

THE HIGHLINE BY LINE

A NEWSLETTER FROM ARROWHEAD COOPERATIVE



ARROWHEAD COOPERATIVE LOOKS TO EXPAND RURAL BROADBAND



In the first half of the twentieth century, electric cooperatives were formed and accepted the challenge of delivering electricity to rural America. These member-owned utilities succeeded where for-profit companies had declined to build. The Federal Communication Commission's (FCC) Rural Digital Opportunity Fund (RDOF) offers the nation's electric cooperatives a similar challenge for the twenty-first century: a partnership to bridge the so-called digital divide and deliver high-speed broadband services to many of these same rural communities.

In December 2020, the FCC awarded \$18.4 million to Arrowhead Cooperative for rural development of high-speed broadband internet service to our community. "Access to reliable, high-quality broadband connectivity should be a reality for everyone, no matter where you live and we look forward to leveraging our technology and expertise to deliver high-quality service to more people in our service territory. This funding makes it possible," said CEO John Twiest.

Arrowhead Cooperative launched its broadband division in 2010 after receiving over \$16 million in grants and low-interest

loans from the United States Department of Agriculture. In addition, Cook County awarded the Co-op a \$4 million grant to aid the project. Fiber-to-the-home service was then offered to locations on the electrical grid. In relatively short order, Arrowhead Cooperative made high-speed internet hook-ups possible to over 70 percent of Cook County's population.

"We are very proud that we have been able to serve our community with fiber to the extent we have so far. 2020 and the pandemic proved that we'd all have been in a world of hurt without these high-speed and reliable services in our community," Twiest shared. "As the world continues to become more dependent on the interconnectivity broadband provides, we are excited to be a leader in rural development and expand our services."

While the Co-op was successful in securing a bid in the RDOF auction, there are several steps to be completed before service is available. First, the Co-op must complete the long-form application process which includes a detailed description of the technology that will be used, a system design plan, and other financial data. Phase one of this process was completed in February and phase two will take

place in June. Arrowhead Cooperative is required to cross these hurdles to be completely approved to receive the funds.

If all the application hurdles are crossed and all goes well, construction is anticipated to begin in late summer or early fall. What's most exciting about this project is the funding will allow the Co-op to reach all the corners of its service territory, even those very last miles into the wilderness. But it won't just be broadband, the Co-op will be able to expand the electricity network as well.

One of the outstanding challenges of Cook County is its geology. Rock, in the form of underground ledges, not just rocky soil, makes burying line an extremely difficult and costly task. Since a large percentage of the remaining miles in our territory cross federal and state lands, fiber is required to be buried. If they're digging a trench, it only makes sense for the Cooperative to install electric distribution lines side-by-side.

RDOF is a once-in-a-lifetime funding opportunity that is projected to dramatically improve the quality of life in our area, and Arrowhead Cooperative is excited about the future.

GREAT RIVER ENERGY MOVES ON RENEWABLE ENERGY TRANSITION

Great River Energy has secured energy resources to transition to a largely renewable power supply portfolio by 2023 with long-term agreements to purchase the output from four large wind energy projects.

Great River Energy has signed agreements with subsidiaries of NextEra Energy Resources to receive more than 700 megawatts (MW) of energy from four wind farms located primarily in southern and southwestern Minnesota.

- *Buffalo Ridge Wind: 109 MW, Lincoln County, effective 2021*
- *Dodge County Wind: 170 MW, Dodge and Steele counties, effective 2022*
- *Three Waters Wind: 280 MW, Jackson County, effective 2023*
- *Timberwolf Wind: 150 MW, Fillmore County, effective 2023*

“We are proud to serve our membership with low-cost energy from our own home state,” said Great River Energy President and Chief Executive Officer David Saggau. “These projects are not only good for our cooperative member-owners, they are good for Minnesota’s economy.” A University of Minnesota Extension economic impact study found the projects represent an \$882 million investment and will contribute nearly \$440 million of additional economic activity within the state, including \$173.2 million in labor income. They will also support 2,590 jobs across all industries, including direct jobs at the construction sites and ripple effects.

“These projects will produce emission-free energy, lower electric rates and provide a much-needed boost as Minnesota’s economy recovers from the effects of the COVID-19 pandemic,” Saggau added.



Great River Energy plans to interconnect three of the four new wind farms to the electric grid through existing Great River Energy “peaking plant” facilities, which will continue to provide core reliability for the grid. Strong transmission at these sites makes them ideal locations for new renewable projects.

Great River Energy’s fleet of fast-starting natural gas peaking plants provides year-round reliability services for members’ electricity needs and the regional grid while enabling significant growth of the energy supply from renewable sources. These peaking plants also help protect consumers from high market prices while emitting relatively small amounts of carbon dioxide. Great River Energy forecasts its power supply transition will significantly reduce power costs for its member-owner distribution cooperatives that purchase wholesale electricity from them, including Arrowhead Cooperative

“The decision to power our system with new sources of wind energy is in line with our mission to provide member-owners with affordable, reliable energy in harmony with a sustainable environment,” said Great River Energy Vice President and Chief Power Supply Officer Jon Brekke.



DREAMING OF STREAMING?

With True North Broadband and a Streaming Device or SmartTV, you can say goodbye to cable or satellite TV and save money or watch on-demand content.

Learn more at <https://truenorthbroadband.com/>.

ARE YOU INTERESTED IN SERVING ON THE BOARD?

The cooperative model depends on its members to provide leadership and guidance.

Arrowhead Cooperative Directors are members just like you who understand and listen to the community. They represent you on the Cooperative's Board, while responsibly overseeing the business of the Cooperative and determining its strategic direction.

Each year an election takes place to ensure that every member has a voice in the governance of this organization and that any member in good standing may seek election for the Board of Directors.

In 2021, there are three districts up for election:

District 2: Maple Hill/Colvill

District 4: Rosebush/Devil Track

District 5: Cascade/Pike Lake

RESPONSIBILITIES OF THE BOARD

- Attend monthly meetings to receive updates from managers and review financial reports.
- Collaborate with the CEO to make decisions about the annual operating budget.
- Direct the management of the Cooperative, including rate setting and the development of the rules and regulations that govern service to members.
- Hire and delegate duties, responsibilities, and authority of the General Manager.

DIRECTOR QUALIFICATIONS

- Be an Arrowhead Cooperative member and live in the district you wish to represent.
- Willing to attend regular meetings (time and travel are compensated.)
- Not be employed by, or have financial interest in, a competing enterprise.
- Have an interest in shaping the future of Arrowhead Cooperative.

Individuals who serve on the Arrowhead Cooperative Board of Directors possess a sincere interest in the Cooperative and the willingness to work with others to ensure its strong future. They are available to participate in monthly meetings and special events and are also accessible to the members whom they represent.

If you are interested in serving on the Arrowhead Cooperative Board or would like more information please call (800) 864-3744 or email newsletter@aecimn.com.

The nominating committee will be meeting in mid-April. Director elections take place at the Annual Meeting held during the month of June. Ballots are mailed to all members along with the Cooperative's annual report prior to the meeting.

CO-OP NEWS

APPLY NOW FOR AN OPERATION ROUND UP GRANT

More than \$340,000 has been donated to over 90 organizations thanks to Arrowhead Cooperative members who allow the Cooperative to simply "round up" their electric bills to the next highest dollar.

Operation Round Up funds are given to local civic organizations and worthy causes through an application and selection process. Grant guidelines and application forms are available online at www.arrowhead.coop. Applications must be submitted by 4:30 p.m. on Friday, April 16 and awards will be distributed at Arrowhead Cooperative's Annual Meeting in June. For more information, please email roundup@arrowhead.coop.

NEXT BOARD MEETING

March 25, 2021 at 9:00 a.m.



LIKE US ON FACEBOOK FOR A CHANCE TO WIN \$50



Like the Arrowhead Cooperative Facebook page at www.facebook.com/aecimn by March 31, 2021, to be automatically entered in the drawing to win a \$50 bill credit!

(Drawings take place on April 1, 2021.)

WATER HEATING CAN SAVE YOU MONEY

If your monthly utility bills have got you in hot water, Arrowhead Cooperative can save members money on electrical bills with Off-Peak Water Heating.

Hot water is essential for clean dishes and an enjoyable shower. Did you know water heaters also account for nearly 17% of a home's energy use? We asked Sara McManus, Member Services Manager, to tell us about energy-saving, Off-Peak Water Heating.

WHAT IS OFF-PEAK WATER HEATING?

Off-Peak Water Heating, also known as electric thermal storage water heating, heats water every night when members use less electricity and wholesale energy costs are lower. "This is commonly called off-peak electricity and avoids the cost of operating water heaters during the day when the electricity prices are higher. Hot water is stored during these low-cost off-peak hours to meet your needs the following day," Sara said.

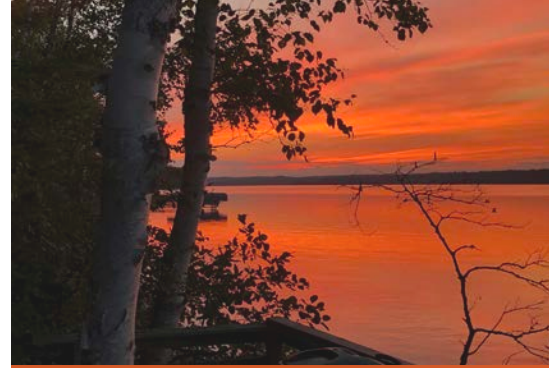
Even better, you'll enjoy a rate of 5.52¢ per kilowatt-hour (kWh), rather than the normal winter energy rate of 13.1¢/kWh or summer energy rate of 14.6¢/kWh. In addition, Arrowhead Cooperative is currently offering a \$400 rebate to members that purchase and install an 80+ gallon water heater with an energy factor of .90+.

THE DETAILS:

- You must have an 80 gallon or larger water heater to qualify for the program.
- ETS water heating is controlled 16 hours daily, charging for eight hours in 24 hours, generally, 10 pm-6 am

Member-owner, Pat Zankman has been enrolled in the Off-Peak Water Heating Program for the last six years. She shared with us, "I am absolutely happy with the ETS Water Heating program, I even have it in my rental units. There is plenty of hot water and nobody has ever run out. I definitely recommend the program."

By finding ways for members to use inexpensive off-peak electricity, you save money on your bills and we lower our wholesale power costs. The Off-Peak Water Heating program is a reliable way to lower members' bills in a way that fits their lifestyle.



FEBRUARY CALENDAR WINNER

Submitted by: Jenny Andersen



EFFICIENCY TIP

Don't keep your refrigerator too cold. We recommend a temperature setting of 35 to 38 degrees for the fresh food compartment and zero degrees for the freezer. Make sure the refrigerator doors are sealed airtight to maximize efficiency.

ARROWHEAD COOPERATIVE

5401 West Hwy. 61, PO Box 39
Lutsen, Minnesota 55612-0039
Phone: (218) 663-7239 | (800) 864-3744
Fax: (218) 663-7850

www.arrowhead.coop
www.truenorthbroadband.com

CEO: John Twiest
BOARD PRESIDENT: Michael Littfin
EDITORS: Sara McManus
and Fuller Creative, LLC

This institution is an equal opportunity provider and employer.

