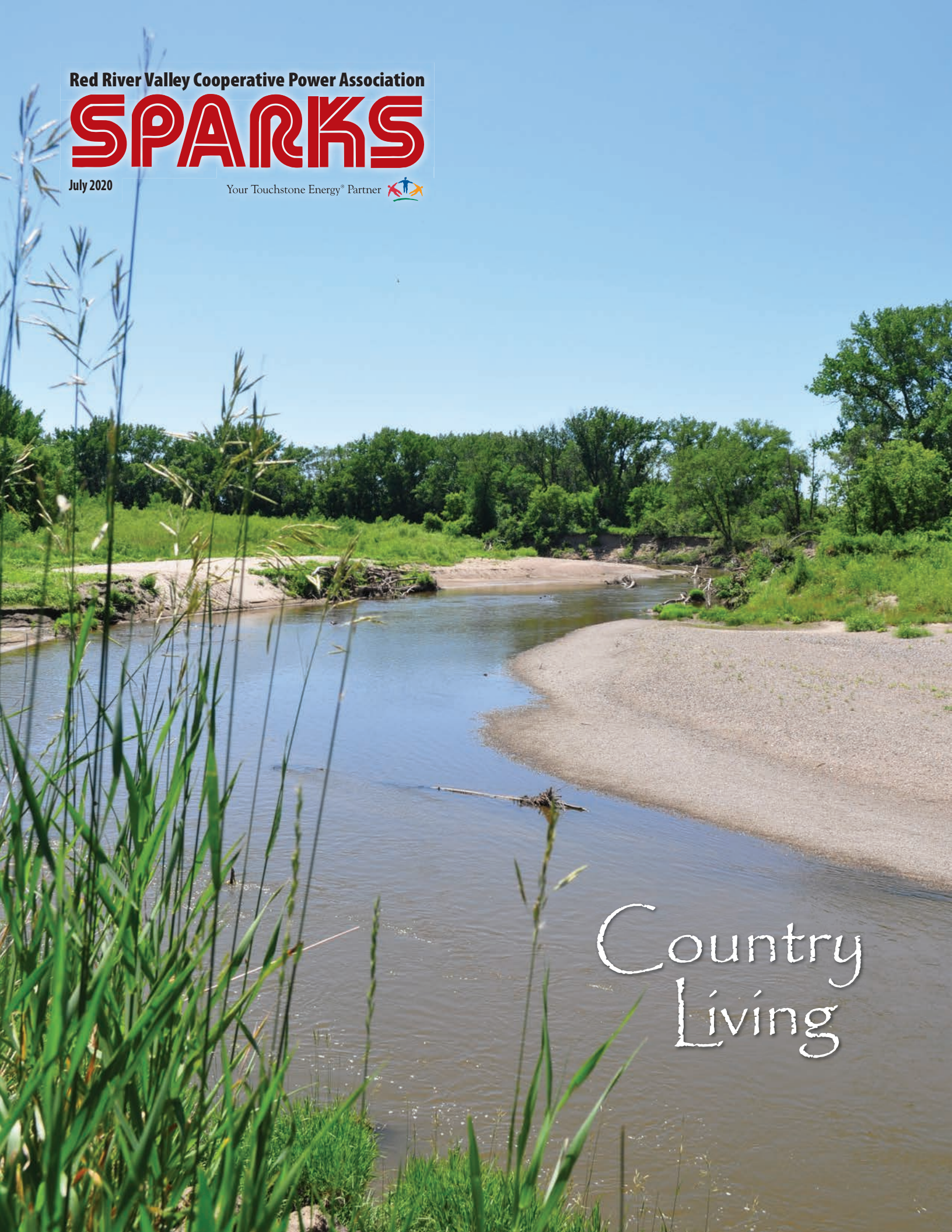


Red River Valley Cooperative Power Association

SPARKS

July 2020

Your Touchstone Energy® Partner



Country
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SPARKS

Red River Valley Co-op Power is an equal opportunity provider and employer.

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www.rrvcoop.com

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Rich Whitcomb, Editor

Mary Merrill, Graphic Artist

July 2020

Volume 64, No. 5

Halstad, Minnesota (USPS 509-300)

OFFICERS & DIRECTORS

Roger Krostue Fisher
Chairman

Marvis Thompson Perley
Vice Chairman

Trevor Sorby Glyndon
Secretary-Treasurer

Bob Kinkade Ada

Sarah Tommerdahl Hendrum

Neil Wieser Moorhead

Rich Whitcomb
Chief Executive Officer

Scheduled Board Meeting

Board meetings are 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

On the Cover: Sunny summer days and open spaces are a good example of the benefits of country living. The Wild Rice river near Ada meanders through the countryside on its way to meeting the Red River near Hendrum.



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FACEBOOK
TO STAY UP TO DATE!

Like your cooperative at
www.facebook.com/rrvcpa
for outage updates and other
useful information.

THE CEO'S REPORT



Rich Whitcomb
CEO

Annual meeting rescheduled for Aug. 5

Annual meeting mail-in and online informational session

Let's try this again!

After making the decision to postpone the annual meeting originally set for March, your board of directors has decided to hold a mail-in ballot for the active business portion of the meeting (due July 28) with an online informational session (Aug. 5) to be held on YouTube Live. Details for these are in a packet every voting member should have received this week as well as in this issue and at rrvcoop.com.

The good news is your cooperative had a solid year last year and there are no outstanding issues to discuss from 2019. On pages 3-5, you'll see the financials from 2019 as a refresher, as well as a short recap of 2019 to mid-2020 activities.

A couple of important items to note are that your co-op will draw for its traditional prizes via a random drawing of those members who send in a valid ballot to count toward the quorum. The results of that drawing will be announced at the end of the informational session. The drawing will be completed by our board-appointed tellers after they open the sealed ballots on July 28.

Mid-year update

While COVID-19 has certainly upended the way we conduct some of our business, your cooperative is still completing important work on your behalf.

Line crews still continue to work on projects to improve the distribution system. Engineering continues to make progress toward outage management and mapping while communicating with members for new services. The office staff, meanwhile, continues to ensure the internal functions – including billing, records, administration and our general interactions with you – remain smooth.

Through June, kilowatt-hour sales, revenues and expenses are tracking near budget. While half of 2020 remains, this is encouraging news.

I do want to note we had a series of storms with straight-line winds that cut through a portion of our territory in June. The bulk of those outages were transmission related due to lightning hitting transmission equipment and transmission line interruptions miles from our actual facilities.

We continue to work with our transmission providers to ensure power is restored during these events in an efficient manner. However, when lightning directly hits a transmission structure or 70-mph winds hit, sometimes maintaining uninterrupted power is quite the challenge.

We remain committed to working with you and for you.

2019 FINANCIAL REPORT

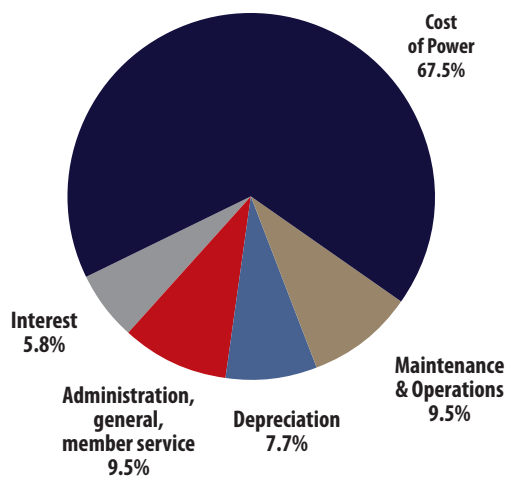
BALANCE SHEET

ASSETS		EQUITIES & LIABILITIES	
UTILITY PLANT		EQUITIES	
Electric plant in service	\$47,533,454	Patronage capital	\$ 10,475,118
Construction work in progress	3,398,429	Other margins & equities	6,936,291
Total	50,931,883	TOTAL	17,411,409
Less accumulated depreciation	16,417,901	LONG-TERM DEBT	
TOTAL	34,513,982	19,782,580	
OTHER PROPERTY & INVESTMENTS		OTHER NONCURRENT LIABILITIES	
Invest. in associated organizations	1,535,671	Deferred revenue	855,108
Other investments	42,930	CURRENT LIABILITIES	
Economic development fund	228,938	Current portion of long-term debt	872,963
TOTAL	1,807,539	Accounts payable – purchased power	1,102,317
CURRENT ASSETS		Accounts payable – other	210,374
General cash & cash equivalents	1,391,790	Customer deposits	132,905
Accounts receivable – net	1,963,062	Other current & accrued liabilities	372,251
Materials & supplies – electric & other	859,705	TOTAL	2,690,810
Prepayments	28,493	DEFERRED CREDITS	
Other current & accrued assets	5,515	170,813	
TOTAL	4,248,565	TOTAL EQUITIES & LIABILITIES	
DEFERRED DEBITS	340,634	\$ 40,910,720	
TOTAL ASSETS	\$40,910,720		

INCOME STATEMENT

OPERATING REVENUE	
Sale of electricity	\$15,816,625
OPERATING EXPENSES	
Cost of purchased power	10,407,191
Distribution expense – operation	692,311
Distribution expense – maintenance	777,092
Consumer accounts expense	317,989
Customer service and informational expense	280,509
Sales expense	40,384
Administrative & general expense	826,797
Depreciation & amortization expense	1,186,644
Interest on long-term debt	893,740
TOTAL	15,422,657
NET OPERATING MARGINS	393,968
NONOPERATING MARGINS	
Interest income	267,849
Other nonoperating income	334,604
Other capital credits & patronage dividends	23,126
TOTAL	625,579
NET MARGINS	\$ 1,019,547

Total Cooperative Expenses





Roger Krostue
Chairman



Rich Whitcomb
CEO

2019 RECAP, 2020 UPDATE AND ORDER OF BUSINESS

As a not-for-profit electric cooperative, communication and service to our members are vital components of who we are.

That is why we are committed to holding the annual meeting and business of your cooperative in this hybrid fashion of a mail-in ballot along with an online information session. Here is a quick refresher of work done on your behalf in 2019 and then a quick update on 2020:

2019 highlights

- No rate increase to any component.
- Returned \$228,000 worth of capital credits back to members.
- Blended rate less than state/national averages.
- Built 51 new services.
- Saved an estimated \$1 million in wholesale power costs via off-peak.
- Converted 11 miles of overhead power line to underground.
- Finished testing all poles in the distribution system as the final year of a 10-year rotation.
- Members were with power 99.985% of the time.
- Gave out \$48,000 in rebates for heat pumps and large-capacity water heaters that are efficient and money-saving.

Last year was a solid year in many respects as employees continued to learn new technology, operating margins were adequate and outage times were closer to annual goals. Importantly, work was done in a safe manner. Fall weather did burden the co-op as line projects had to

be carried over into spring and the agricultural economy was burdened with wet and then frozen fields.

As a reminder, the full 2019 annual report can be viewed at www.rrvcoop.com.

2020 ongoing initiatives

Rates have not increased since Jan. 1, 2017 and a rate increase in 2020 is not planned, barring anything unforeseen in the last half of this year. Through June, revenues and expenses are tracking near budget.

Crews have finished major three-phase line projects in the Beltrami and Ada areas, plus an area northwest of Hawley. Other major initiatives still in progress or yet to start this summer include annual tree trimming, pole change-outs and smaller work plan distribution projects that include converting overhead to underground at various spots in the service territory.

Take away the transmission outages from the two strong storms in June that affected members in our northern service territory, and average outage time for members so far this year is 23 minutes.

Technology initiatives continue

Your cooperative has communicated frequently during the last 18 months about several upgrades in technology. Staff finished changing out all main meters in June as part of the automated metering infrastructure project. About 600 off-peak meters remain to be changed out.

The massive mapping project of converting decades of paper staking sheets to a digital and integrated format is nearing completion. The pace of that project has allowed the cooperative to plan on rolling out an outage management system tentatively scheduled for January 2021.





Last year was a solid year in many respects as employees continued to learn new technology, operating margins were adequate and outage times were closer to annual goals. Importantly, work was done in a safe manner.

The outage management system will be tied in to our other software initiatives and members will be able to see outage areas at www.rrvcoop.com. In time, we are hopeful this will lead to other advantages that we can present to you.

I look forward to delivering cooperative information to you in an online

format on Aug. 5 at 11 a.m. and answering any written questions that you may have. Information regarding the online information session can be found in the packet you already received in the mail and at www.rrvcoop.com under **2020 Annual Meeting**.



ONLINE INFORMATION MEETING AGENDA

August 5, 2020 @ 11 a.m. YouTube Live

Online information meeting is located at this YouTube channel address:

<https://bit.ly/2VVazlC>

- 11 a.m. Opening welcome..... Rich Whitcomb
- Call meeting to order..... Roger Krostue
- Pledge of Allegiance Roger Krostue
- Seating of directors and approval
of 2019 minutes via mail-in ballot..... Legal Counsel
- CEO report Rich Whitcomb
- Financial report..... Brady Martz
- Q&A via mail-in ballots..... Rich Whitcomb
- Awarding of prizes and acknowledgement
of service awards
- Adjournment..... Roger Krostue

Stay cool this Summer and save energy!



We expect summers to be hot, but most of us do all we can to keep our homes as comfortable as possible, even as outdoor temperatures edge thermometers upward.

When it comes to electricity, each of us has the power to help control our costs – we just have to make thoughtful choices to make energy savings pay off in dollars and cents.

Look toward the west. If you don't have trees, a porch overhang or awnings shading windows exposed to afternoon sun, there's a good chance radiant heat could be driving up indoor temperatures and adding to your overall cooling costs.

Window coverings can help. Blinds or shades can deflect intense sunlight, and draperies lined with a thermal radiant barrier can block up to 95% of sunlight and 100% of ultraviolet rays.

Comfort and cooling are easier to maintain when we take advantage of



airflow. A ceiling fan can pull warm air up above your living zone, making a difference during summer months. The evaporative effect of circulating air blowing across our skin makes us more comfortable, but that benefit completely disappears when we leave the room, so turning fans off in unoccupied rooms will save energy.

HVAC filters have a lot to do with airflow through your heating and cooling systems. Dirty filters restrict circulation through your returns, requiring your cooling system to work harder. If you can see dirt in a filter, it's likely 50% clogged. Follow the manufacturer's recommendations on replacing disposable filters or cleaning permanent ones. If you have pets, consider checking them more frequently.

You can save money and electricity by time-shifting some of the most energy-intensive activities away from peak energy use periods that normal-

ly occur during the hottest hours of the day. Cooking, doing laundry and using power tools can increase both heat and humidity inside your home, making it harder to reach or maintain a comfortable temperature.

Remember, controlling energy costs will always work better with buy-in from everyone in the household.

- One open window anywhere can be like an uncapped chimney, pulling the conditioned air you pay to cool outside.
- A gaming system, computer or big screen television left on but unwatched produces nearly as much heat as it does when it's in use.
- Lighting and ventilation fans add convenience and provide benefits when they are needed, but when left on and unattended, they use energy.
- A bag of ice poured into a cooler will chill summer beverages as effectively and less expensively than an aging refrigerator in a hot garage.

Source: National Rural Electric Cooperative Association



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- Uniformly heats across the floor
- Silent, safe and perfectly sized to fit
- Easily installed at construction with no maintenance
- Qualifies for super-low off-peak electricity rate

LOOK UP

for power lines and stay safe

Things we see every day can almost fade from view. But failure to notice high-voltage power lines can be a deadly oversight. Safe Electricity wants to raise awareness about the dangers of overhead power lines and the precautions to take around them.

- Look up and around you. Always be aware of the location of power lines, particularly when using long metal tools, like ladders, pool skimmers and pruning poles. Lower your long equipment when moving it. Carry ladders and other long items horizontally.
- Be careful when working on or around your roof, installing rooftop antennas and satellite dishes, doing roof repair work or cleaning gutters. Never go up on the roof in bad weather.
- Be especially careful when working near power lines attached to your house.
- Never trim trees near power lines – leave that to the professionals. Never use water or blower extensions to clean gutters near electric lines. Contact a professional maintenance contractor.
- Never climb trees near power lines. Even if the power lines aren't touching the tree, they could touch when more weight is added to the branch.
- If your projects include digging, like building a deck or planting a tree, call your local underground utility locator before you begin. Never assume the location or depth of underground utility lines. This service is free, prevents the inconvenience of having utilities interrupted, and can help you avoid serious injury.

Source: Safe Electricity

DIGGING SOON?

One free, easy call gets your utility lines marked AND helps protect you from injury and expense. Safe digging is no accident: always call 811 before you dig.



Know what's below.
Call before you dig.

Visit www.call811.com
for more information.

COLOR CODING FOR MARKING UNDERGROUND UTILITIES	
WHITE	Proposed excavation
PINK	Temporary survey markings
RED	Electric power lines, cables, conduit and lighting cables
YELLOW	Gas, oil, steam, petroleum or gaseous materials
ORANGE	Communication, alarm or signal lines, cables or conduit
BLUE	Water
PURPLE	Reclaimed water, irrigation and slurry lines
GREEN	Sewer and drain lines



**RED RIVER VALLEY
CO-OP POWER**



INTRODUCING A NEW SMARTHUB EXPERIENCE

New Look. New Experience. Same SmartHub.

The SmartHub mobile app now has a refreshed and enhanced look!

Red River Valley Co-op Power's SmartHub online and mobile app provides a lot of features that help you manage your account, from billing and payment info to detailed usage analysis. It's a great tool to help you access your account information on the go or online.

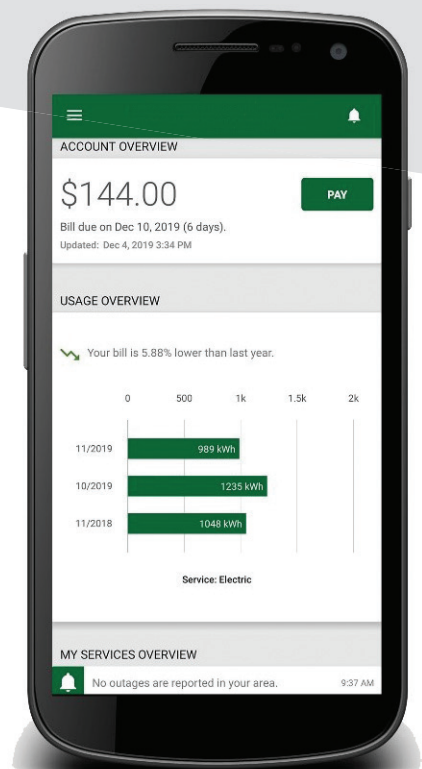
Red River Valley Co-op Power has rolled out a new upgrade for the SmartHub mobile application that will help you get to the features you need quickly and efficiently.

First, you'll notice the mobile app will have a fresh, new look. When you open the app, you'll be able to see your usage analysis right up front or you can contact us with the click of a button right from the home screen.

Outage and billing alerts will also be displayed right on the home screen, making it easy for us to communicate important information with you. Billing, payment and other features will be available with one click of a button in a new condensed menu.

Update your SmartHub in the app store to see these changes! We hope these app updates will help provide a more user-friendly and efficient experience. All of the features you love about SmartHub will still be available, just with a refreshed look and an enhanced user experience. New Look. New Experience. Same SmartHub.

SmartHub Mobile 3.0 will automatically occur on your mobile devices using at least Android 5.0 or iOS 9.0. Users with a lower version will stay on the current SmartHub mobile version 2.42.



SMART MANAGEMENT. SMART LIFE. SMARTHUB.