registrations must be received by August 21.

Experience efficiency in any season with an air source heat pump

With heating and cooling accounting for some of the largest expenses for homeowners, it makes sense for your space to be equipped with one high-efficiency appliance to keep those costs as low as possible.

A smart, all-in-one solution is to install an air source heat pump (ASHP), which handles both your heating and cooling needs. It works in the summer months by extracting the existing heat from inside your home and moving it outside, often outperforming standard central air conditioners in the process.

The cycle is reversed for heating: by extracting warmth from the outdoor air and pumping it into your home. This will allow you to run your furnace less. During the spring and fall, you may not even need to run it at all.

ASHPs achieve all this while consuming up to 72 percent less electricity than conventional air conditioners and furnaces, leaving you with a savings of up to 30 percent on your electric bill. Earlier generations of ASHPs were limited in terms of their effectiveness in states with colder climates like Minnesota's, but technology has advanced to where they can now operate down to 0 degrees Fahrenheit.

Cooling and Heating Capabilities

"With the recent advancements in air source heat pump technology, they can now be used to cost effectively deliver a much larger portion of the

heating needs of homes and businesses in cold climate areas such as Minnesota," said Rodney De Fouw, member electrification strategist at Great River Energy. "In rural areas where natural gas is not available, using air source heat pumps for heating is now commonly the most cost-effective heating option available for the vast majority of the heating season. This is especially true if you can take advantage of programs and rate options available through your local electric cooperative."



Beyond cost savings, ASHPs provide additional benefits such as higher-quality warmth compared to conventional furnaces as the ASHP distributes heat more evenly and holds moisture better which results in a natural, comfortable warmth.

ASHPs also provide a safe, environmentally-friendly solution for home comfort conditioning. They don't use an open flame or create products of combustion – such as carbon monoxide – so there is no need for venting.

Lake Country Power offers rebates of up to \$1,200 based on your SEER rating. For more information, contact Lake Country Power at 800-421-9959 (press 6 for the member service department), or visit lakecountrypower.coop. ■

Condensed Board Minutes

March 21, 2019 • Regular Monthly Meeting

THE FOLLOWING REPORTS WERE GIVEN:

President Craig Olson reported about his attendance at the National Rural Electric Cooperative Association annual meeting.

General Manager Randa reported about Northland Connect, LCP district member meetings, construction of LCP headquarters in the Cohasset Industrial Park, a meeting with Grand Rapids PUC about annexation, and the NRECA annual meeting.

Director of Finance and Administration Bakk reviewed the January financials, and reported that the FEMA reimbursement for 2018 storm expenses were received.

THE FOLLOWING ACTIONS WERE TAKEN:

Approved to accept the 2018 audit report as conducted by Brady Martz, which provided a clean opinion of LCP's 2018 operations.

Approved the director election ballots.

Approved to adopt the proposed revisions to Policy 613 for operations and engineering co-generation/distributed energy resources.

Approved to adopt a resolution adopting Minnesota cooperative distribution energy resource interconnection process. ■

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.



ENERGY EFFICIENCY TIP OF THE MONTH

Want to light up your outdoor space without increasing your energy use? Try outdoor solar lights! They're easy to install and virtually maintenance free. Remember, solar lights work best when the solar cells receive the manufacturer's recommended hours of sunlight.

Source: energy.gov



► This picture earned a spot in the co-op calendar for June. Mary Sorenson of Cloquet took this photo on Island Lake.

Co-op Contacts

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

Jason Long, 218-240-9611
District 1 jaselong@gmail.com

Michael Forsman, 218-365-5789
District 2 forsmanmd@hotmail.com

George Harvey, 218-741-6633
District 3 gharvey@accessmn.com

Craig Carlson, 218-999-7175
District 4 carlsonlcp@gmail.com

Robert Bruckbauer, 218-566-2436
District 5 bobbruckbauer@northlc.com

Daniel Kingsley, 218-697-2628
District 6 kingsdan27@gmail.com

Craig Olson, 218-393-2276
District 7 colson@iupat82.org

Jim Huhta, 218-644-3997
District 8 hatcheck@frontier.com

Sherman Liimatainen, 218-879-3135
District 9 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 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 – March 2019

	2019	2018
Electric Operating Revenue	\$ 26,899,984	\$ 26,875,203
Cost of Purchased Power	14,531,785	14,386,431
Distribution Expense - Operations & Maintenance	2,736,785	2,624,837
Consumer Accounts Expense & Informational	1,156,364	1,107,766
Administrative and General Expense	1,745,924	1,741,943
Depreciation, Interest Expense and Other Deductions	4,127,655	3,178,264
TOTAL ELECTRIC OPERATING EXPENSES	24,298,514	23,039,240
Net Electric Operating Margins	2,601,470	3,835,964
Non-Operating Margins	624,470	779,679
TOTAL MARGINS BEFORE SUBSIDIARIES	3,225,940	4,615,643
Net Income (Loss) from Subsidiaries	(244,379)	(265,729)
TOTAL MARGINS	\$ 2,981,561	\$ 4,349,914
TOTAL KWH SOLD (YEAR-TO-DATE)	209,864,285	211,993,973

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.