

Connections

November 2018

For the member-owners of Brown County REA



Volume 22, Issue 11

Capital credits: no need for a rewards card as you benefit from buying energy

We all have our favorite credit card... the one where you earn rewards. Maybe your favorite rewards credit card accumulates airline miles, gift cards or cash back. Some department store charge cards give you special sale discounts and track your rewards dollars.

Believe it or not, your electric cooperative does all of this without the need for a special credit or charge card. It's our natural purpose as an electric cooperative. Cooperatives call your patronage rewards "capital credits." As a not-for-profit utility, your electric cooperative returns any profits or margins to you, our member-owners. The difference is that your electric cooperative uses these margins for a period of time (possibly one to 20 years) to finance some of the cooperative's line construction and operations. This reduces the amount of money the co-op must borrow, minimizing interest paid, which would otherwise increase your electric rates.

Just like rewards credit cards, your personal reward or capital credits is based on how much electricity you used over a year, which is also called your "patronage." The electric cooperative tracks how much your electricity purchases are each year and notifies you early the next year of your "capital credits allocation."

The co-op's Board of Directors decides when and the amount of capital credits returned to the member owners, based on



Have so many rewards cards that you forget about using them at the right time? The great thing about the "rewards" from your electric cooperative is that capital credits do not require a rewards card. Your electric cooperative tracks your electric use or patronage — boy is that rewarding! The Board determines when capital credits are returned based on the co-op's financial condition.

the cooperative's financial condition. The cooperative's member-owners see the benefit of a prosperous year locally on Main Street and not for Wall Street's far-off stockholders. So being a cooperative member is rewarding with the lowest possible electric rates and the capital credits rewards on top of that.

Flip inside to discover the amount

and when the next round of capital credits is being returned to you, the member-owners. ☺

Capital credits quick fact: In 2016 electric distribution co-ops retired over \$1 billion in capital credits to their member-owners.

— Courtesy of NRECA

At A Glance



Brown County
Rural Electrical
Association

Be ready for the holiday meals with new Energy Star fridge & freezer

How old is your refrigerator or freezer? Older than 15 years? That's the average lifespan age. Consider replacing it before it dies during the busy holidays ahead. Go with an Energy Star model and recycle the old unit to receive a \$75 rebate from BCREA found at www.browncountyrea.coop. ☺



Energy Wise

Why is my electric bill higher in the winter?

When people look at their winter electric bills, they often wonder why the costs are higher. A short answer is because it is cold out!

When the weather outside is frightful, people spend more time inside. They are often snug on the couch by 5 p.m. That means they are using electronics, lights and appliances at a greater rate.

In addition, people are trying to keep warm. The family turns the furnace up, uses electric blankets and takes longer hot showers. All of this means they use more electricity, which leads to higher bills.

Space heaters

Electric space heaters are another part of the story. Many people believe electric space heaters will help them save money during the winter; they will, if used properly. Using space heaters to heat multiple rooms is not efficient. Using space heaters to zone heat, while turning the home's thermostat down, is how savings show up in the big picture.

Use this formula if you want to know how much it costs to run a space heater. Space heaters typically use 1,500 watts. Multiply 1,500 by X hours of use = A. Multiply A by your electricity rate per kWh = B. Divide B by 1,000. So using a 1,500-watt electric space heater five hours a night at 11 cents/kWh would cost 83 cents. Over 30 nights, that is an extra \$25 on your electric bill.

It is also important to note that a 1,500-watt space heater provides 1,500 watts of heat whether it costs \$20 or \$400. Don't be fooled into paying too much for "premium" electric space heaters.

10 Quick Tips to Avoid High Winter Bills

Looking to lower your bills this winter? Use the 10 tips below to conserve energy.

- Seal air leaks and insulate well to prevent heat from escaping and cold air from entering your home.
- Reduce waste heat by installing a programmable thermostat.
- Turn off lights when not in use.
- Lower your water heater temperature. The Department of Energy recommends using the warm setting (120 degrees) during fall and winter months.
- Unplug electronics like kitchen appliances and TVs when you're away.
- Open blinds and curtains during the day to allow sunlight in to warm your home.
- Close blinds and curtains at night to keep cold, drafty air out.
- Use power strips for multiple appliances, and turn off the main switch when you're away from home.
- Wash clothes in cold water, and use cold-water detergent whenever possible.
- Replace incandescent light bulbs with LEDs, which use at least 75 percent less energy.

Energy Tips

Engine block heaters

Plugging in your vehicle overnight so it starts on cold mornings can also increase winter electric bills. Assuming your electrical cost is 11 cents per kilowatt-hour (kWh), operating a 500-watt block heater overnight for 12 hours will use 6 kWh for a cost of 66 cents for one day. Over one month that could add approximately \$20 to your electric bill.

Heartland Security can make your home a smart home

Do you have an older home, but wish you could turn it into a smart home? Are you worried that all of the newest smart devices won't work with your house? Heartland Security has you covered. Whether it's your locks, lights, garage door or thermostat, control them from one app on your smartphone. Regardless of your home's age, Heartland helps you find a solution to home security and automation needs.

Locks

Tired of scrambling to find your house key? Afraid someone might find your hidden key? With smart keyless locks lock and unlock your doors from your smartphone. It's also a handy feature if you or someone else in your house tends to forget their keys.

When you connect your smart locks to your security system, set your system to automatically disarm when you unlock the doors. Another option is to set a schedule to lock your doors at certain times of the day (for example, between 8 a.m.-5 p.m., when at work).

Lights

As part of a smart security system, control your lights in every room, using your smartphone. You can even control



The orange symbols show what can be controlled through your smart phone app and a Heartland Security system.

dimers. If you like a light on when you get home in the evening, but don't want to leave a light on all day, simply use your smartphone to turn the light on before you leave for home. If you'll be away on vacation, schedule your lights to turn on and off to make it appear as if someone is home.

Garage doors

Ever leave home and forget whether

you closed your garage door? Garage doors are devices you can control with a smart home security system. It requires a compatible garage door opener installed and wi-fi in the home. With the Alarm.com app checking if your garage door is open or closed is simple. It's much easier than turning around to drive home and check!


— Continued on Page 6

Safety

Don't take the 'pole position' this harvest season

A pole position is defined as a leading position. Many farmers want to be in the pole position this harvest season. If they aren't the first ones done, they'd like to be among the first since we never know how the weather is going to go as winter approaches.

But there is another 'pole position' farmers don't want to be in this harvest season. You don't want to be in position to hit a pole with farm equipment!

Hitting a pole with farm equipment puts many people in awkward positions. The farmer is responsible for paying for the replacement of the pole. Co-op crews have to stop their regular construction that they need to get done before winter to fix the pole. Plus, neighbors could experience an outage that might slow down their own harvest. 



Slow and steady wins the race. Be careful around poles with farming machinery this harvest season.

Brown County Briefs

Operation Round Up



The Brown County Rural Electric Trust Board will meet to review applications November 20. Area organizations wishing to seek funding through the trust should submit an application, found on the BCREA website www.browncountyrea.coop, before that date. Applications are also available from Trust Board members or by contacting the office at 800-658-2368 or 507-794-3331.

2018 calendars available

We again have large, farm pocket calendars available (one per member please) to pick up at the office. There are also a small number of small pocket calendars available to members while supplies last.

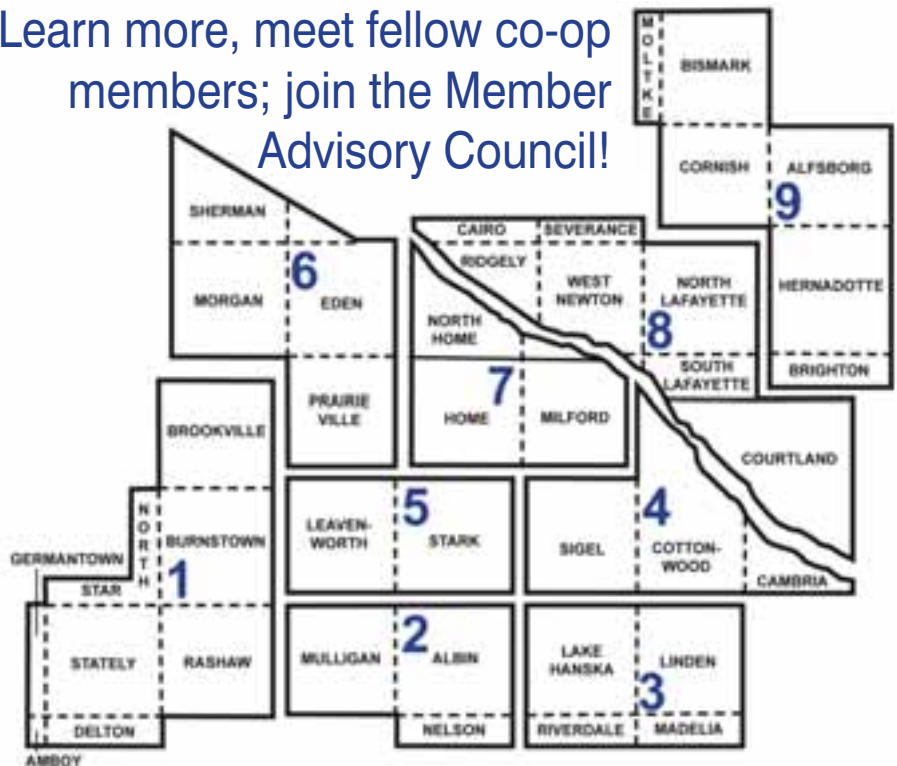
Survey update

Thank you to all who received the invitation and participated in the survey looking at the cost of electric service options, conducted in partnership with the Electric Research Power Institute and Great River Energy. If you have not completed your online or paper survey, please do so soon.

CTV viewers should rescan TVs

CTV viewers may have seen some channel disruptions due to the Federal Communications Commission (FCC) requiring CTV to move off some of its channels to new channels. CTV installed new equipment to accommodate the needed changes. If you are missing channels, Please rescan your TV. This is a big change for CTV. We appreciate your patience during this process and continued support of CTV. Watch channel 16.1 for updates. (C)

Learn more, meet fellow co-op members; join the Member Advisory Council!



Want to get a behind-the-scenes look at your co-op, engage with the board of directors and management team, plus some of your co-op neighbors?

The current Member Advisory Council (MAC) members, whose final meeting will be January 14, and the cooperative's Board of Directors will look for new members to serve on the council. MAC meets three times during the one-year term, typically in April, September and the following January.

Established more than 40 years ago, Member Advisory Council offers an inside look at the work and programs of the cooperative, opportunity for one-on-one and small group discussions, plus share input with management staff and directors. MAC members in the districts whose directors are up for election also serve as the nominating committee. Contact the director or council members for your district or the REA office if interested to learn more (see below). (C)

District 1:

Director James Hanson, Paul & Amy Therkilsen, Wayne & Janet Redman, Cherry Taylor;

District 2:

Director Brad Sprenger, Peter & Colleen Vachuska, Kyle Sellner, Loren Tauer;

District 3:

Director Allen Hanson, Quentin Hanson, Jenny Brandel, Grant Sletta;

District 4:

Director Bill Berg, Brad Domeier, Rich Griebel, Pat Hillesheim;

District 5:

Director Jim Mickelson, Mike W. Hoffmann, Rob Goblirsch, Chad Mathiowetz;

District 6:

Director Joel Christensen, Jerry & Jan Dittbenner, Lonny & Shelly Engholm, Drew & Beth Hill;

District 7:

Director Greg Mages, Ron & Sandy Meyer, Lee Portner, Scott & Myra Simon;

District 8:

Director Reuben Kokesch, Mike J. Hoffmann, Ryan Franta, Mark Lindquist;

District 9:

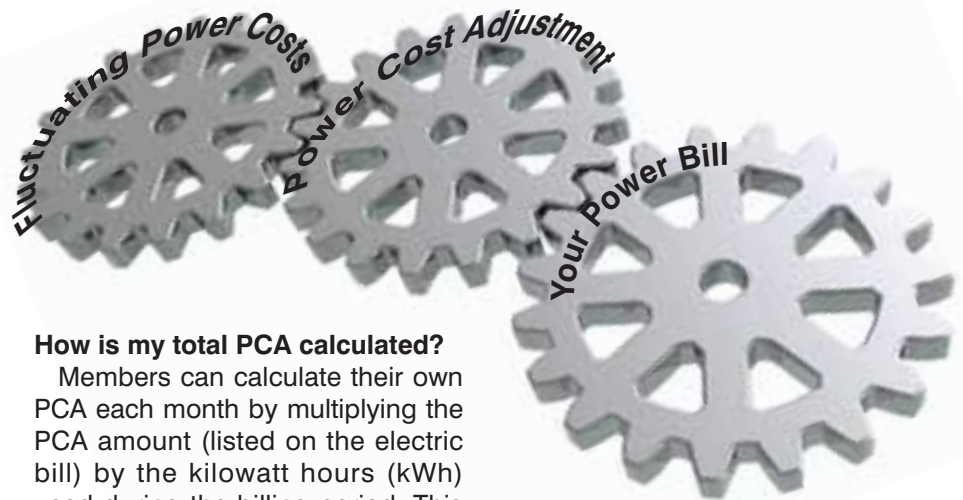
Director Tom Hayes, Matt Rabe, John Nelson, Duane Piere. (C)

Understanding the Power Cost Adjustment

Each month Brown County REA includes a charge on member's electric bills called the Power Cost Adjustment (PCA). The PCA reflects an adjustment for the actual cost of wholesale power during each billing period — above or below Brown County REA's base rate.

Why is a PCA necessary?

In order to generate the electricity you consume our wholesale power supplier, Great River Energy (GRE), obtains electricity from many sources, including coal, natural gas, wind and solar. GRE sets its rates each year based on variables, including the cost of fuel, amount and cost of power purchased in the market. GRE also estimates the amount of power to be sold into the market. If its costs are greater than or less than their base rate, they pass through the difference to Brown County REA and other member cooperatives on the monthly wholesale power bill. The co-op in turn passes on the difference to you, our members. If it is an additional charge, it is added to your bill in the form of a PCA. If it is a credit, you will see a PCA credit on your bill.



How is my total PCA calculated?

Members can calculate their own PCA each month by multiplying the PCA amount (listed on the electric bill) by the kilowatt hours (kWh) used during the billing period. This formula charges all Brown County REA members equally for the increase or decrease in the cost of generating electricity, based on fluctuating costs.

Do other electric utilities use a PCA?

Wholesale power cost is BCREA's largest expense and the PCA is a pass-through from the wholesale power bill to members' bills. This is not unique to cooperatives. All energy suppliers have a monthly adjustment for fluctuating fuel costs related to power production. The terminology

Power supply has multiple moving parts that can ultimately affect your power bill. The Power Cost Adjustment (PCA) is one way your co-op passes on fluctuating power costs to its members. PCAs are not unique to your electric co-op. They are a normal part of energy suppliers' billing processes.

may vary. You may hear PCAs referred to as a "Wholesale Power Adjustment" or "Fuel Cost Adjustment," but all are fundamentally the same. (5)

Farm energy audit funds available

Brown County REA members can still take advantage of 75 percent cost sharing for agricultural energy audits.

Funds are made possible through a United States Department of Agriculture Rural Energy for America Program (USDA-REAP) grant awarded to BCREA's wholesale power provider Great River Energy (GRE). Qualified participants will receive one-on-one assistance in identifying and prioritizing energy efficiency opportunities. GRE is working with GDS Associates to perform the audits. If interested in seeking grant funds, contact GDS Associates at 800-441-8525. (5)

Recycle your old holiday lights

Upgrading holiday lighting to LEDs? Remember to recycle the old lights!

Brown County REA is again working with the Sleepy Eye YES! Team to collect strands of old holiday lights to be recycled. You may drop off your old lights in the box in the BCREA office entry during regular business, Monday through Friday, 8 a.m. to 4:30 p.m. The collection begins November 19 and runs through January 18.

Please do not place cord adapters, battery packs, plastic rope lights or CFL bulbs in the collection box. Thank you! (5)

Be generous to Santa's Closet!



Brown County REA headquarters is again collecting donations of new, unwrapped toys, books and mittens to be used as part of the Sertoma Club of New Ulm Santa's Closet project.

The collection helps provide gifts to area children who may not otherwise receive gifts at Christmas. You may drop off donations in the box, located in the BCREA office lobby before the December 14 pick-up.

Thank you for your generosity to those less fortunate. (5)

Do you have what it takes to be on the electric cooperative Board of Directors?

When people hear the phrase “Board of Directors” they might think of people in power. That is appropriate when one talks about your electric cooperative’s Board of Directors. They are “people in power” indeed, as they help guide your electric cooperative to provide you with safe, reliable power for your homes, farms and businesses. Beyond that, you might be surprised to know that they are people just like you — members in the electric cooperative they serve.

Director misconceptions

Electric cooperatives allow open elections at their Annual Meeting to vote for members to represent everyone’s interest on the electric co-op’s Board of Directors. Do you have what it takes to be a Director? Let’s look at some of the common misconceptions people have:

1. I have to be retired to be a director

Most directors are not retirees. This is why board meetings are held in a way to allow directors to fulfill their other obligations. Meetings are typically once a month. In addition, some travel is needed for training and state/national meetings. Typically, the time commitment is 35-45 days a year.

2. Can anyone serve on the board?

Directors must be members in good standing and not have any felony convictions in the past five years. A spouse or relative cannot be employed with the co-op either. According to Tyrus H. Thompson, an attorney for the National Rural Electric Cooperative



Director duties:

- Attends monthly meetings and serves as a delegate at other meetings, as needed. Attends director training.
- Approves policies, procedures and budget. Reads reports, policies and other information pertaining to the co-op.
- Evaluates co-op’s performance and plans for growth.
- Assures democratic process according to Bylaws and Articles of Incorporation.
- Hires general manager.
- Responds to member input and concerns.

Association, an ideal director would have skills and abilities that include:

- time and availability;
- commitment and motivation;
- integrity and impartiality;
- informed and good judgment;
- possesses objectivity and impartiality;
- interpersonal and communication skills;

- respects multiple points of view and are open-minded to hearing and seeking new information; and

- willingness to gain knowledge, skills and experience needed to understand the somewhat complex electric utility industry and the cooperative’s business.

3. I need experience with utilities

Most directors have no experience in the electric industry. The knowledge and tools they need to serve on the Board are provided by the electric co-op through training with the National Rural Electric Cooperative Association and the Minnesota Rural Electric Cooperative Association. Directors learn the skills they need to serve, on top of their experience as farmers, small business owners, retirees and more.

4. Directors work for free

Board members receive a stipend for the meetings they attend. Their travel expenses are also covered by the co-op.

5. Directors need to campaign

Director candidates are chosen by a Nominating Committee. If you are interested in serving as a director, contact your electric co-op. The co-op will answer your questions. (C)

Be wise to transform your home into a smart home with Heartland Security

— Continued from Page 3

Thermostats

Create a schedule for your thermostat based on when you’ll be home or away. During fall/winter, set your house to cool down when no one’s home during the day and warm up in the evening. In summer do the opposite — raise the thermostat during the day and cool it down at night. If

things change from your normal routine, you can quickly and easily change the thermostat temperature from your smartphone, tablet or laptop.

Smart home security is more affordable than ever. Gain peace of mind from 24/7 professional monitoring with the convenience of remotely controlling all your smart devices from one app. Schedule a free, no obligation security

analysis today! Heartland Security specializes in customized security systems, cameras, and smart home solutions and is a subsidiary of Federated Rural Electric, Brown County REA and 11 other rural electric cooperatives. Co-op members qualify for a special discount! Contact Heartland Security today at www.heartlandss.com or 888-264-6380. (C)

Santa wants some new Christmas cookie recipes this year

Ho, ho, ho! Santa wants to devour out some new kinds of Christmas cookies. Share your family's Christmas cookie recipe, whether it's spritz, sugar, snowballs, gingerbread, turtles or mint! Send to: Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by November 26. Add your name and phone number. Thanks for sharing with us! ☺

Tater Tot Taco Casserole by Doreen Schmitt, New Ulm

- 1 lb. ground beef
- 1 small onion, diced
- 1 oz. packet taco seasoning mix
- 16 oz. bag frozen Mexican-style corn (or 1 can corn, drained)
- 16 oz. bag frozen chopped broccoli (or other vegetable)
- 12 oz. bag shredded Mexican cheese blend
- 16 oz. pkg. frozen tater tots
- 12 oz. can enchilada sauce
- sour cream, optional

Preheat oven to 375° F. Prepare a 9x13" pan with cooking spray. Cook the ground beef in a skillet over medium heat until completely browned. Add the onion. Combine the ground beef mixture, corn, vegetables and taco seasoning; mix in a large bowl with about three-fourths of the Mexican cheese blend and the tater tots; stir to combine. Pour about one-third of the enchilada sauce into the bottom of the prepared baking dish and spread evenly. Add the tater tot mixture to the baking dish; lightly pat the mixture down into a solid, even layer. Pour the remaining enchilada sauce over the tater tot layer. Bake in the preheated oven for 40 minutes. Sprinkle the remaining Mexican cheese over the casserole and return to the oven until the cheese is melted and bubbly, about five minutes more. Serve with sour cream on the side. ☺

CTV towers changes due to FCC auction

CTV equipment was changed on all three towers last month due to the Federal Communications Commission (FCC) auction. CTV was assigned new channel licenses and frequencies, which required equipment changes in October. Rescan if you are missing channels, but learn about changes on each tower below.



Godahl CTV tower

A couple of channels are off temporarily as it required some unexpected equipment. The channels are Rev'n and CTV Canada. People should rescan to receive the channels that are on.

Several channels required the power to be reduced significantly so they might not reach all locations. Viewers more than 7-10 miles from the Godahl tower may not receive them any longer. These lower power channels are: YouToo, Laff, Rev'n (when it comes back on), CTV Canada (when it comes on), Trinity, Retro and Vibrant. In addition, ION, channel 41 was on the tall tower at full power, but it is now on the short tower at half power so some viewers might not get that one either.

"CTV's goal was to put the major networks on the tall tower at max power, while the short tower allowed us to operate at the highest power authorized," said Dave Sunderman, CTV general manager.

Jackson CTV tower

KDLT is also changing their equipment on their Sioux Falls tower. They are broadcasting at 20 percent power so it's not a strong enough signal for now. When they return to full power in a month or two, Jackson will rebroadcast this station again.

Frost CTV tower

This tower had no major changes. ☺



Turkey trivia: what's the cost for food vs cooking?



How big is your grocery bill for the Thanksgiving feast? Well, cooking that holiday meal takes about 2.5 kilowatt-hours (kWh) according to a Florida research project. With electricity at 11 cents/kWh that's less than 30 cents to cook the holiday feast. Electricity — what a bargain! ☺



Brown County Rural Electrical Association

Brown County Rural Electrical Assn.
24386 State Hwy 4, PO Box 529
Sleepy Eye MN 56085

E-mail address: bcrea@bcrea.coop
Website: www.browncountyrea.coop
Phone: 507-794-3331 or 800-658-2368
Office hours: 8 a.m. to 4:30 p.m. Monday-Friday

Mike Heidemann, Chief Executive Officer


Board of Directors

James Mickelson, President — 794-6298
William Berg, Vice President — 766-1497
James D. Hanson, Sec.-Treasurer — 829-6756
Brad Sprenger — 877-2633
Allen Hanson — 276-0691
Thomas Hayes — 228-8954
Reuben Kokesch — 359-2112
Greg Mages — 794-3540
Joel Christensen — 828-4550
The Board of Directors meets the last Thursday of each month.

Board meeting highlights

The BCREA Board of Directors held its monthly board meeting October 25 at the BCREA headquarters in Sleepy Eye. Discussion and/or action were taken on the following agenda items:

- Reviewed and approved the September 2018 board meeting minutes, new member applications and member cancellations.
- Reviewed and approved September 2018 payroll and August 2018 financial statements.
- Informed that the 2017 IRS Form 990 was filed for the cooperative and Form 990N for the Round Up trust.
- Updated on progress with the member survey on Electricity Service Plan perceptions, being conducted through the Electric Power Research Institute.
- Set the next Member Advisory Board meeting for January 14, 2019.
- Updated on construction activities including work on KC Road and County Road 9 in Mulligan Township.
- Informed that Carr's Tree Service will resume tree trimming in the BCREA service area in November.

The Board will meet again November 21 at the BCREA headquarters in Sleepy Eye. 

Staff notes

Capital credit payments to be issued; this year again the check is in the mail

When you pay your electric bill each month, it's nice to know that someday, because we are a cooperative, you will get a portion of your payment back in the form of a capital credits refund.

But first, we must pay our bills. Any margins or profits remaining are a significant source of equity for the cooperative. In addition to paying



Darla Ruschen
Office Manager


the expenses member equity helps buy necessary equipment and repay debt. When the bills are paid, any profits related to the sale of electric service are "allocated" to members' capital credit accounts in proportion to their electrical usage. Unlike an investor-owned utility, our profits are returned to you, the owners of the cooperative who use the electricity, instead of stockholders.

At the October board meeting the Brown County REA Board of Directors approved the payment of approximately \$630,000 in patronage dividends, also known as capital credits, to its members. This amount is broken down as 20 percent to 2017 members, 100 percent of remaining 2000 balance, and a partial percent of 2001 balance.

Anyone who was a member of the cooperative in 2017, 2000 or 2001 will receive a check for their share of the amounts being retired from those years. Checks will not be issued for amounts less than \$50. Amounts under \$50 are credited to the electric bill of current members. For former members these amounts will be paid in future years when the balance reaches at least \$50.

This retirement of capital credits brings our total retired over the years to over \$15.8 million.

Again this year, instead of being handed out in person, the checks will be mailed directly to each member by about the third week of November. We ask that you please cash your capital credits check as soon as possible after receiving it.

Returning capital credits to members is a practice unique to the cooperative form of business and represents one of the cooperative principles – members' economic participation. And perhaps best of all, the benefits of this economic participation return to our local communities. 



Heartland Security can help you protect your home or business with a variety of options: alarms, surveillance cameras, smartphone controls and more. Call us at 888-264-6380 to learn more about our security systems. 