

May 2016

# Newsline

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Member Engagement

Tax Credit Expires Dec. 2016

Wellspring Wind and Solar

Save at the Red Willow

## First 25 Recipients

Congratulations to the following high school graduating seniors who have been selected to receive Lake Country Power's Les Beach Memorial Scholarship.

- Katelynne Schatz: Barnum High School
- Paul Cerar: Cherry School
- Rainie Dormanen: Chisholm School
- Robert Sobczak: Cloquet School
- Jennifer Koenig: Cromwell-Wright School
- Brianna Williams: Deer River School
- Trenton Menor: Esko School
- Heather VanGuilder: Eveleth-Gilbert School
- Mary Rohde: Floodwood School
- Collin Graf: Grand Rapids School
- Alissa Glines: Greenway-Coleraine School
- Isaac Hiner: Hermantown School
- Christina Waselk: Hibbing School
- Noah Bishop: Hill City School
- Emma Erie: Mesabi East School
- Madison Milczark: Moose Lake School
- Archie Winans: Mountain Iron-Buhl School
- Cassandra Holmbeck: Nashauk-Keewatin School
- Michael Bodri: North Wood School
- Abrianna Mellesmoen: Northeast Range High School
- Peter Lokken: Northern Lights Community School
- Kristina Harder: Northland-Remer School
- Ramsey VanValkenburg: Proctor School
- Elizabeth Poskie: South Ridge School
- Alexis Munter: Virginia School



## Investing in our future

### 25 local high school students receive LCP scholarship

Hard work, perseverance and a commitment to community pays off. At least that's the case for 25 high school students and eight community college students who earned Lake Country Power's scholarships this year. The 33 students were recipients of Lake Country Power's Les Beach Memorial Scholarship.

The Les Beach Memorial Scholarship program is made possible through unclaimed capital credits.

The State of Minnesota permits electric cooperatives to use unclaimed funds for charitable purposes. In this case, students benefit through the Les Beach Memorial Scholarship program.

More than 100 area high school students applied for the renewable scholarship,

which is worth \$4,000 (\$500 per semester) up to a total of eight semesters.

The Les Beach Memorial Scholarship is available to local students from 34 area high schools. Students must be co-op members through their parents or legal guardians who receive electricity services from LCP.

The application process will open again, January 1, 2017, when qualifying high school seniors may apply for the next round. The application process is electronic, online at [lakecountrypower.coop](http://lakecountrypower.coop).

Lake Country Power also contributes to area community college foundations and Minnesota lineworker schools to help students in trade schools and community and technical college programs.

#### BOARD MEETINGS

May 24—9:30 a.m. at  
Kettle River Service Center

#### COAL CREEK TOUR

Registration is open for the  
Coal Creek Tour to ND,  
September 20 - 22. Cost  
is \$170/person. E-mail  
[tzaun@lakecountrypower.coop](mailto:tzaun@lakecountrypower.coop)  
to register, or for more  
information.

#### 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."*



# The importance of member engagement

By Craig Olson, District 7 Director

In 2012, the National Rural Electric Cooperative Association (NRECA), the premier trade association representing 900 electric cooperatives in 47 states, released a report — *The Electric Cooperative Purpose; A Compass for the 21st Century*. The findings of the blue-ribbon task force comprised of a dozen co-op leaders from across the country were that an electric cooperative's purpose is to, "Power communities and empower members to improve the quality of their lives."

Lake Country Power is a member of NRECA and firmly believes that you, our members, need to be at the heart of everything we do. We are proud of the fact that we are different from investor-owned utilities, where the primary purpose is to generate profit for their stockholders. Many of those stockholders

**Our story is about ordinary people who banded together to improve the quality of life by providing electricity to our community when no one else would do it.**

ers don't live in the communities served by the utility. While Lake Country Power must of course generate enough revenue to cover our costs, profit is not our primary purpose or motive. Serving you and your neighbors is our number one priority.

As the Electric Cooperative Purpose report noted, "Our story is about ordinary people who banded together to improve the quality of life by providing electricity to our community when no one else would do it." But that was nearly 80 years ago. As we look to the future, we once again need your active participation in determining the future of our co-op.

Cooperatives enjoy the support of people from all walks of life. We operate in every type of business from agriculture, housing, finance,

health care, technology, small business, food and many more. Co-ops can be found in the most rural to the most urban areas.

Lake Country Power welcomes your input on what we can do to ensure we are meeting your needs. The annual meeting provides a great opportunity for members to speak with the board and co-op employees. Also, the nine district member meetings held at the start of the year is another venue to engage with members. We also hold three member appreciation events in August. The monthly board meetings are always open for members to attend as well.

One thing you can absolutely count on from your locally owned electric co-op: we will never be moving to Mexico or China like you hear of so many other companies doing. We will always be local – right here and ready to serve members.

*Craig Olson was elected by members in Lake Country Power District 7. He can be reached at 218-393-2276 or [cdolson106@aol.com](mailto:cdolson106@aol.com).*

## Doing business with co-ops pay off

One of Lake Country Power's financial lenders is a cooperative – CoBank. When Lake Country Power does business with CoBank there are rewards, such as receiving patronage capital.

CoBank approved a patronage capital retirement last year to its members' benefit. Lake Country Power's 2015 share of CoBank's patronage capital was more than \$668,800, of which, \$501,600 was received in cash.

"Receiving patronage capital is a major benefit of banking with a cooperative bank," said Director of Finance & Administration Mark Bakk. "Lake Country Power's portion from CoBank was significant due to a refinancing strategy we did last year."

In 2015, Lake Country Power refinanced \$68 million it owed to the Federal Government Rural Utilities Service. Because CoBank was offering a lower interest rate, Lake Country Power transferred its debt to the cooperative lender.

"The total savings from this refinance should exceed \$20 million in a 20-year timeframe," added Bakk. "A savings that will directly benefit Lake Country Power members in careful management of costs."

CoBank is a national cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving farmers, ranchers and other rural borrowers in 23 states around the country.



Pictured left to right from Lake Country Power: Director of Finance & Administration Mark Bakk, LCP Board President Dale Long and General Manager Greg Randa. The capital credit check was presented to LCP by Cliff Bolstad, Regional Vice President, CoBank.

# Ground source heat pump incentives expire in 2016

If you're considering a renewable source to heat and cool your home, a ground source heat pump is just the ticket, and the most energy-efficient residential option available.

Ground source heat pumps are also referred to as geothermal heat pumps. Rather than using outside air, a geothermal heat pump uses the earth's ability to store heat in the ground—a renewable resource. It operates based on the stability of underground temperatures.

A water-based solution circulates through pipes buried underground. When it reaches the heat pump, the collected energy is transferred to a low-pressure liquid refrigerant, which vaporizes. From the compressor, heat is released into your home as your heating needs require.

The refrigerant's flow is reversed during the summer, carrying excess heat from your home to provide cool, efficient and comfortable climate control. The units can be as much as 350 percent efficient.

A heat pump can completely replace your furnace and air conditioner, and may qualify for the dual fuel heating program if you have gas backup. Otherwise members place the ground

source heat pump on the general electric rate, which is still valuable given the 350 percent efficiency of the system.

"Many of our members are still choosing to go with ground source heat pumps," said Jeff Sheldon, energy services and business development manager for LCP. "It's an attractive option considering the unit's efficiency, Lake Country Power's rebates and the federal tax credits available."

## Incentives Expire in 2016

Homeowners who install Energy Star-certified geothermal heat pumps are eligible for a tax credit equal to 30 percent of the cost of the system (including installation and labor costs) with no upper limit. But hurry. This tax credit expires December 31, 2016, which means the ground source heat pump must be installed this year.

Lake Country Power is offering a \$400 per ton rebate for ground source heat pumps in 2016. For more information, contact the member service department at 800-421-9959, press #6.



## Registration opens for Coal Creek Tour

It's time for you to join us on the Coal Creek Tour! Come travel with Lake Country Power and other co-op members to North Dakota for a fascinating opportunity to see how electricity is made.

This year's tour dates are September 20 – 22. The cost is \$170 per person. Registration includes transportation, two nights at the Holiday Inn Express in Bismarck, dinner and a full-day tour with lunch. Registrations are limited. Reserve your spot today.

### Sign me up for the Coal Creek Tour!

Name(s): \_\_\_\_\_

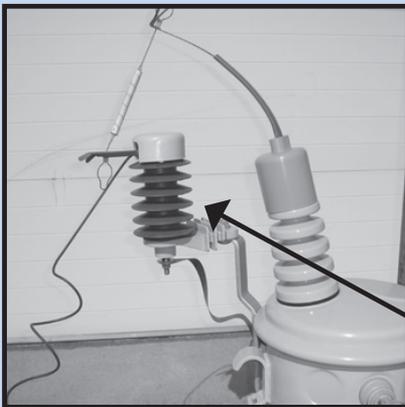
Address: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Pick-up location (choose one):  Grand Rapids service center  
 Kettle River service center  
 Mountain Iron service center

Please mail this registration form and payment to Lake Country Power, attn: Tami Zaun, 2810 Elida Drive, Grand Rapids MN 55744. Registrations must be received by Friday, September 2.



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

### How much does a lightning arrester\* cost?

- A. \$78      B. \$40      C. \$25      D. \$12

\*LCP has 32,602 lightning arresters on its system. Lightning arresters help protect consumer electric equipment against damage caused by lightning strikes.

# Get your green on with Wellspring

The Wellspring renewable energy program has evolved to include solar as an option. In addition to the traditional Wellspring Wind program, members may choose solar through the Wellspring Solar program.

Members can sign up for these programs with Lake County Power's member service department. Wellspring is a voluntary program offered to co-op members.

While the electricity that is delivered to your home includes at least 25 percent renewable energy, the Wellspring program allows energy-conscious members the option to feel good about their energy choices.



## Here's how the program works

- An average home uses 800 - 1,000 kilowatt-hours of electricity per month
- You can purchase Wellspring Energy in 100 kWh blocks. One block per month is the minimum requirement for a 12-month commitment.
- Eight to ten blocks is equivalent to an average home's monthly electric use.
- Participating members pay an additional amount on their electric bills.
- Participants remain on the program for 12 months, minimum. After 12 months, you may discontinue participation at any time.

## Sign me up for Wellspring

You may sign up for both programs, if you like, or one if preferred.

The cost for Wellspring Wind is 50 cents per 100 kilowatt-hour block. The cost for Wellspring Solar is \$2.00 per 100 kilowatt-hour block. Both programs will be an addition to your regular electric charges, and are a one-year commitment.

**Wind:** Number of 100 kWh blocks wanted per month for Wellspring Wind \_\_\_\_\_

**Solar:** Number of 100 kWh blocks wanted per month for Wellspring Solar \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Account Number \_\_\_\_\_

Please mail this form to Lake County Power,  
P.O. Box 98, Kettle River, MN 55757.

# Common home electrical hazards

May is National Electrical Safety Month. It's a good time to remember that extension cord misuse and overburdened electrical systems are two of the main causes of home electrical fires. That's according to the Electrical Safety Foundation International (ESFI).

It's important to be aware of these common and preventable hazards, as well as other safety measures you can

take to ensure that your home is electrically safe.

The National Fire Protection Association (NFPA) estimates 47,700 home structure fires reported to U.S. fire departments each year involve some type of electrical failure or malfunction as a factor contributing to ignition. These fires result in 418 civilian deaths, 1,570 civilian injuries and \$1.4 billion in property damage.

## Safety is the Difference

Children are **curious**. They crawl, they feel, they touch, they explore. But sometimes **curiosity can lead to danger**, such as when children tamper with an electrical receptacle. Fortunately there's now a receptacle that can **safeguard this everyday source of danger**. Learn more about **Tamper Resistant Receptacles (TRRs)** and their life-saving potential.

The 2008 National Electrical Code (NEC) requires all new and renovated homes to have TRRs.

- 100% of all 2-4 year olds were able to remove one type of plastic outlet cap within 10 seconds.\*
- The average American home is 41 years old. Homes upgraded before the 2008 NEC may not have TRR protection.
- The shutter system in TRRs allows **only** plugs to be inserted while preventing access to foreign objects.
- In a 10 year study, **24,000** children (7 a day) were treated in emergency rooms for receptacle-related injuries.\*\*
- Hairpins, keys and fingers are the **top three** items inserted into outlets by a child.
- TRRs cost as little as **25¢** more than a standard outlet.

Source: \* Study conducted by Temple University Biokinetics Research  
\*\* Study conducted by the U.S. Consumer Product Safety Commission

ESFI Upgrade to Tamper Resistant Receptacles, it could save a life.

www.facebook.com/ESFI.org www.twitter.com/ESFIdotorg www.youtube.com/ESFIdotorg

For more information about electrical safety, visit [www.esfi.org](http://www.esfi.org).

**Renewable Energy Source**

**Cost per 100 kWh block/month**

**Member purchases at least one 100-kWh block each month for 12 months, minimum**

Wind  
Solar

50 cents per block  
\$2.00 per block

\$6/year  
\$24/year

# Governor's Fishing Opener comes to Lake Country region, again

Lake Country Power's service area is a popular region for the Minnesota Governor's Fishing Opener. Lake country – it's why we live here.

The 69th event will be held on Big Sandy Lake near McGregor and at Big Sandy Lodge & Resort as headquarters, May 12 – 14. The resort is a co-op member, receiving electric services from Lake Country Power.

Since 1948, the Minnesota Governor's Fishing Opener has been held 16 different times throughout Lake Country Power's service area. Lake Country Power will once again be one of several sponsors for the event.



## Billing options for added convenience



Lake Country Power offers several billing programs to help simplify your personal schedule. Check out the options and decide which option best fits your lifestyle.

### SmartHub

If you want a greater amount of access to your account information, SmartHub is for you. It allows you to pay your bill immediately and securely online using a credit card or bank account. You can also review your monthly electric usage, compare bills between months, review payment history, elect for paperless billing, report a power outage, set up bill alert notifications, and much more.

If you want to save even more time, SmartHub allows you to manage your account with a mobile device. Download the SmartHub mobile app from iTunes or the Android Marketplace. It's free, and useful for people on the go.

### LCP Easy Pay

This is an automated billing program where the amount due is automatically deducted from your checking account, savings account or your credit card each month. To get started, download the application form at [lakecountrypower.coop](http://lakecountrypower.coop) under "My Account/billing options."

### Budget Billing

Take advantage of a fixed monthly electric bill payment and enroll in budget billing. The monthly budget amount is primarily based on the average of the previous 12 month bill history. Budget bill amounts are re-evaluated two times each year, in the months of March and August.

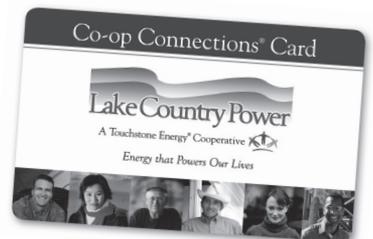
For more information on any of LCP's billing programs, please contact the billing department at 800-421-9959, press #5.

## It pays to use your Co-op Connections® Card

Shop at the beautiful Red Willow in Grand Rapids with your Co-op Connections Card for a discount.

You'll receive **10% off** an in-store purchase over \$200. Red Willow is located on the south end of Grand Rapids at 225 SE 21st Street.

Visit [lakecountrypower.coop](http://lakecountrypower.coop) (Community Service/Co-op Connections) for a full list of business participants offering discounts.



### Recipe Corner

## Easy Granola Bars

Viola Johnson, Effie, MN

- 3 cups oatmeal
- 1 14 oz. can sweetened condensed milk
- 2 Tablespoons melted butter
- 1 cup coconut
- 1 cut nuts of choice (she likes walnuts)
- 1 cup chocolate chips
- ½ cup dry cranberries or raisins



Mix all in a large bowl with hands. Press flat into greased 9x13 pan. Bake at 350 degrees, 20 – 25 minutes until lightly browned around edge. Cool 5 min. in pan. Cut into squares. These are moist bars.

Submit your favorite recipe to Lake Country Power, Attn. Editor, 2810 Elida Drive, Grand Rapids, MN 55744, or e-mail [tzaun@lakecountrypower.com](mailto: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.

**February 29, 2016 • Regular Monthly Meeting**

**The following reports were given:**

President Long reported about LCP member meetings he has attended.

General Manager Greg Randa reported about the National Rural Electric Cooperative Association annual meeting and sessions he attended; Northland Connect; meeting with union representatives; and member district meetings. He noted several new graphs and trends in the member service department report which correlate to items in the strategic plan. Randa met with a building planning company that may be a possibility to help with the building, space needs and design for the Grand Rapids service center. Directors Harvey, Carlson and Bruckbauer were appointed to the Board Building Committee.

Director of Finance and Administration

Mark Bakk reported the auditors have been in Mountain Iron conducting their audit work of LCP's 2015 operations.

**The following actions were taken:**

Adopted a resolution for LCP's affirmative action plan.

Approved a resolution authorizing a \$40,000 loan to the City of Tamarack from LCP's Revolving Loan Fund at three percent interest over 10 years.

Accepted Director Magje's resignation from the board.

*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 May 2016. It was taken by Shelley Taylor of Grand Rapids, MN. She snapped this lovely picture of a black bear cub hanging out on a limb at the Vince Shute Wildlife Sanctuary near Orr, MN.



**ENERGY EFFICIENCY Tip of the Month**

Avoid placing lamps or TV sets near your room air-conditioning thermostat. The thermostat senses heat from these appliances, which can cause the air conditioner to run longer than necessary.

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

**Construction goals for Ely Outpost**

Over time, replacements and continued progress must happen. In the case of Lake Country Power's Ely Outpost, it's currently a rented space that's become too old, too small and isn't adequate anymore.

The board and management have been carefully considering its options for several years of what to do with the Ely Outpost. Construction will happen this year on a new outpost building that will be approximately 5,000 square-feet. The outpost will have three drive-through stalls so lineworkers can enter and exit the building more safely and efficiently.

The building will be strategically located east of Ely near Lake Country Power's Winton Substation.

**Comparative Operating Statement**

Year-To-Date — February 2016

	2016	2015
Electric Operating Revenue	\$16,555,995	\$17,703,936
Cost of Purchased Power	9,975,676	10,181,288
Distribution Expense - Operations and Maintenance	1,404,135	1,182,016
Consumer Accounts Expense & Informational	653,727	652,818
Administrative and General Expense	1,012,048	1,057,771
Depreciation, Interest Expense and Other Deductions	2,181,514	2,212,621
<b>TOTAL ELECTRIC OPERATING EXPENSES</b>	<b>15,227,099</b>	<b>15,286,513</b>
Net Electric Operating Margins	1,328,896	2,417,423
Non-Operating Margins	113,214	164,449
<b>TOTAL MARGINS BEFORE SUBSIDIARIES</b>	<b>1,442,111</b>	<b>2,581,872</b>
Net Income (Loss) from Subsidiaries*	-	-
<b>TOTAL MARGINS</b>	<b>\$1,442,111</b>	<b>\$2,581,872</b>
<b>TOTAL kWh SOLD (YEAR-TO-DATE)</b>	140,984,161	156,779,057

**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.

**Newsline**

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