

# 2020 - THE GOOD NEWS

Dear Member:

With all its ups and downs, I am pleased to say that we ended up with a favorable conclusion to 2020. The COVID – 19 Pandemic dominated much of our year, so every week was met with a new and unexpected challenge. With over 125 years of combined electric cooperative experience on MLEC's Senior Leadership Team, nothing could have prepared my managers to operate during a pandemic; yet, I couldn't be more proud of how they and their teams all led through this crisis.

With the office closed to the public most of the year, and employees working unpredictable shifts – sometimes rotating between the MLEC office and their homes – we managed to answer member concerns and complete our daily required tasks. Diligence in following public health guidelines, routine office cleaning, maintaining proper personal hygiene, practicing social distancing, and wearing masks helped keep the pandemic out of MLEC with minimal reported cases impacting our organization.

Solid management and business decisions helped end 2020 with positive results. MLEC immediately applied for, received, and was forgiven repayment in the Payroll Protection Program. This assistance was invaluable, allowing us to keep all 47 MLEC employees working during this difficult time. In 2020, we were also able to fully depreciate the old metering system, reducing a future expense and setting us off on the right foot for 2021.

As I have indicated in 2020, we will hold rates stable in 2021 and this trend looks like it will hold over the next five years. In March, one of our lenders, Cooperative Finance Corporation (CFC), will conduct a Cost-of-Service Study. This is an in-depth study that looks at the cooperative as a whole business, reviews its revenue requirements per rate class (i.e., residential, commercial, industrial), considers reliability and system upgrade needs, and gives an independent assessment as to if our assumptions on our rates are correct. As a side note – this is the fourth tool that CFC has offered MLEC free of charge that we are using in 2020 and 2021 to ensure that we are operating your electric cooperative in a sound and responsible manner. As a cooperative business partner, CFC has trained and helped MLEC implement budgeting software, financial forecasting software, strategic financial planning, and now in 2021, a cost-of-service study. These services have a value in the tens of thousands of dollars for MLEC.



Sarah Cron  
CEO

After reviewing the Widseth Feasibility Study at the December Board Meeting, your MLEC Board of Directors unanimously agreed to move forward with investigating the potential of a new headquarters building on a new location site. A large part of this will now be getting costs together and utilizing those costs in the cost-of-service study. This is all a process and determining how the entire process – and potential project – impacts the members is all a part of the decision-making. As we move forward, we will keep you informed as to what we are planning.

The 2021 Annual Meeting is scheduled for May 6. We are still planning for an appropriate COVID-friendly platform. We will keep you posted as all our plans come together.

Take care and stay safe.

## MAKE THE SWITCH AND SAVE.

All standard LED bulbs are now 50% off!

Did you know? ENERGY STAR® certified standard LED bulbs use up to 80% less energy and last up to 22 times longer than incandescent bulbs, which means you'll save on both energy and replacement costs. Make the upgrade today while supplies last! Visit [www.energywisemnstore.com](http://www.energywisemnstore.com)

ENERGY WISE  MN

