

August 2021

MRES Today

A NEWSLETTER OF



**MISSOURI
RIVER**
ENERGY SERVICES

Red Rock Hydroelectric Project begins commercial operation

After more than six years of construction and testing, Missouri River Energy Services (MRES) announced in late June that the Red Rock Hydroelectric Project (RRHP) began commercial operation on both of its generating units.

RRHP is a retrofit of the existing U.S. Army Corps of Engineers (USACE) dam on the Des Moines River just southwest of Pella, Iowa, an MRES member community. MRES built the new hydroelectric facility to add to its members' renewable resource portfolio. The addition of hydropower will not affect the operation of the original dam as USACE will continue to schedule water releases as it has since the dam was first built in 1969.

Construction at RRHP started in August 2014 and reached substantial completion of all work in October 2020, when the commissioning process began. As part of that process, the hydroelectric plant was "watered up," when water from the Red Rock Reservoir was released into and through the facility for a 30-day test run. However, due to low water levels in the Des Moines River watershed, final commissioning tests on both units were delayed until this past spring when more water was allowed to flow through the facility.

Unit 2 was deemed fit for commercial operation on May 19, while testing wrapped up on Unit 1 on June 11. As of mid-June, RRHP was generating 19.3 megawatts (MW) of clean, renewable power with nearly 4,500 cubic feet per second of flow passing through one turbine.

"The completion of RRHP is a great achievement for MRES,



Commissioning tests wrapped up this spring on both generating units at the Red Rock Hydroelectric Project, which commenced commercial operation on May 19 for Unit 2 and June 11 for Unit 1.

and it could not have been accomplished without the vision and support of the MRES and Western Minnesota Municipal Power Agency (WMMPA) boards of directors and the support of MRES staff," said MRES President and CEO Tom Heller. WMMPA is the financing agent for MRES generation and transmission assets. "Hydropower has been at the heart of MRES since our inception, and we're proud to officially add RRHP to our generation mix as we work toward a cleaner energy future."

The capacity of the project is rated at 36.4 MW, but during spring and summer when water levels are typically highest, the plant is capable of producing up to 55 MW of power, just when it is needed the most. RRHP is a long-term investment in clean, renewable, environmentally friendly and reliable power that will serve MRES member communities for the next 80 to 100 years.

Now that COVID restrictions have subsided, MRES scheduled two member tours in late July and early August to celebrate the completion of construction and the start of commercial operation at RRHP.



MRES members will receive 'shadow bills' in preparation for TOU rates

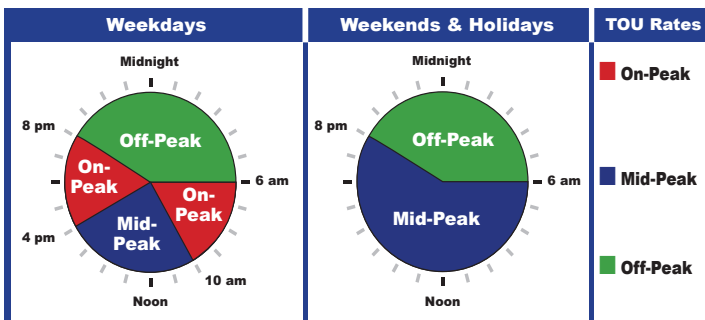
MRES is taking a proactive approach as it plans for the future by implementing a time-of-use (TOU) rate structure that encourages increased usage of lower-cost energy. TOU rates will provide greater transparency into when energy prices are higher and when they are lower throughout the day and season. This will give members valuable information, which can enable them to shift electricity use away from higher-cost hours and take advantage of lower-cost hours to save money. In turn, these efforts will help MRES better manage wholesale power costs, too. The overall goal is to create a "win-win" for MRES and its members.

The MRES board approved moving to a wholesale TOU rate structure in 2017, with TOU rates taking effect on Jan. 1, 2023. This years-long transition period was intentional, allowing members adequate time to install the required metering infrastructure to implement retail TOU rates, if the member so desired.

As part of the process, MRES will begin providing "shadow bills" to members based on TOU rates if they were in effect today. A letter to members that explains the shadow-billing process and includes an actual shadow bill will be provided to members by mid-August 2021.

MRES will provide members with shadow billing for the next 12 months so they can see what their power supply costs would be if TOU rates were in place.

Time-of-Use Rates



Currently, MRES wholesale rates are about 5% lower than the average of 12 other wholesale providers in the region. In the wholesale comparison, 10 utilities are higher than MRES and only two utilities are lower. Moving toward a TOU rate structure will help MRES achieve its goals of reducing costs to all members and providing competitive wholesale rates, which in turn, will help members offer more competitive rates to their retail customers. As a reminder, members are not required to implement TOU retail rates for their customers — implementing TOU energy rates for some or all retail customers will remain a local decision.

If you have questions regarding TOU billing or how to interpret shadow bills, please contact MRES Director of Rates Tim Miller at tim.miller@mrenergy.com or 605-330-6960.

Schochenmaier retires from MRES board

Leon Schochenmaier, of Pierre, South Dakota, resigned in June after serving for more than a decade on the MRES board of directors.

Schochenmaier's dedication to MRES and its members, along with his desire to see the Red Rock Hydroelectric Project through to successful operation, led him to stay on the board for three years past his retirement as Pierre's city administrator, a position he held for 11 years. In addition to receiving local, state, regional and national recognition for his service to public power, he also served on the American Public Power Association's board of directors for nearly seven years.

After accepting Schochenmaier's resignation, the MRES board adopted a resolution of commendation and



Leon Schochenmaier

appreciation for his 13 years of service on the board. The board appointed Brad Palmer, utilities director of Pierre Municipal Utilities, to replace Schochenmaier. Palmer's duties as a board member took effect July 1.

"Leon's contributions to the MRES board will be greatly missed, as will his years of experience, thoughtful insight and tactful guidance," said Tom Heller, MRES president and CEO.

"The past 18 months have seen a tremendous amount of change on the board, with several longtime directors retiring and leaving big shoes to fill, but the new faces on the board have stepped up, bringing fresh perspectives and continuing the strong work ethic of the board to make the MRES board, staff and organization the best it can be."



Brad Palmer



MRES partners with Tyler Technologies to offer software solutions to members

In early July MRES announced its partnership with Tyler Technologies, Inc., to offer Tyler's Incode® software enterprise resource planning (ERP) software to MRES member utilities, which includes customer information/utility billing, financial management and human capital management modules. This partnership enables MRES to offer Incode at a preferred price.

If an MRES member chooses the Incode software, the member utility or city will work directly with Tyler Technologies to implement Incode. MRES members also have the option to select additional software options from Tyler Technologies, including Tyler Content Manager™, which helps streamline access to records and documents, and MyCivic™, a comprehensive, customizable platform designed to promote civic engagement.

With these offerings, members will have access to Tyler Technologies' full suite of customer information and utility billing solutions that aim to accomplish the following goals:

- More efficient managing and reporting of financial data
- Simplifying the complexities of billing, scheduling and reporting with automated tasks
- Making day-to-day business functions more efficient and seamless
- Improving transactional efficiency, eliminating data entry duplication, increasing field productivity and enhancing customer service with utility applications

MRES extends DM contract with Olivia, Minnesota

In June, the Missouri River board approved a five-year extension of the distribution maintenance (DM) agreement with associate member Olivia, Minnesota, for full services through February 2027. Olivia has been receiving full DM services since 2005.

MRES launched its Distribution System Operations and Maintenance Program in 1998. This program allows utilities to contract with MRES crews to operate and maintain a community's electric distribution system, provide system planning and other related services. Participating members authorize the work of the DM crew in their community and maintain ownership of equipment. MRES was the first joint-action agency to offer DM services to its members, and it's been a successful model that has been replicated by other agencies.

Currently, MRES provides full DM services to seven communities and provides supplemental services to 10 other communities on an as-needed, as-available basis. For more information about the DM program, go to mrenergy.com/services/distribution-maintenance.

- Encouraging two-way communication with customers and increased customer engagement
- Easily transforming valuable paper documents into electronic images
- Improved services for customers

"MRES thoroughly vetted similar software packages and found Incode to be the most suitable for use by our members in the operation of their electric distribution systems," said Tom Heller, MRES president and CEO. "In light of a rapidly changing electric industry, Tyler's software will provide our members a utility billing solution with advanced capabilities in rate design, reporting, mobile technology and document management, while allowing our members to connect with customers more efficiently and effectively."

For more information, contact Vice President of Member Services and Communications Joni Livingston at joni.livingston@mrenergy.com or 605-338-4042.

MRES set to host 7th annual leadership academy

MRES will host this year's Municipal Power Leadership Academy Sept. 15-16 at the ClubHouse Hotel and Suites in Sioux Falls, South Dakota. The course is designed for new or recently hired utility managers, city managers, midlevel managers, utility board members and city council members. This course is the same as the one offered in previous years.

The seminar schedule begins Sept. 15 at 11 a.m., and highlights the relationship between MRES and its members, along with programs and services provided by MRES. Topics include WAPA contracts, cybersecurity, rates and cost of service, energy services, distribution maintenance, renewables and distributed generation. Following the day's seminar, a social hour will start at 5:30 p.m., with dinner catered by Johnny Carino's to follow.

On Sept. 16, Tim Blodgett, president and CEO of Hometown Connections, will lead a discussion on the responsibility of governing and managing a municipal utility, the joint-action benefit, and being engaged in governance through strong policy construction and support.

A brochure that fully outlines the two-day schedule was mailed to members earlier this summer. The maximum number of attendees for the event is 25, and the registration deadline is Aug. 27. However, hotel reservations for the MRES block of rooms must be made by Aug. 16.

For more information or to register online, go to mrenergy.com/events or contact Lisa Korthals at lisa.korthals@mrenergy.com or 800-678-4042.



Members invited to gather for September Tech Days

Technology Days returns with an information-packed agenda Sept. 28-29 at the Hilton Garden Inn in downtown Sioux Falls, South Dakota. A pre-conference workshop on key accounts will precede the event at the same location Sept. 27-28.

The workshop — Key Accounts 2.021 Lite — includes eight hours of training appropriate for anyone working with utility business customers. Training will be provided by Erick Rheam, who developed and teaches the full Key Accounts Certificate Program for American Public Power Association (APPA). Rheam customized the content for MRES members.

In this training, participants will discover:

- Five pillars of key account program success
- Six success traits that all key accounts representatives should possess
- Proven methods for gaining buy-in from colleagues and leadership
- How to craft an effective Customer Action Plan (CAP)
- Tips for staying organized and managing a program

Key Accounts 2.021 Lite begins with lunch on Sept. 27 and concludes with lunch on Sept. 28, which also marks the beginning of the regular Technology Days conference.

The Tech Days agenda takes off with an interactive session on electric vehicle (EV) adoption by self-proclaimed “EVangelist” Nigel Zeid of Boulder, Colorado. Zeid sold more than 1,000 EVs for Boulder Nissan before starting his company, EVtransformation, in order to educate the public about EV ownership.

Limited opportunities will be available to drive or ride in an EV or plug-in hybrid electric vehicle (PHEV) during lunch and dinner breaks. Participants can sign up for the ride & drives by calling Lisa Korthals at 605-330-6944.

A member panel consisting of Russ Halgerson of Brookings (South Dakota) Municipal Utilities, Val Halvorson of the City of Madison (Minnesota) and John Harren of Willmar (Minnesota) Municipal Utilities will discuss their experiences with the Bright Energy Choices green energy program. Day 1 will also include a demonstration of Missouri River’s newest proactive maintenance service — rapid imaging.

The first day will conclude with a repeat of the Wattscars Awards, which was critically acclaimed when introduced at Tech Days 2019. This lighthearted awards ceremony recognizes outstanding efforts made by MRES member utilities. The Wattscars After-Party/Dinner will be held at a downtown restaurant following the awards ceremony.

Day 2 of Tech Days opens with a session by Energy Services Technical Supervisor Kurt Hauser on how to identify electrification opportunities to help customers meet their goals. Hauser will be followed by Joni Livingston, vice president of Member Services and Communications, discussing the discounted member pricing that MRES has negotiated for Tyler

Technologies’ Incode Version 10 customer information and billing system. Livingston will also provide an update on a new pilot project for assessing members’ cybersecurity risks.

Amanda Chaon, director of marketing services for Click Rain, an ad agency in Sioux Falls, will discuss best practices for using social media, with an emphasis on Facebook. The session will include everything from what, when and how often to post, to managing privacy settings and comments.

Tech Days wraps up with a session for everyone. Psychologist and humorist Bruce Christopher of Minneapolis will help the audience discover how attitude creates success, shapes moods and is contagious. This session includes entertaining stories that demonstrate the power of a positive attitude.

The Key Accounts workshop fee is \$149, which includes training, Sept. 28 lunch and dinner, Sept. 29 breakfast and lunch, and breaks.

The Tech Days registration fee of \$50 includes Sept. 29 lunch and Wattscars After-Party/Dinner, Sept. 30 breakfast and lunch, and breaks. Registered attendees are invited to bring a guest to the Wattscars After-Party/Dinner for an additional \$25 per guest.

Members are encouraged to register now for both the Key Accounts 2.021 Workshop and Tech Days by visiting mrenergy.com and clicking on the “Events” tab. Room reservations must be made by Aug. 28 to receive the special MRES group rate of \$144 (king) or \$139 (two queens) at the Hilton Garden Inn.



TECH^{nology} DAYS²⁰²¹

SEPTEMBER 28-30



Sept. 28-29
Key Accounts 2.021 Lite
Workshop (pre-conference)



Sept. 29-30
Tech Days Conference



Hilton Garden Inn Downtown
201 E 8th St
Sioux Falls, SD 57103

2021 scholarship winners announced

Each year MRES grants up to 12 scholarships to area students entering educational programs related to the electric utility industry. This year, MRES awarded a total of nine scholarships.

Five \$1,000 scholarships were awarded to high school seniors who reside in MRES member communities and plan to attend an accredited two- or four-year university or vocation-technical school. Four more \$1,000 scholarships were awarded to students who are or will be enrolled in a one-year powerline/lineworker program at specific regional technical schools.

This year's university/vo-tech recipients are:

Joe Cremer

of Pierre, South Dakota, whose family is a customer of Pierre Municipal Utilities and plans to attend South Dakota School of Mines and Technology (Mines) in Rapid City, South Dakota.



Devin Hemmelman

of Pierre, South Dakota, whose family is a customer of Pierre Municipal Utilities and plans to attend Purdue University in West Lafayette, Indiana.



Ian Ainomugisha

of Brookings, South Dakota, whose family is a customer of Brookings Municipal Utilities and plans to attend Rice University in Houston, Texas.



Kenzie Gronlund

of Pierre, South Dakota, whose family is a customer of Pierre Municipal Utilities and plans to attend South Dakota State University in Brookings.



Carter Amland

of Madison, Minnesota, whose family is a customer of Madison Municipal Utilities and plans to attend Mines.



The 2021 powerline/lineworker scholarship winners are:

Ethan Spronk

of Hartley, Iowa, attending Northwest Iowa Community College (NCC) in Sheldon, Iowa.



Daniel Schriever

of Rock Rapids, Iowa, attending NCC.



Casey Woodall

of Brookings, South Dakota, attending Mitchell Technical College (MTC) in Mitchell, South Dakota.



Bryson Whyte

of Marshall, Minnesota, attending MTC.



MRES congratulates these students on their outstanding achievements and commitment to pursuing education that might benefit the electric utility industry.

For more information on Missouri River's scholarship program, visit mrenergy.com/services/scholarships.

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Member profile — Madison, Minnesota

Founded in 1885, the City of Madison sits in the geographic center of Lac qui Parle County, a wedge-shaped county in west-central Minnesota. Lac qui Parle is French for “lake that speaks,” and a majority of the county’s northwestern boundary is formed by Lac qui Parle Lake, an oblong body of water that stretches over 20 miles.

While there are plenty of county histories scattered across the U.S. where county records were hijacked, stolen or otherwise relocated, Lac qui Parle County might be the only county where residents actually kidnapped the entire courthouse. According to historical accounts found on the Minnesota Judicial Branch website, when Lac qui Parle County was organized in 1871 the initial county seat was located in the village of Lac qui Parle, where a frame courthouse was built the previous year. In 1884, a battle between Madison and the nearby community of Dawson began over where the county seat should be located on the new Minneapolis & St. Louis Railroad line. Two years later and after bitter debate, 150 men and 40 wagon teams met at night and literally picked up the courthouse, dragging it 15 miles west by wagon to Madison. In 1889 Madison was officially named the county seat, and a decade later a special bond issue was passed in the amount of \$36,000 to build a new two-story brick courthouse, which is still in use today.

European settlers, primarily Scandinavians, were drawn to the rich farmland and prairies surrounding Madison, and that heritage is on display in one of the city parks where a large fish statue proudly claims Madison is the Lutefisk Capital of the U.S. The 25-foot-long fiberglass cod, aptly named Lou T. Fisk after the famed Scandinavian dish made from rehydrated whitefish, has been in place since 1983.

Madison is also home to the Lac qui Parle County Historical Center, which has earned the moniker of the “Smithsonian of western Minnesota,” as well as the Prairie Arts Center, a repurposed Lutheran church that hosts plays and other activities.

True to its past, agriculture remains the driving economic



force in and around Madison, but the town promotes itself as a one-stop-shop community with plenty of retail businesses to meet most needs, as well as a hospital, clinic and other healthcare services. Being on the edge of Minnesota’s lake country, Madison offers year-round recreation, including a nine-hole golf course, ball fields, a swimming pool, and access to plenty of camping, fishing and hunting opportunities.

Madison became an MRES member in 1972, and Madison Municipal Utilities currently provides water, electric and sewer service to more than 1,600 residents who call Madison home. In total, the utility serves more than 2,000 residential meters and over 460 commercial and industrial meters. Val Halvorson, city manager, is the official representative to MRES, while David Johnson, line superintendent, is the alternate.