September 2018

Newsline

Lake Country Power
A Touchstone Energy® Cooperative
Energy that Powers Our Lives

IN THIS ISSUE

GRE Update
Groundbreaking in Cohasset
Reporting Outages
Business Expansion

BOARD MEETINGS

September 25 – 9:30 a.m. at Mountain Iron Service Center

October 30 – 9:30 a.m. at Grand Rapids Service Center

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 are posted at lakecountrypower.coop. Go to "Community" and click "Events."

Options to keep you warm and comfortable

If this winter is anything like last year, you'll want to be sure your heating system can keep you warm and comfortable while providing a competitive edge on your pocketbook.

Lake Country Power offers excellent heating programs that offer value, safety and a competitive advantage to other heating options. The umbrella name for the co-op's programs is EnergyWise, and you'll want to give the programs strong consideration – especially as we transition into another cold, long winter that can be hard on heating bills.

EnergyWise programs are offered at a reduced electric rate to help lower your energy bills. Each program varies in the way it heats, so you can choose the method that best meets your needs. Each method is safe, clean, energy-efficient and cost-effective.

Your Choice

The heating options offered include:

- Dual Fuel
- Off-Peak heating
  - Room storage heaters
  - Central storage furnace
  - Slab storage heat
- Off-peak water heating
- 8-Hour Interruptible Water Heating
- Air source heat pumps

Purchase at Cost

As a membership benefit, you can purchase Steffes heating systems and parts at cost – no mark-ups. Whatever wholesale cost LCP pays, is the exact same cost you can purchase the heating system. This includes control equipment, too.

Steffes heating systems are made in North Dakota, and provide electric thermal storage on LCP's off-peak rate. Please allow three weeks for delivery, since LCP will order the system once it's requested. Financing is available through LCP up to 18 months at zero-percent interest, depending on your payment history with the co-op.

For more information, please visit www.lakecountrypower.coop (Energy Wise Programs/ Heating & Cooling Options). Be sure to watch the video, "What is off-peak heating?"

LCP's member service representatives will be happy to help give more information and detail about each option. They'll work with you to be sure you get the best program option to match your heating needs. Call 800-421-9959, press 6.

Dual Fuel: Check your backup

Dual Fuel is a controlled heating program that's offered at a reduced electric rate. Remember to check the electric and non-electric (dual) parts of your heating equipment.

1. Check the fuel tank. It's always a good idea to go into the season with a full or nearly full tank. Your oil or propane equipment will be expected to run for hours at a time during periods of severely cold weather or when the demand for electricity is high.
2. Operate the electric heating equipment to be sure the system responds to a "call for heat" from the thermostat.
3. Operate the oil or propane system also to be sure the system responds to a "call for heat" from the thermostat.
4. Have your gas or oil furnace/ boiler checked periodically by a professional HVAC contractor. For cold weather, there is nothing better than knowing your Dual Fuel heating system will work as it should. For a list of contractors, visit lakecountrypower.coop (Under the "Residential" tab click "Contractor Resources")
5. Monitor Dual Fuel control throughout the heating season at lakecountrypower.coop (look for "Today's Load Control.")

Great River Energy outlines plans for increasingly clean energy at stable rates

By Robert Bruckbauer, District 5

For the past two years, I've had the privilege to serve as Great River Energy board chair. LCP Board President Craig Olson also serves on the GRE board. For Lake Country Power members, that means you have a strong voice and representation at the generation and transmission side of the cooperative's operations.

Great River Energy's wholesale rates remain competitive and stable. Their 10-year rate forecast projects modest increases, below the projected rate of inflation overall, and GRE expects to achieve its goal of having 20 percent equity before the year 2020.

At GRE's 2018 annual meeting in June, CEO David Saggau detailed how Great River Energy improved service to members while fortifying its finances and stabilizing rates. Great River Energy achieved Minnesota's renewable energy standard of 25 percent renewables in 2017, eight years ahead of the state requirements. At the same time, Great River Energy recorded near record margins and returned $6 million to its membership.

Wind energy is currently GRE's lowest-cost new generation resource, and its membership expects more renewables. Great River Energy has set a corporate goal to achieve 50 percent renewable energy by 2030.

According to Saggau, the 2020 completion of the 300-megawatt Emmons-Logan Wind Farm will bring GRE to 30 percent renewables. Cost effective additions in the future are expected to keep the cooperative on track for 50 percent renewables by 2030.

Saggau also announced that Great River Energy's average wholesale electric rate is projected to remain flat in 2019.

Vice President and Chief Power Supply Officer Jon Brekke described how Great River Energy's generation portfolio has evolved over time.

He said GRE used to receive power from five coal-based resources but now the co-op has two – and they are both fueled by DryFine™ lignite coal, which has lower emissions due to a patented refining process. GRE's diverse and flexible portfolio also includes natural gas plants and hydropower.

Great River Energy will begin to return patronage capital to Lake Country Power and its 27 other cooperative members after reaching 20 percent equity, perhaps as soon as 2019. Wholesale rates are projected to increase a modest 0.88 percent per year over the next decade. That's good news, because any future rate increases from Lake Country Power will be modest as well.

Robert Bruckbauer, District 5 Director for Lake Country Power, was re-elected board chair of wholesale power supplier, Great River Energy. He's pictured presenting the chair's report at GRE's annual meeting in June.

Robert Bruckbauer was elected by members in Lake Country Power District 5. He can be reached at 218-566-2436 or bobbruckbauer@northlc.com.

Breaking ground: Construction underway on new Cohasset Service Center

Lake Country Power representatives gathered on July 31 for a special groundbreaking ceremony at the construction site of its future new headquarters in Cohasset, Minn.

Pictured left to right: Michael Forsman, George Harvey, Jim Huhta, Sherman Liimatainen, Craig Carlson, Jason Long, Craig Olson, Dan Kingsley, LCP directors; Greg Hagy, Mayor; Robert Bruckbauer, LCP director; Greg Randa, LCP general manager; Max Peters, City of Cohasset; Patty Heaton, Sandy Crowe, and Mark Bakk, LCP employees; Karl Larsen, ARI; Doug Hanson, Hawk Construction; State Representative Sandy Layman; Todd Johnson, Wade Gould, Marianne Coatsworth, LCP employees; Sid Spicer; and Dean Reed, Hawk Construction.

Officials from Lake Country Power, Hawk Construction, Architectural Resources, Inc., and the City of Cohasset, were present with shovels in hand, hard hats and comments for the nearly 60 individuals in attendance. Other local officials were also present.

"This is a long-term investment that will serve Lake Country Power members and employees for the next 50 years or more," said Greg Randa, general manager for Lake Country Power. "It's also a positive change for the co-op's future as the new building will replace a timeworn and over-crowded service center in Grand Rapids.

"Since late 2016, the building committee and board has collaborated closely with architects to design a service center that will meet present and future needs."

A building committee, comprised of several LCP directors and members of the co-op's senior staff, made the decision to award the bid to Hawk Construction after reviewing five competitive proposals. Hawk Construction, a Grand Rapids area union general contractor, provided the lowest bid at $11.2 million for the 68,000-square-foot facility.

Architectural Resources, Inc., from Hibbing, is leading the architectural and engineering of the project with a forward-thinking building design. Randa said ARI provided Lake Country Power a strong framework for a competitive bidding process and practicality.

Save time, save money, and report outages with SmartHub

If you're not using SmartHub, you'll want to sign up for a free account today after finding out what it can do for you.

SmartHub lets you:

- Make a payment or schedule a future payment
- Enroll in automatic bill payment using a bank account or credit card
- Review a current electric account balance and your energy usage
- Receive e-mails and/or text notifications regarding your bill information
- Receive e-mails and/or text notifications when EnergyWise dual fuel heating & interruptible water heating loads are controlled
- View past and current bill statements, payment history and energy usage
- Go paperless
- Report a power outage – it's quick and easy!

SmartHub allows members to report outages through instant messaging. Your message will go directly into the co-op's dispatch for attention.

Text and E-mail Notifications

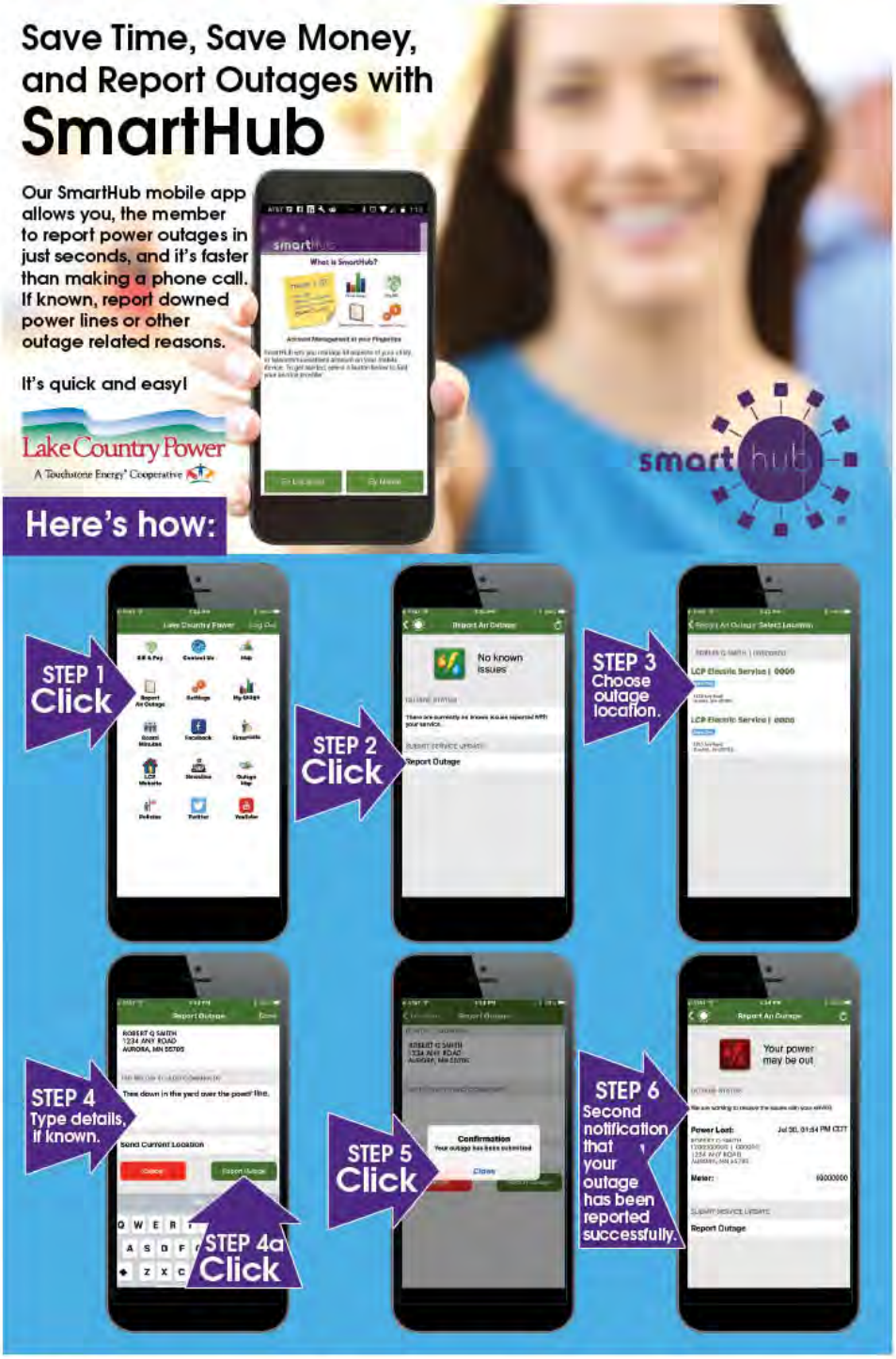
While you're at it, set up your account to be notified by text and/or e-mail. Taking the extra step to sign up for the notifications you want will give you the assurance to remember when your bill is due, etc.

Notifications include:

- When your bill is calculated and available to view
- Receive confirmation when you make a payment
- Receive confirmation of dates when future payments are scheduled to be paid
- Receive notice of an unsuccessful payment
- Reminder if the bill is past due
- Receive notice when you enroll or change your auto payment options
- Receive notice if login credentials have changed (e-mail and password)

You can even sign up for notifications to know when dual fuel heating or interruptible water heating will be controlled during times of peak demand. If you aren't on the dual fuel or water heating programs, you won't need to select load control notifications because your home won't be included.

To sign up for a free SmartHub account, visit www.lakecountrypower.coop. You'll find instructions under the "My Account" tab, including some helpful overview videos. Have your electric account number handy. Next, download the free app from iTunes or the Android Marketplace. Search for "SmartHub" in the app store, then click the icon and begin downloading it to your mobile device(s).



Destination: The new Handberg's Marina

Crane Lake family business expands and updates popular services

Four generations strong is the legendary family-owned Handberg's Marina on Crane Lake at the end of Lake Country Power's northern service area.

"It's always kind of been a two-fold business," says co-owner Lori Sanborn. "There's the marine aspect, with boats and motors, sales and service … and in the store we have clothing, gifts, ice cream cones, coffee, boat rentals and RV sites, with boat storage and marina slips."

A short distance from the Canadian border, Handberg's is a household name throughout a region rich in outdoor recreation. Although not as remote as it once was, Crane Lake is still a destination where folks come to "get away," relax, and enjoy the serenity not easily found in today's fast-living.

In the beginning

It all started in 1913 when John G. "Jack" Handberg came to the undeveloped area as a ranger for the U.S. Forest Service. Some years later he would launch Handberg's Northwoods Lodge which would begin an almost century-old business that continues to keep up with today's marine needs.

Jeff and Lori Sanborn, current family owners who took over in 1996, recently expanded the popular Northwoods business, in part by securing a loan through Lake Country Power. That capital has enabled Handberg's Marina to upgrade their services, which included constructing a new sales and service building.

Reinvesting in the business

During the planning process, the Sanborns learned about the loan assistance through the co-op business newsletter. "We were thinking about this project, and there was this article," about a loan available for new construction, Lori explained. "The gap loan really made the difference, there's no doubt about it."

The program is called the Lake Country Power Revolving Loan Fund, and may provide "gap" assistance through a direct loan for business projects up to $100,000, at an interest rate as low as 3 percent for up to 10 years.

"We are very supportive of business growth, community improvements and economic development in our region," said Jeff Sheldon, manager, energy services and business development at Lake Country Power. "Through the Revolving Loan Fund, we're able to re-lend federal funding to businesses that meet a set of loan qualifications."

Sheldon adds that by assisting LCP-powered entrepreneurs in new or expanding businesses, the program is good for the entire co-op membership because it promotes stability and creates jobs.

The family future

The Sanborns are excited about their new offerings, and Lori says that customers are responding. "Obviously the economy is good, but it seems like there's an excitement about the new building … it seems like we're selling a little bit more product, and it might be in part due to the new building."

And, it appears that the fifth generation of the family business may be on the horizon. "Jeff and I have two boys and they both have said they'd like to come back," said Lori. "So we're super excited about that."

Employees pose in front of the new building; below are historical photos from their archive.

The Revolving Loan Fund

The Revolving Loan Fund that LCP administers came about from previous economic development grants received through the United States Department of Agriculture.

USDA provides loans to electric cooperatives like Lake Country Power to spur economic development in our communities. As such, funding for economic development does not come through electric rates.

Qualifying businesses must be located within Lake Country Power's service area. Businesses may apply for up to $100,000 at three percent interest which must be paid off within 10 years or less.

Save money with your Co-op Connections® Card

You work hard, so let . . .
The One Card That Does It All®
work hard for you.

Get connected to hundreds of local deals and thousands of national discounts from the businesses that participate in the Co-op Connections Card.

Keep these businesses in mind, and bring your card to save money. For a full listing of business participants, visit www.lakecountrypower.coop (Community/Co-op Connections Card). Find national deals online at www.connections.coop.

- **Wayne's Automotive,** Grand Rapids
- **Heather Halverson Massage,** Chisholm
- **Motel Ely,** Ely
- **Chickadee Coffeehouse & Deli,** Barnum

Energy Assistance Providers

AEOA:
1-800-662-5711
Virginia...
1-218-749-2912
Duluth...
1-218-623-3011

Aitkin County Social Services:
1-800-328-3744

Bi County CAP:
1-800-332-7161

Bois Forte Tribal:
1-800-221-8129

Carlton County Social Services:
1-800-642-9082

Cass County Social Services:
1-218-547-1340

Fond Du Lac Tribal:
1-800-365-1613

Itasca County Social Services:
1-800-422-0312

Kootasca:
1-877-687-1163

Lake County Social Services:
1-218-834-8400

Lakes & Pines:
1-800-832-6082

Leech Lake Tribal:
1-866-864-8668

Mille Lacs Band Tribal:
1-320-532-7880

Pine County Social Services:
1-800-450-7263

Salvation Army Office (Heat Share Programs):
1-800-842-7279

St. Louis County Social Services:
1-800-450-9777

Recipe Corner

Blueberry Coffee Cake

Lisa Diehl Foreman, Side Lake

- ¾ cup margarine
- 1 ½ cup sugar
- 4 eggs
- 1 tsp vanilla
- 1 cup sour cream
- 3 cups flour
- 1 tsp baking soda
- 1½ tsp baking powder
- ¼ tsp salt
- 2 cups fresh blueberries

In a large mixing bowl, cream margarine and sugar, add eggs one at a time and vanilla, beating well after each addition. Add sour cream.

In another bowl, combine flour, baking powder and salt. Slowly mix into wet batter until combined. Fold in blueberries.

Combine ¼ cup brown sugar, 1Tbsp flour, ½ tsp cinnamon

Fill greased Bundt pan half way. Spread sugar mixture on top and finish adding the balance of the dough. Bake at 350 degrees for 50-60 minutes. Check with a toothpick. Cool and can drizzle with 1 C. powdered sugar/1Tbsp vanilla and milk.

Notes: Recipe can be divided into 2 smaller Bundt pans. Adjust baking time to approximately 35-40 minutes. Serves 16.

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.

Cold weather rule effective October 15

The Cold Weather Rule, Section 216B.097 of the Minnesota State Statutes, provides that from October 15 through April 15 an electric cooperative cannot disconnect a residential consumer for nonpayment of service, if the disconnect affects the primary heat source and all of the following conditions are met:

1. The consumer declares an inability to pay and completes the Inability to Pay for; and
2. 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 with whom the consumer has applied for energy assistance; and
3. The consumer enters into and makes reasonably and timely payments under a mutually agreeable payment plan, that considers the financial resources of the household; and
4. A consumer receives from LCP referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the consumer'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. A statement explaining the payment plan to secure continued service, a Payment Arrangement letter, will be provided.

Before disconnecting service to a residential consumer from October 15 to April 15, the cooperative must provide the following information:

- notice of proposed disconnection (disconnection notice); and
- statement explaining consumers' rights and responsibilities (Inability to Pay form); and
- list of energy assistance providers (Inability to Pay form); and
- forms available for consumer to request cold weather disconnect protection (Inability to Pay form).

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: 800-421-9959.

June 26, 2018 • Regular Monthly Meeting

The following reports were given:

President Craig Olson stated the June LCP Policy Committee meeting was canceled, and will be rescheduled.

General Manager Randa reported about Northland Connect, LCP's new headquarters building project in the Cohasset Industrial Park, etc. He also included additional reports as presented by staff, including Great River Energy updates and LCP's tree crews doing good work.

Director of Finance and Administration Bakk reported about financing for the Cohasset Service Center. It'll be financed with the Rural Utilities Service/FFB. He reviewed the reimbursement loan process, depreciation expense, interest expense (long-term debt), principal payments, interest payments, depreciation expense, etc. Bakk commented about the cash flow and cushion of credit activity. He summarized and explained the transactions that will provide LCP the funds to build the new headquarters.

The following actions were taken:

Approved the minutes of the May 29, 2018, Lake Country Power board meeting.

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 September 2018. Jeff Brooks of Forest Lake, MN, spotted this Blackburnian Warbler with his lens in a pine tree by Lawrence Lake.

ENERGY EFFICIENCY

Tip of the Month

Turn off kitchen, bath and other exhaust fans within 20 minutes after you're done cooking or bathing. When replacing exhaust fans, consider installing high-efficiency, low-noise models.

Source: *energy.gov*

Comparative Operating Statement

Year-To-Date —June 2018

	2018	2017
Electric Operating Revenue	$47,516,854	$45,113,593
Cost of Purchased Power	24,641,213	24,206,801
Distribution Expense - Operations & Maintenance	6,471,751	5,833,173
Consumer Accounts Expense & Informational	2,243,845	2,128,339
Administrative and General Expense	3,249,683	3,134,103
Depreciation, Interest Expense and Other Deductions	7,056,391	7,492,908
TOTAL ELECTRIC OPERATING EXPENSES	**43,662,883**	**42,795,324**
Net Electric Operating Margins	3,853,971	2,318,269
Non-Operating Margins	952,224	1,199,334
TOTAL MARGINS BEFORE SUBSIDIARIES	**4,806,195**	**3,517,603**
Net Income (Loss) from Subsidiaries	(116,344)	(198,211)
TOTAL MARGINS	**4,689,851**	**3,319,393**
TOTAL KWH SOLD (YEAR-TO-DATE)	**342,744,801**	**317,926,026**

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.*

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Jim Huhta, District 8 hatcheck@frontier.com	218-644-3997
Sherman Liimatainen, District 9 sgliimatainen@gmail.com	218-879-3135

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
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Editor: Tami Zaun
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Lake Country Power Service Centers:
Grand Rapids • Kettle River • Mountain Iron
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