The CEO’s Report

Rate increase and planning for 2016

At their December meeting, your directors approved the 2016 budget, including a requested rate increase of about 1.5 percent effective April 1 in response to Minnkota Power Cooperative’s 3.3 percent wholesale power increase.

This means residential members will see their facility charge increase $1 and the electric rate increase 2 mills to 11.2 cents per kilowatt-hour (kWh), plus the ½ cent surcharge. If you use 1,000 kWh per month, that equals $3 more. Wholesale power expenses comprise about 70 cents of every dollar you pay to your cooperative.

Speaking of the budget, your cooperative is in the third year of its four-year work plan. This year, the linemen plan to add a tie line in Fairfax Township south of Crookston to provide an alternate route for power in case of outages to about 40 cooperative members. Tie lines help reduce outage times because they allow line crews to put members on different lines while they restore an outage.

Crews also plan to convert two miles of a key three-phase overhead power line to underground in Halstad Township. This line improvement will enhance reliability in northern Norman and southern Polk counties because it ties two substations together.

Your cooperative continues its pole testing program as well with plans to test another 2,500 poles in southern Norman and northern Clay counties. This is in addition to normal service work and the LED security light replacement that is under way. If 2016 remains similar to recent years, we can expect anywhere between 60-90 new services.

The budget does estimate Red River Valley Co-op Power to sell fewer kWh this year than previous years. Weather causes the biggest fluctuation in kWh sales.

2016 Director Elections

Red River Valley Co-op Power members in Districts 1 and 2 can now submit nominations to compete for a seat on the Board of Directors.

As a cooperative, Red River Valley Co-op Power is owned by its members. Members elect a Board of Directors to represent them at the cooperative. Two directors will be elected at the 2016 annual meeting March 22 at the Halstad Community Center. Directors whose terms expire in 2016 are:

District 1 (2016): Roger Krostue
District 2 (2016): Marvis Thompson

How to run

To run for a director position, interested members in the mentioned districts (see map on next page) must pick up a petition form and director packet at the office in Halstad or have the material mailed to them. Per the bylaws, any 15 or more members who reside in Districts 1 or 2 may nominate an eligible member for a director position in that specific district.

No member may be elected to a director position unless nominated in this manner. No write-in ballots will be accepted. The cooperative must receive the completed petitions and forms from the packet no later than 4:30 p.m. on Feb. 21, 2016.

Lauren Brorby, CPA
Chief Executive Officer

Scheduled Board Meeting

Held in Halstad at the cooperative office starting at 8:30 a.m. on the next to last Monday of each month.

Outages: 800-788-7784
ARTICLE III – DIRECTORS
Section 4. Nominations.

(a) Any fifteen (15) or more members who reside in any one district may nominate an eligible member for a director position in that district. Such nomination shall be in writing and signed by said fifteen (15) members, or more, and delivered to the Secretary at least thirty (30) days before the members’ meeting.

(b) No member may be elected to a director position unless nominated in the manner provided by this section. No write-in ballots shall be accepted.

(c) The members may, at any meeting at which a director or directors shall be removed, as heretofore provided, elect a successor or successors thereto without compliance with the provisions herein with respect to nominations.

(d) If a member is absent from any meeting, the member may vote by mail for the election of directors as provided in these Bylaws, or as may be permitted by law.

Failure to comply with any of the provisions of this section shall not affect in any manner whatsoever validity of any election of directors.

Section 2. Qualifications.

Persons eligible to become or remain a director of the Cooperative shall:

(a) be a member in good standing receiving electric service;

(b) have voting rights within the district from which the director is to be elected;

(c) not be employed by, materially affiliated with, or have a material financial interest in, any individual or entity which either is:

(1) directly or substantially competing with the Cooperative; or

(2) selling goods and services in substantial quantity to the Cooperative; or

(3) possessing a substantial conflict of interest with the Cooperative;

For purposes of this section, the terms “material” or “substantially” shall be interpreted as constituting a minimum of 5% of a member’s total hours of employment, sales, or income on an annual basis;

(d) not be an employee or not have been an employee of the Cooperative within the last three (3) years;

(e) not be a close relative of an employee, or of a director, unless the close relative is a candidate for the director’s seat, where as found in these Bylaws “close relative” means any individual who is, either by blood, law, or marriage, including half, step, foster, and adoptive relations, a spouse, child, grandchild, parent, grandparent, or sibling, or principally resides in the same residence;

(f) be only one (1), and not more than one (1), member of a joint membership, provided, however, that none shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless all shall meet the qualifications herein set forth;

(g) if a member of the Cooperative is not a natural person, i.e. a corporation, partnership, limited liability company, or similar, then the member may appoint or elect one (1) duly authorized natural person, residing within the external boundaries of the district from which (s)he is nominated, to be eligible for election as a director to the Board of Directors;

(h) never have been convicted of a felony;

(i) agree, upon election, to regularly attend all Board, regular and special members’ meetings; and

(j) not become physically or mentally unable with reasonable accommodation to perform substantially all of the duties of Director, and the condition that creates such inability is reasonably expected to last six (6) months or more.

Exception. In regard to the restrictive provisions of this section that are based upon close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected a director if, during a director’s incumbency, a director becomes a first kindred relative of another incumbent director or of a Cooperative employee because of a marriage or an adoption to which the director was not a part.

Nothing contained in this section shall, or be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.
Once Halloween is over, whatever happens to that now toothless and droopy jack-o-lantern that was sitting on your front step?

Most of the time, pumpkins are discarded in the trash or thrown out in the yard. Well, Clay County and three local 4-H students are trying something unique at the Thomas farm north of Moorhead.

The last week of November, Fuchs Sanitation delivered more than 46,000 pounds of pumpkins to the farm to be composted. The goal is three-fold: to provide rich organic material to enhance soil for gardening, to learn about how compost enhances the quality of the soil and to stop wasting organic material at the Clay County landfill.

The Clay County Solid Waste Department provided different drop-off points throughout the county for residents to put their pumpkins before they ended up at the compost site instead of the landfill. The three students belong to a 4-H Science of Agriculture team whose goal is to study the pumpkins as they compost, and learn if the organic matter provides added value to the soil and for growing vegetables.

“If we see there is a benefit to composting pumpkins, our next step will be to educate the community about it and show them the benefits,” explained Morgan Kastner, a senior at Dilworth-Glyndon-Felton High School.

The team, which also includes Tyler Tollefson, a senior at Detroit Lakes, and Seth Gorman, a freshman from Moorhead, has been busy studying composted material and taking samples of the pumpkin matter as it decays. If the students can demonstrate the benefits of pumpkin compost as a natural additive to soil, they will have completed their 4-H challenge and provided value for a throw-away product.

“Pumpkin compost is really light and fluffy,” Gorman said. “It has a high amount of microorganisms that would help a plant grow. We need to spread the word so more people recycle their pumpkins.”

The Science of Agriculture Challenge is a statewide 4-H project where local teams compete to find solutions to agricultural-related concerns within their local communities. The Minnesota Pollution Control Agency granted a permit for the compost site at the Thomas farm.

4-H team members Seth Gorman, Tyler Tollefson and Morgan Kastner test the PH and salinity of their pumpkin soil compost at North Dakota State University’s soil lab.
As James Johnstad crossed the finish line alone at the Buffalo River Race Park National Sno-cross event Dec. 11, he involuntarily raised his fist to celebrate his first win of the young season.

“I felt good before the race,” he said. “When I got to the corner first, I just knew I was going to win.”

Johnstad competes in the International Series of Champions (ISOC) Pro-Lite division against snowmobile racers from the Upper Midwest and Canada. On most winter weekends, you’ll find him racing his Polaris snowmobile for Cottew Motorsports at national events in Minnesota, Wisconsin and as far away as New York.

Lengthy training and preparation goes into each race, culminating into an intense few minutes as competitors whip around the track while trying to gain position and not crash on the snow and ice.

“It’s that thrill of flying around a snow track at 50-plus miles per hour that makes all the hard work worth it for the 22-year-old Beltrami snocross racer and Red River Valley Co-op Power member. During the week, Johnstad and his mechanic keep the sled in racing shape, while practicing at local and private tracks. He also exercises frequently because racing can punish the body due to the jumps and all the weight slamming down on the track. Crashes do happen. Johnstad broke his collarbone last year (he finished the race) and has also had some other minor injuries.

While racing takes up most of his time in the winter, Johnstad also works full-time on the family farm the rest of the year growing wheat, soybeans, corn and sugar beets. He credits his family and working with farm machinery as the reason behind his passion for professional snowmobile racing.

“Growing up on the farm, I was drawn to motors,” he explained. “Pretty much anyone from the farm is a gearhead.”

Having an older brother who made his mark on the snowmobiling circuit also didn’t hurt. James would watch his brother, Andrew, race snowmobiles. As Andrew progressed competitively and started winning state, regional and national races while still in high school, so too, did James’ desire to race.

His chance to race snowmobiles came at the age of 10. By the time he was 14, Johnstad was winning local, state and regional races and became very passionate about the sport. With both him and his brother racing, the family spent and still spends many hours together traveling to race on the weekends.

“I’m fortunate that my family gives me the opportunity to do this,” he said.

Johnstad’s current goal is to do well this year so he can move up to the highest division, Pro-Open. Currently, he’s in eighth place in the ISOC Pro-Lite standings with more than half the season to go. Johnstad will be the first to tell you that one night you can be at the very top of the podium and the next night you might not even place.

“With racing, you have the highest highs and the lowest lows,” Johnstad said. “I ride for the chance to be great. I’m lucky to be living the dream.”
Estimating energy usage and cost

When it comes to energy use, every home is unique. Home construction, the number of appliances, how they are used and the length of time they are used all factor into your monthly electric statement. If you want to get a better handle on where your energy dollars are going, use the following information to begin estimating how much electricity your appliances use.

**Step 1** – Since the wattage of an appliance or electrical equipment determines the electrical usage per hour, the first step is to determine the wattage. The wattage of an appliance is found on the serial plate. It is possible that electrical equipment may be expressed in volts and amperes rather than watts. If so, multiply volts and amperes together to determine the wattage.

**Example:** 120 volts x 12.1 amps = 1,452 watts

**Step 2** – Use the formula to estimate usage and cost. Formula is (watts x hours of operation)/1,000 watts = kilowatt-hours. To find the cost, take the kWh x rate. Keep in mind that you are billed in kWh. 1,000 watts equals 1 kilowatt.

**Example:** A light uses 100 watts and is left on 15 hours. How many kWh are used and what does it cost you?

\[
\text{kWh use} = \frac{100 \text{ watts} \times 15 \text{ hrs}}{1,000 \text{ watts}} = 1.5 \text{ kWh}
\]

\[
\text{Your cost} = 1.5 \text{ kWh} \times \$0.115 = \$0.17
\]

Minnesota utilities and ag groups adopt uniform stray voltage guide

In an effort to provide a uniform way of dealing with concerns regarding stray voltage and livestock producers, Minnesota utilities and agricultural groups have completed a stray voltage guide.

While your cooperative has experienced no concerns with this issue in many years, key staff did attend training on the guide and is versed on steps to take should a livestock producer have a concern. The Stray Voltage Guide should be an effective tool for achieving a consistent approach in Minnesota.

The guide contains recommendations based on extensive research on the topic. Other states have developed similar standards and approaches. Minnesota’s guide is modeled closely after Wisconsin and Iowa. The guide can be downloaded at www.minnesotastrayvoltage-guide.com.

A utility’s electrical distribution system must be grounded to earth to ensure safety and reliability as required in electrical codes. A livestock farmer may become concerned that animals are experiencing a level exceeding acceptable thresholds and impacting animal behavior. Stray voltage concerns can originate from both on-farm and off-farm sources; the guide contains information about both.
Construction continues on new spec building in Ada

Construction continues on a new 8,000-square-foot building in Ada designed to attract a new business to the city.

The Ada Area Promotions Committee owns the building and is actively looking to attract a business to the location. Red River Valley Co-op Power provides electric service to the building and secured a $330,000 zero-interest USDA loan for the project. Your cooperative acts as administrator of the loan.

This is the third USDA loan your cooperative has secured for members in recent years.

Don’t get stuck in the cold
Be prepared with a winter emergency kit.

- FIRST AID KIT
- WATER, SNACKS
- JUMPER CABLES
- TOW ROPE
- BAG OF SAND FOR TRACTION
- FLARES
- FLASHLIGHT
- CELL PHONE CHARGER
- SHOVEL, ICE SCRAPER
- BLANKET, WARM CLOTHING

You are invited to celebrate Red River Valley Co-op Power’s 79th Annual Meeting

March 22, 2016

Halstad Community Center
Halstad, Minn.

- Registration, refreshments and cookies start at 4:30 p.m.
- Supper from 5:30 to 6:30 p.m.
- Business meeting begins at 6:30 p.m.

Delicious meal
Free attendance gift
Plus, vendor prizes and prize drawings!

We look forward to seeing you there!

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Save money and energy in 2016

Sample 2016 Residential Electric Rebates for Members

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Specifications</th>
<th>Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>LED Screw-in Bulbs</td>
<td>Replace 40-60 watt incandescent. Energy Star recommended.</td>
<td>$4/bulb or not to exceed 75% of the cost.</td>
</tr>
<tr>
<td>LED Screw-in Bulbs</td>
<td>Replacing 65 watt or greater incandescent. Energy Star recommended.</td>
<td>$8/bulb or not to exceed 75% of the cost.</td>
</tr>
<tr>
<td>LED Recessed Downlights</td>
<td>Complete fixture or replacement kit. Energy Star recommended.</td>
<td>$8/install or not to exceed 75% of the cost.</td>
</tr>
<tr>
<td>Clothes Washer</td>
<td>Must be Energy Star approved.</td>
<td>$50/unit</td>
</tr>
<tr>
<td>Clothes Dryer</td>
<td>Must be Energy Star approved.</td>
<td>$50/unit</td>
</tr>
<tr>
<td>Refrigerator or Freezer</td>
<td>Must be Energy Star approved.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Recycled Old Refrigerator or Freezer</td>
<td>Complete removal form.</td>
<td>$25/unit (only applies to removal for new unit)</td>
</tr>
<tr>
<td>Electric Water Heater</td>
<td>Minimum 80-gallon total capacity, EF greater than .91. Must be on load management program.</td>
<td>$150/unit</td>
</tr>
<tr>
<td>Programmable Thermostat</td>
<td></td>
<td>$25/unit</td>
</tr>
<tr>
<td>Engine Block Heater Timer</td>
<td></td>
<td>$10/unit</td>
</tr>
<tr>
<td>Tune-up for Central AC</td>
<td>Not valid on window AC units. Checklist on form must be filled out with application.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Tune-up for Air-Source Heat Pump</td>
<td>Checklist on form must be filled out with application.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Supplemental Heating Source ASHP</td>
<td>Must modulate to allow Energy Star-rated ASHP to operate down to 5 degrees and be on load control.</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Air-Source Heat Pump</td>
<td>14 SEER, 8.2 HSPF</td>
<td>$400/unit</td>
</tr>
<tr>
<td>Air-Source Heat Pump</td>
<td>15 SEER, 8.5 HSPF</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Furnace Air Handler with ECM Blower</td>
<td>ECM Blower</td>
<td>$100/unit</td>
</tr>
<tr>
<td>Mini-split/ductless Air-Source Heat Pump</td>
<td>15 SEER</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Ground-Source Heat Pump (Closed Loop)</td>
<td>16.2 EER/COP 3.6</td>
<td>$400/ton</td>
</tr>
<tr>
<td>Ground-Source Heat Pump (Open Loop)</td>
<td>14.1 EER/COP 3.3</td>
<td>$200/ton</td>
</tr>
</tbody>
</table>