

# WE ARE IN THIS TOGETHER

Dear Member:

We are entering our second month of dealing with COVID – 19. I would like to say that we are adjusting and adapting, but I do not know if you can really adjust and adapt to this. Our office is closed to the public. Travel has been eliminated. Meetings are attended remotely. Most staff are alternating shifts to keep staff congregating to a minimum. Line workers and internet installers have even stopped going into members' homes attempting to stop the spread. Productivity, communications, and efficiencies have all been compromised during this time, but I am very glad to say that our employees are not.

It is going to be some time before we understand the full effects of what this infection will have on MLEC, our communities, our families, and our human psyche. You see people filled with hope, kindness, and philanthropy. Then you turn and you see people filled with disdain, malice, and anger. COVID – 19 is bringing out the best and the worst in us.

MLEC ended 2019 in a very positive financial position. I was comfortable and confident announcing that we would not have a rate increase in 2020 and hoped to hold rates in 2021. I began discussing the prospects of a desperately needed new headquarters building with your Board of Directors. Then...2020 came along.

January 2020 temperatures reached record highs – meaning low kilowatt sales. Early spring storms hit our entire service territory causing three days of power outages – meaning thousands of dollars in extra labor and contract crews' expense. Non-essential businesses closed due to COVID – 19 – meaning low to no kilowatt sales from key accounts. More than 350,000 Minnesotans applied for unemployment benefits in just one month – meaning members are falling behind on bills (including their electric bills).

To reach our 2020 financial goals, MLEC has suspended our mechanical tree clearing efforts – our largest controllable expense. While this will positively impact our bottom line, it may also have unintended negative consequences. Remember that early spring storm I just talked about? When we fall behind on our tree clearing efforts, that causes our right-of-way to become overgrown. When that happens, it may lead to longer, more severe power outages during storm season.

I believe our community will pull together. Between local support from friends and neighbors, the Paycheck Protection Program, MLEC's Operation Round Up Program, Civic Groups, churches, and volunteers, we have a great network here. Throughout the past two months we keep seeing #InItTogether, and now is the time to prove it. We can make the choice to let COVID – 19 bring out the best in us or the worst in us. I say let it bring out the best in us.



Sarah Cron  
CEO

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As for our families and human psyche, please make sure you are taking care of that most precious part of your life first. We are social creatures and being isolated is not easy. Psychologists are even trying to predict if we are going to have another baby boom or record divorce rates by the end of this whole thing. When you are frustrated, feeling alone, at your worst, remember, we are in this together. We will come out on the other side of COVID - 19 worrying about all the silly stuff again.

Peace and health to you and your family. Please, stay well.