

City of Shakopee Request for Qualifications

Respectfully Submitted by:

Minnesota Valley Electric Cooperative (MVEC)

Executive Summary

On behalf of the MVEC team, I want to thank the City of Shakopee for considering our response to the request for qualifications.

MVEC feels confident that we can assist the City during their time of transition. We have a strong skillset and are capable of meeting the City's short-term and long-term needs when it comes to electrical service. Specifically, the following attributes align us well:

1. Local. We have served the Minnesota River Valley for 83 years. This is home to us. We understand our communities, and exist to serve the communities in our area.
2. Focused. Our business is energy. Over the years we have developed expertise in a variety of areas specific to the energy business. That expertise brings value to those we serve.
3. Success. In 2015, MVEC acquired the accounts of Alliant Energy, and began serving the Cities of Montgomery and Le Center with electrical service. We know how to analyze distribution systems, and we set forth a successful plan to increase the service level within that area.

In addition to energy specific issues, MVEC is closely aligned with the City's values to provide service to those in our local community. The cooperative's vision and mission statements are a testament to this:

Vision: To be a trusted energy partner loyal to the community – now and for future generations.

Mission: MVEC creates exceptional member experiences, while safely providing reliable energy at cost.

We look forward to the opportunity to discuss this proposal with you, and establish a framework for meeting the City's goals and long-term vision of electric service. Please feel free to contact me with any questions.

Kind regards,



Ryan Hentges

CEO, Minnesota Valley Electric Cooperative

ryanh@mvec.net

952-492-8202

Overview of Minnesota Valley Electric Cooperative (MVEC)

MVEC is an electric distribution cooperative headquartered in Jordan, MN. The cooperative provides electric service to 43,000 members across a 900 square mile service area which include the counties of Blue Earth, Carver, Dakota, Hennepin, Le Sueur, Rice, Scott, Sibley, and Waseca. MVEC was established in 1937 and has served local communities since that time.

The cooperative business model is a not-for-profit organization, overseen by a nine-member Board of Directors elected by the membership (<https://www.mvec.net/your-cooperative/board-of-directors/>).

MVEC Key Statistics (as of 12/31/2019)

1. Members (customers): 42,970
2. Meters: 51,587
3. Full time employees: 95
 - a. Includes 29 linemen and 3 substation/apparatus technicians
4. Part time employees: 4
5. Total kWh Sales: 858M kWh
 - a. Approximately 60% residential, 40% commercial
6. Total Electric Revenue: \$90M
7. Total Plant Investment: \$195M
8. Estimated Peak Demand: 205,000 kW
9. Miles of Overhead Line: 1990
10. Miles of Underground Line: 2088
11. Substations: 29
12. 2020 Construction Budget: \$15M
13. Sales Growth: Approximately 1.4% sales growth per year

MVEC manages a wholesale power portfolio which includes contracts with Great River Energy, Basin Electric Power Cooperative, and Alliant Energy. MVEC actively engages with these wholesale power providers to ensure the cooperative maintains a competitive rate, while also ensuring reliable power and price stability over the long-term.

Minnesota Valley Utility Services (MVUS)

MVEC owns and operates a subsidiary known as Minnesota Valley Utility Services. The purpose of MVUS is to utilize MVEC staff to assist other utilities in core functional areas including, but not limited to, distribution system planning, distribution system engineering, distribution system review and analysis, substation design and construction, and large account power analysis.

In 2020, MVUS has completed, or is currently providing the following services to clients: general engineering, monthly substation inspections, substation IR inspections, sectionalizing study, arc-flash updates, grounding reports, map updates, long-range distribution system plans, renewable and standby generation design, solar application reviews, plant inspections, and field design.

MVUS clients include both cooperatives and municipals. MVUS has served the following utilities: City of Chaska, City of Arlington, City of Le Sueur, Osage Municipal Utilities, Wright-Hennepin Cooperative

Electric Association, Steele-Waseca Cooperative Electric, and Renville-Sibley Cooperative Power Association.

Engagement Fulfillment Organization

MVEC proposes utilizing MVUS as the entity through which the City of Shakopee will contract. MVEC will provide the necessary staff and resources to MVUS in order to meet the City's requirements. MVEC employees will track their time, and bill through MVUS.

Description of Experience Relevant to RFQ

For purposes of answering the questions below, we name MVEC as the entity with experience in the specific areas because the City of Shakopee will have access to all MVEC resources as necessary through MVUS. Responses below clarify that MVUS has provided these services to external clients through a consulting arrangement.

1. Engineering Services

- a. MVEC owns and operates an electric grid covering 900 square miles. The grid includes 29 substations and is a combination of overhead and underground service. MVEC staff is responsible for ensuring the distribution system is engineered to meet all state, federal, and lender guidelines, and MVEC/MVUS standards. MVEC engineers and designers conduct all necessary engineering to ensure MVEC's distribution system not only meets government guidelines, but also MVEC's reliability standards.
- b. MVUS provides, or has provided, this service to the following clients: The City of Chaska, The City of Arlington, The City of Le Sueur, Osage Municipal Utilities, Wright-Hennepin Cooperative Electric Association, and Steele-Waseca Cooperative Electric.

2. Construction and Infrastructure Development

- a. Every two years, MVEC prepares a construction work-plan (CWP) that is used to determine and document two-year construction needs that are most necessary, feasible, and economical. The CWP plan includes recommendations for line replacement, new line, substations, and other necessary upgrades. The CWP seeks to ensure adequate voltage, capacity, and overall system reliability. The plan is developed by reviewing data from SCADA, metering systems, and engineering/analysis programs.
- b. MVUS provides, or has provided, this service to the following clients: The City of Chaska, The City of Arlington, The City of Le Sueur, Osage Municipal Utilities, Wright-Hennepin Cooperative Electric Association, Steele-Waseca Cooperative Electric, and Renville-Sibley Power Cooperative Association.

3. Strategic long-range electric service planning

- a. Every five years, MVEC completes a 10-year long range electric service plan. It includes sales growth projections, economic development, and utilizes local government projections for growth in MVEC's service area.
- b. MVUS provides, or has provided, this service to the following clients: The City of Chaska, The City of Arlington, Osage Municipal Utilities, Wright-Hennepin Cooperative Electric Association, Kandiyohi Power Cooperative

4. Capital programming planning

- a. On a yearly basis, MVEC develops a capital budget based upon the CWP mentioned in section two above. In 2020, MVEC budgeted for and is on track to complete a \$15.3M

capital budget. This budget includes updates to substations, line replacement, new line, and distribution system apparatus upgrades such as switch-gear, regulators and capacitors.

- b. MVUS provides this service to the City of Arlington.

5. Staffing analysis

- a. Routinely analyzing business resiliency is important. In the past five years, MVEC has seen a large number of retirements. Rather than replacing with like positions, MVEC takes into consideration future needs and if there is opportunity to increase overall business performance. Three areas that have seen successful growth over the past several years are the dispatch center, linemen, and the substation technician department. All areas are critical to successful operations today and into the future.

6. Maintaining current rates for at least 24 months

- a. MVEC has not increased its legacy general service electric rate since 2016.
- b. MVUS has not adjusted its consulting fees since 2016.

7. Providing a program of incentives for energy conservation and renewable energy

- a. Rebates: Members are offered a variety of rebates to assist with the purchase of efficient electric appliances. A complete listing of rebate incentives can be found here: <https://www.mvec.net/residential/efficiency-rebates/>.
- b. Renewables: MVEC currently meets the state mandate of 20% renewable energy within our wholesale power supply portfolio. If members wish to have more renewables, they may do so through the cooperative's GreenSource program that enables residential and commercial members to purchase renewable energy credits (<https://www.mvec.net/your-cooperative/renewables/>). We also work with members interested in purchasing distributed generation, either in person or by providing an online portal to help them through the process (<https://www.mvec.net/your-cooperative/cogeneration/>).
- c. In addition to energy conservation and renewable energy, MVEC has extensive load management programs called Energy Wise (<https://www.mvec.net/residential/energy-wise-programs/>). Programs include space heating, cooling, and electric water heating and offer member savings up to 50% on their electric rate.
- d. Electric Vehicles: MVEC offers a time of use electric vehicle rate that allows members to charge their vehicle at their convenience while offering overnight charging at less than half the normal electric rate (<https://www.mvec.net/residential/energy-wise-programs/electric-vehicle-program/>).

8. Providing organizational leadership and vision

- a. As stated earlier, MVEC maintains a vision and mission statement, which is supported by a strategy map and cultural commitment document. On a yearly basis these documents are reviewed and updated as needed. They are also discussed with all employees through a variety of channels to ensure our team understands the businesses short-term and long-term direction. Copies of these documents are in appendix 2.
- b. A critical business component is communication and transparency. This encourages organizational leadership and development. MVEC has implemented a number of items to obtain employee feedback, and provide up to date information about what's going well, and what can be improved. Some examples include weekly newsletter,

weekly conference call with CEO, department meetings, on-line project management tools, a newly designed corporate metric dashboard and a variety of surveys that gather feedback.

- c. MVEC is seen as a visionary organization in the industry.
 - i. MVEC has presented at many conferences on topics including data analysis, cyber-security, load management, member service, advanced metering, smart grid, and engineering.
 - ii. MVEC has presented to numerous organizations including the MN Legislative Energy Commission, Public Utility Commission, and University of Minnesota.
 - iii. In 2017, the Center for Energy and Environment featured MVEC at their winter conference focused on innovation (<https://www.youtube.com/watch?v=Gm35TJmHDSE>).
 - iv. In 2019, MVEC was invited to participate in a delegation which traveled to Germany to understand the German approach to energy use and energy policy. MVEC's CEO was part of a delegation that included the Lieutenant Governor, Commerce Commissioner, and various state Senators and Representatives that met with various government officials within the German government, as well as a variety of citizens.

9. Evaluating utility rates and operations

- a. MVEC maintains a wide array of rates and understands that rate making is based upon a cost of service study, however; it must take into account overall utility objectives such as equity and competitiveness with local utilities. Although MVEC manages the rates, we utilize a consultant to complete the detailed cost of service study.
- b. MVEC is constantly evaluating its operations, and looking for ways to improve. Each year, a project plan is identified that includes projects across the organization. The identified projects are focused on furthering the vision and mission of the cooperative. Some of the recent MVEC projects include an extensive tree trimming plan to reduce tree related outages, paperless service orders to make operations more efficient, an inventory management system to better manage inventory and an upgrade to the mapping system to take advantage of additional data and ensure an accurate representation of the cooperative's distribution system.

10. Evaluating existing infrastructure

- a. As described above, every two years MVEC completes a detailed CWP which sets forth necessary improvements to its system. On a yearly (on-going) basis, MVEC evaluates its infrastructure and conducts a variety of maintenance projects to ensure a stable and reliable distribution system. Such evaluations include conducting infra-red testing of substations, large commercial accounts, and distribution switchgear; visually inspecting line and line equipment, and inspecting poles and replacing as necessary. An example of a recent project that occurred after evaluation of MVEC's infrastructure was a change from live-front switchgear (PMH) to dead-front switchgear (PSE). Although the cost is higher, they are safer, and have greatly reduced outages due to rodents.
- b. MVUS provides, or has provided, this service to the following clients: The City of Chaska, The City of Arlington, The City of Le Sueur, Osage Municipal Utilities, Wright-

Hennepin Cooperative Electric Association, Steele-Waseca Cooperative Electric, and Renville-Sibley Power Cooperative Association.

11. Evaluating and implementing wireless meter reading systems

- a. MVEC completed an advanced meter installation in 2010. Since then, all residential and commercial meters have been read remotely. The initial \$6.2M project was completed on-time and under budget. MVEC currently collects hourly data from 51,000 meters across its service area. That data is also available to members online or via their bill.
- b. MVEC's current metering system communicates over the power-line, due to the rural nature of much of its service area. However, MVEC understands wireless technologies. When evaluating and planning for a meter reading system, the key is to understand how the data will be processed and utilized.

12. Evaluating and implementing improved customer service functions through the Internet and telephone applications

- a. MVEC has offered an online member portal since around 2003. In 2010, the cooperative collaborated with Google and National Information Solutions Cooperative (NISC) to develop an updated portal and app. MVEC was 1 of 10 utilities in the US to partner with Google. The updated portal and app, called SmartHub, is currently in use at over 500 utilities across the US. All MVEC members have access to their own billing information, meter data, outage reporting, and bill payment through the online portal and smart phone app.
- b. MVEC operates an automated phone system that enables members access to their own account. Transactions like payments, obtaining billing information, and reporting outages 24/7/365 are very popular.

13. Knowledge of power utility functions and power regulatory environment to ensure compliance with applicable laws, rules, regulations and ordinances with state and federal regulations and agencies

- a. MVEC has a strong knowledge of regulatory and compliance regulations.
- b. The cooperative has worked with the Public Utility Commission to ensure its Pay as You Go program took into account the existing regulatory framework.
- c. MVEC is active in the regulatory environment in Minnesota. MVEC's CEO has been asked to present to the Public Utility Commission on multiple occurrences. MVEC's CEO recently testified before the Public Utility Commission on a docket related to customer energy data usage protection.

14. Resources to provide immediate emergency response for weather events

- a. MVEC has 29 linemen and 3 substation technicians that are available to respond to emergencies due to weather and other system reliability needs. MVEC has up to 4 linemen on standby 24/7/365. MVEC also has mutual aid agreements with other cooperatives to provide additional resources as necessary.

15. An exceptional customer service experience

- a. As a not-for-profit cooperative, our focus is on service to our members. We exist to serve our neighbors, and that is the focus in everything we do.
- b. MVEC conducts an American Customer Satisfaction Index (ACSI) survey twice per year. Over the past 10 years, MVEC's score has averaged 86 out of 100 points and our highest score achieved is 91.

- c. Appendix 1 includes letters of recommendations from four MVEC members.

16. Ability to provide evaluation of the potential disposition of the utility

- a. MVEC could assist the utility in obtaining a valuation of the utility and discussions around potential disposition options.
- b. In 2015 MVEC was part of a group of 12 cooperatives that obtained the Minnesota assets of Alliant Energy. In the transaction, MVEC obtained 3,500 customers from Alliant Energy, in the Cities of Montgomery, Le Center, and surrounding areas.
- c. MVEC is interested in assisting the City of Shakopee long-term and having discussions around building a long-term relationship.

Additional Considerations

Based upon our experience, we believe we can provide additional assistance to the City in the following areas:

1. Acquisition of Former Alliant Energy Service Territory

- a. In 2015, MVEC acquired the service area of an Investor Owned Utility, Alliant Energy. As part of the acquisition, MVEC began providing electric service to 3,500 members in the Cities of Montgomery and Le Center. MVEC conducted the following activities after the acquisition:
 - i. Evaluated the existing infrastructure and began to upgrade distribution facilities to meet MVEC standards.
 - ii. Increased tree trimming to decrease storm related outages.
 - iii. Architected the distribution system to provide redundancy.
 - iv. Provided all new members online access to billing and electrical usage data.
 - v. Provided all members access to money saving Energy Wise programs.

2. Safety

- a. Safety is critical and needs to be the first and foremost objective of every electric utility. MVEC has a dedicated Director of Safety and Environmental Compliance that focuses on safety culture at the cooperative. His expertise includes providing safety training across Minnesota and would be another resource to Shakopee as well.

3. Wholesale Power

- a. MVEC has extensive experience with power supply, and can be of assistance working with MMPA. MVEC currently manages a diverse power supply portfolio across three different organizations. The portfolio includes renewable energy and market-based energy, in addition to the normal traditional contracts. MVEC has a strong understanding of the MISO market and can help positively position Shakopee for the future.

4. Key Account Program Development

- a. MVEC has a successful Key Account Program that focuses on having a strong understanding of business practices, and provides a single point of contact, to the members using the largest amount of electricity. We understand their technical needs may be different than most others, and seek to provide answers to their complex requests. We are uncertain if Shakopee has a Key Account Program, but we believe this is something we could help develop.

The Team

MVEC has a dedicated and diverse team with whom you will be working side-by-side:

1. **Joe Green – Key Account Executive and Community Relations:** Joe will function as the overall Engagement Manager and the City's primary contact. He will ensure MVUS is meeting the City's needs. Prior to working at MVEC, Joe was the Customer Service Manager at Owatonna Public Utilities.
2. **Curt Cordt – Engineering Manager:** Curt is a licensed Professional Engineer and will provide much of the necessary engineering work. Curt provided consulting services through Heartland Engineering from 1999 - 2016. Since 2016, he has been the Engineering Manager at MVEC, and is the principal engineer through MVUS. Curt has done extensive work for municipal utilities across Iowa and Minnesota.
3. **Sarah Peterson – Distribution Planning Engineer:** Sarah is an Electrical Engineer with a Master of Business Administration degree. Sarah will be involved with distribution system planning and evaluation. She has worked with numerous clients through MVUS and Heartland Engineering over the past five years.
4. **Heather Nelson – Engineering Technician:** Heather is responsible for assisting with material specifications and procurement. In addition, ensuring the technical drawings of substations and other distribution systems are complete, accurate, and able to be constructed by the technicians and crews.
5. **Jeff Langeberg, Eric Kes, and Robert Fenner – Senior Distribution Designers:** Jeff brings over 20 years Commercial & Industrial Field Designing experience, while Eric and Robert have over 20 years each of field design experience for single and three phase services, road moves, new/rebuilding of utility infrastructure.
6. **Mike Callies – System Operations Supervisor:** Mike has direct responsibility for MVEC's load management, dispatch, metering, and locating departments. Mike is also responsible for MVEC long range forecasts, and has completed long range forecasts for MVUS clients.
7. **Mike Dietz – Operations Manager:** Mike oversees MVEC's operations area, which includes linemen, dispatch, and substation technicians.
8. **Bryce Blohm, Michael Chlan, Brent Neubarth – Substation Apparatus Technicians:** Bryce, Michael, and Brent are responsible for MVEC's 29 substations and all distribution equipment including regulators, capacitors, and switch-gear.
9. **Chad Briese – Director of Safety and Environmental Compliance:** Chad is responsible for ensuring and maintaining a positive culture of safety at MVEC.
10. **Marvin Denzer – VP Energy Services:** Marvin oversees all of MVEC's operations and key account activities. Marvin will partner with Joe to ensure MVEC is meeting Shakopee's needs.
11. **Ryan Hentges – CEO:** Ryan will be the executive sponsor and will be involved as Joe, Marvin, and the City determine is necessary.
12. **Other:** During the course of the engagement, MVEC will bring in additional resources as necessary to fulfill Shakopee's requirements.

Each team member's resume and job description are in the appendix 3.

Engagement Fee Schedule

The fee schedule below is currently in use at MVUS. MVEC is willing to work with the City to better understand the specific requirements of the engagement projects, and then potentially provide an overall engagement fee.

Job Function	Proposed Hourly Rates
Engagement Manager	\$ 100.00
Senior Principal Engineer (PE)	\$ 200.00
Operations Management	\$ 150.00
Electrical Engineer (non-PE)	\$ 150.00
Distribution Engineer	\$ 150.00
Engineering Technician	\$ 100.00
Substation/Apparatus Technician	\$ 150.00
Distribution Designer (Field Staker)	\$ 125.00
Lineman	\$ 110.00
Mapping	\$ 75.00
Safety Director	\$ 150.00
Executive	\$ 300.00
Vehicle Rate	IRS Mileage Rate

Engagement Process

MVEC wants to ensure we are communicating effectively between organizations. In an effort to assist with that, we propose utilizing Microsoft Teams and Smartsheets (www.smartsheet.com). MS Teams will enable quick and easy communication between Shakopee and MVUS. Smartsheets is an online project management system that will enable clarification of roles, responsibilities, and project timelines. This environment could be used by both teams, as well as the City Council and other stakeholders to understand the scope and progress of the engagement. It provides total project transparency. We've included an example of a high-level and detailed project plan in appendix 2.

The Cooperative Difference

There are many similarities between municipals and cooperatives. Both business models seek to make the lives of those they serve better. Below are three key items that MVEC believes we share in common with the City of Shakopee:

Locally owned and operated: MVEC is owned and operated by its member-owners (not shareholders) and focuses on member needs and local priorities. Because of our business philosophy you are not considered a "customer" you are a "member-owner."

Member-owners are first: Members can trust their electric cooperative, because it was created not to make a profit, but simply to provide reliable electric service at affordable rates. Our purpose is to serve.

Responsive to local needs: MVEC works hard to provide a better quality of life in our local communities and a higher level of service for our member-owners.

Final Agreement

Any agreement between MVEC and the City of Shakopee will require approval by the MVEC Board of Directors.

Appendix 1
Letters of Recommendation



Shakopee Mdewakanton Sioux Community

2330 SIOUX TRAIL NW • PRIOR LAKE, MINNESOTA 55372
TRIBAL OFFICE: 952.445.8900 • FAX: 952.233.4256

OFFICERS

Keith B. Anderson
Chairman

Cole W. Miller
Vice-Chairman

Rebecca Crooks-Stratton
Secretary/Treasurer

9/16/2020

Mr. Michael Kerski
Director of Planning and Development
City of Shakopee
485 Gorman St.
Shakopee, MN 55379

RE: City of Shakopee RFQ – Electrical Operations

Dear Mr. Kerski,

Please accept this letter of recommendation for Minnesota Valley Electric Cooperative (MVEC) to provide services to the City of Shakopee. The Shakopee Mdewakanton Sioux Community (SMSC) have worked with MVEC since 1982. MVEC has always been very responsive and professional to work with, and we believe would be an excellent electric utility for the City of Shakopee.

In addition to outstanding day to day service, MVEC provides responsive actions related to outage restoration, assists in identifying energy saving opportunities, provides accessible and responsive key account personnel, and are available 24/7. MVEC has also worked very closely with the SMSC on a variety of large projects ranging from major facility expansion at Mystic Lake Hotel and Casino to the recent CR 83 upgrade.

We recommend that the City give strong consideration to MVEC to manage the City of Shakopee's electric utility based on our positive experiences with them. Please contact our Tribal Administrator, Bill Rudnicki with any questions.

Sincerely,

9/16/20

Keith B. Anderson
Chairman



CITY OF LE CENTER

Heart of Le Sueur County

10 West Tyrone St. • Le Center, MN 56057 • 507-357-4450

9/15/2020

Michael Kerski
Director of Planning and Development
City of Shakopee
485 Gorman St.
Shakopee, MN 55379

Dear Mr. Kerski,

I am writing to you today to wholeheartedly recommend Minnesota Valley Electric Cooperative (MVEC) to manage the City of Shakopee's electric utilities. You can't go wrong with MVEC!

I have worked with MVEC since 2015 when the co-op assumed the electric utility operations from Alliant Energy for City of Le Center. For us, they are miles ahead of Alliant Energy in the service provided.

The city's experience with MVEC has been nothing but positive. MVEC has increased reliability and been very supportive of our community. When our city needed help with repairing our private streetlights in the newer subdivisions, MVEC was there to help us, and continues to maintain them today for us.

Your city officials and council should be advised: the staff at MVEC is very professional & responsive and would be an excellent electric service facilitator for the City of Shakopee.

Please contact me at 507-357-4450 or email at collinschrisl@yahoo.com if you have any questions.

Sincerely,

Chris L. Collins
City Administrator
City of Le Center
Le Center, MN 56057



MONTGOMERY
a city where families thrive

City Offices

201 Ash Avenue SW
Montgomery, MN 56069
Phone: 507.364.8888
Fax: 507.364.5371

Website: www.cityofmontgomerymn.com

September 15, 2020

Michael Kerski
Director of Planning and Development
City of Shakopee
485 Gorman St.
Shakopee, MN 55379

Dear Mr. Kerski,

I am reaching out to you today to recommend Minnesota Valley Electric Cooperative (MVEC) to manage the City of Shakopee's electric utilities.

I have been acquainted and worked with MVEC since I started with the City of Montgomery in 2013. At that time, MVEC serviced part of the community and Alliant serviced part of the community. MVEC took over all electric operations in the City in 2015 and have been providing excellent service to the City and its residents.

I have nothing but positive things to say on how MVEC has worked with the city, increased reliability and become generous and supportive members of our community. I want to let all city officials and council know the staff at MVEC is professional and responsive and would be an excellent electric service facilitator for the City of Shakopee.

Please do not hesitate in contacting me at 507-364-8888 or email at bheck@cityofmontgomerymn.com if you have any questions or requests.

Regards,

Brian Heck
City Administrator
City of Montgomery
Montgomery, MN 56069



C A M B R I A®

September 15, 2020

Michael Kerski, Director of Planning and Development
City of Shakopee
485 Gorman St.
Shakopee, MN 55379

Mr. Kerski:

Cambria has worked with and has been served by Minnesota Valley Electric Cooperative (MVEC) since our production facility was built north of Le Sueur in 2001. We have found the staff at MVEC to be very professional and responsive.

Positive experiences that stand out to Cambria in regard to MVEC include: responsiveness during facility construction, timely outage restoration, special services, key account personnel, as well as continuous availability.

Based on their quality of service, reliability, and understanding of the economics of their industry, I recommend MVEC to operate and oversee the electrical utilities for the City of Shakopee.

Please do not hesitate in contacting me at (952) 873-4821 or jim.ward@cambriausa.com with any questions or requests regarding this matter.

Sincerely,

James T. Ward
Chief Financial Officer

CambriaUSA.com

805 Enterprise Drive East, Suite H | Belle Plaine, MN 56011



Appendix 2
Strategy Map
Culture Commitment
2020 Project Plan
Project Example

VISION

Our vision is to be a trusted energy partner loyal to the community – now and for future generations.

MISSION

Our mission is to create exceptional member experiences, while safely providing reliable energy at cost.

SPIRIT OF OUR COOPERATIVE

Community | Integrity | Learning
Fair Process | Relationships | Action
Safety & Wellness

OUR COMMITMENTS >>

FINANCIAL STRENGTH >>

FS1. Control expenses

FS2. Manage Capital Investment

FS3. Minimize wholesale power costs & risks

**Stable,
Competitive Rates**

RELIABILITY >>

R1. Reduce outage duration

R2. Reduce number of outages

**Reliable
Electric Service**

MEMBER EXPERIENCE & COMMUNITY >>

MC1. Build strong member relationships through interaction & communication

MC2. Offer innovative programs/services to meet member needs

MC3. Actively participate in the community

MC4. Demonstrate the value of cooperative membership

**Exceptional Member &
Community Experiences**

CULTURE >>

C1. Develop & maintain a culture of safety

C2. Maintain engaged & empowered workforce

C3. Ensure business continuity

C4. Promote healthy workforce

**Exceptional
Workforce**

MVEC'S CULTURE COMMITMENT

MISSION

MVEC creates exceptional member experiences, while safely providing reliable energy at cost.

VISION

To be a trusted energy partner loyal to the community – now and for future generations.

BUSINESS CORE VALUES: SPIRIT OF OUR CO-OP

Believing in shared values, we, the team members of MVEC, commit to live by the following Spirit of Our Co-op:

Integrity

We are honest, trusting and trustworthy.

Fair Process

We participate in decisions that affect us, have fair expectations and communicate why decisions are made. We then move on and direct ourselves to common goals.

Action

We are united in our shared vision and go forward into the changing future, building courage and confidence in one another.

We live the Spirit of Our Co-op, take responsibility for our actions and hold each other accountable for the results.

Community

We are unique and valuable individuals, unified by a common goal: service to our members and one another. We are involved, support each other and have fun.

Learning

We study, teach, reflect and gain experience to prepare ourselves and the organization for a better future. We keep an open mind and explore new ideas in a positive way.

Relationships

We are respectful and understanding with each other, asking for what we need and resolving our differences in an open, positive and direct way.

Safety & Wellness

We focus on the importance of MVEC team members by promoting a culture of safety and wellness at the cooperative.

MVEC

"A leader is someone who serves others in the pursuit of achieving common goals."

LEADER

TRAITS

- Accountable: Leads by example & obligated to do the work.
- Respectful: "Golden rule" – treat others as you want to be treated.
- Integrity: Be honest & trustworthy – do the right thing even when it's the difficult choice.
- Humble: Team-minded & empowering.
- Knowledge: Knowing your job & willingness to learn.

ACTIONS

- An effective communicator.
- Approachable. Listens & follows up accordingly.
- Someone who adapts to many situations, sets direction & provides updates.
- Engaged with team members at all levels of the organization.
- Always learning & builds vision.
- Positive minded, motivated, has energy & excitement.
- Always builds & develops team members for greatness.
- Allows open discussion to determine how tasks get done.

2020 Project Plan

Projects	Purpose	Status
1 Financial Strength		
2 Publish Metric Dashboard	Define and publish monthly metrics via a dashboard (internally/externally viewable)	In progress
3 Implement Inventory Management Processes	Improve current workflows and create efficiencies to achieve real time accurate and adequate inventory levels.	In progress
4 Continued development of MVUS	Enhance partnerships with local utilities and grow sales	In progress
5 Evaluate Basin 5/7 Program	Determine if the Basin 5/7 program is beneficial to MVEC	In progress
6 Reliability		
7 Implement ROW Project	Reduce hot-spotting and migrate to 5-year cycle trim to reduce tree related outages and enhance safety	In progress
8 Work Management Solutions	1. Eliminate manual job orders 2. Enhance Field Inspection tracking and repairs. 3. Utilize workflow/work management. 4. Service orders to paperless	In progress
9 GPS Project	Identify plan and implement GPS technology	In progress
10 Prepare for NISC Mapwise Conversion	1. Enable paperless staking 2. Eliminate multiple data bases 3. Eliminate "as-builts" 4. Enable GPS capabilities 5. Utilize workflow/work management. 6. Eliminate double entry of staked jobs 7. Eliminate manual job orders 8. Enable field viewing and editing (mobile mapping) 9. Enhance Field Inspection tracking and repairs. 10. Utilize workflow/work management.	In progress
11 Prepare for NISC OMS Conversion	1. Enable real-time metrics of CAIDI, SAIDI, SAIFI, outage costing 2. Implement scheduling of jobs by dispatch 3. Real-time outage communication to Field personnel	In progress
12 Implement Construction Work Plan	Enhance system integrity and reliability	In progress
13 Commercial Meter Conversion	Reduce labor cost related to meter reading, and increase data availability and accuracy.	Complete
14 Access 97 Meter Data Base Conversion	1. Convert existing Data Base reports, (metering, rebates, etc.) as needed to BI Platform 2. Establish reporting tool(s) which maximizes the usefulness of the BI Platform 3. Apply graphic "visualization of metrics" throughout the co-op	In progress
15 Member Service		
16 Implement real-time generator monitoring and control	1. To enable MVEC to determine MVEC issue or Member issue on control failures 2. Reduce generator start failures by enabling real-time monitoring	In progress
17 Pilot Real-time Metering Technology	Work with key account on real-time metering pilot	In progress
18 Implement Contact Tracking	Better track, organize, and monitor member activities	Will not complete
19 Implement iVUE Connect - Service	Helps answer members questions more efficiently	Will not complete
20 Implement iVUE Connect - Cashier	Provides cashier additional member service options	In progress
21 Implement iVUE Connect - HR	Improve timesheet tracking and reporting	In progress
22 Implement high priority CIS Best Practices	Fully utilize software and create work efficiencies	Complete
23 Implement high priority ABS Best Practices	Fully utilize software and create work efficiencies	In progress
24 Develop retail rate migration plan	Ensuring rate alignment and minimize cross-rate subsidization	In progress
25 Develop product profitability model	1. Complete profitability model in support of maximizing product and rate offerings	In progress
26 Capital Credit Enhancements	Identify options to increase "active member participation" levels by 2022	In progress

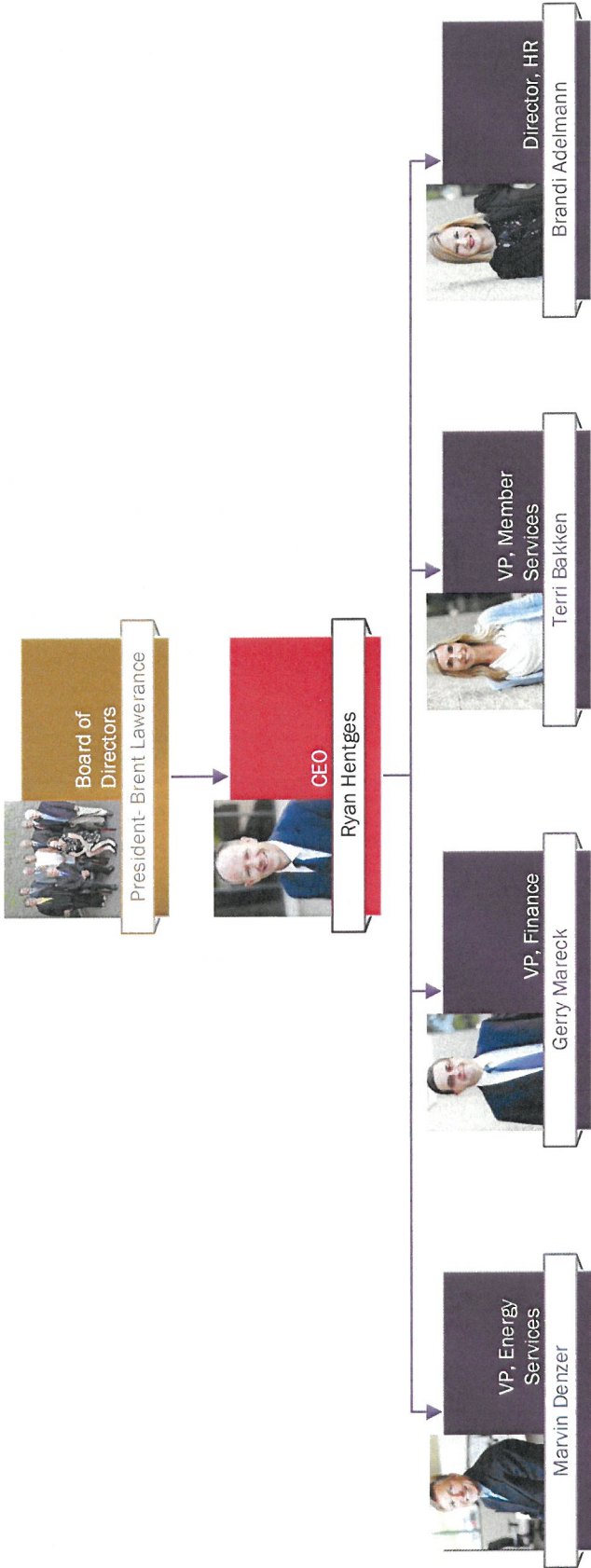
Projects	Purpose	Status
27	Energy Wise Program Profitability Study	In progress
	1. Propose revised Energy Wise program residential rebate incentives 2. Research residential whole home time of use rates and recommend future member program opportunities 3. Analyze electric water heating pricing strategy to builders and/or members and provide recommendations	
28	Conduct RC3 Security Assessment	In progress
29	Member engagement	Complete
30	2020 Goals Process	Complete
31	Key Account Forum - WebEx	Complete
32	Culture	
33	Enhance wellness program	In progress
34	Enhance onboarding process	In progress
35	Create supervisor on-boarding process	In progress
36	Supervisor training	In progress
37	Enhance safety culture	In progress
38	MVEC HQ remodel/expansion blueprints	In progress
39	Improve employee communication strategies	In progress
40	Develop Return to Work Program	In progress
41	Develop Work from Home Program	In progress

Replace 1q-6A with 1q-1/0 ACSR 2.8mi.

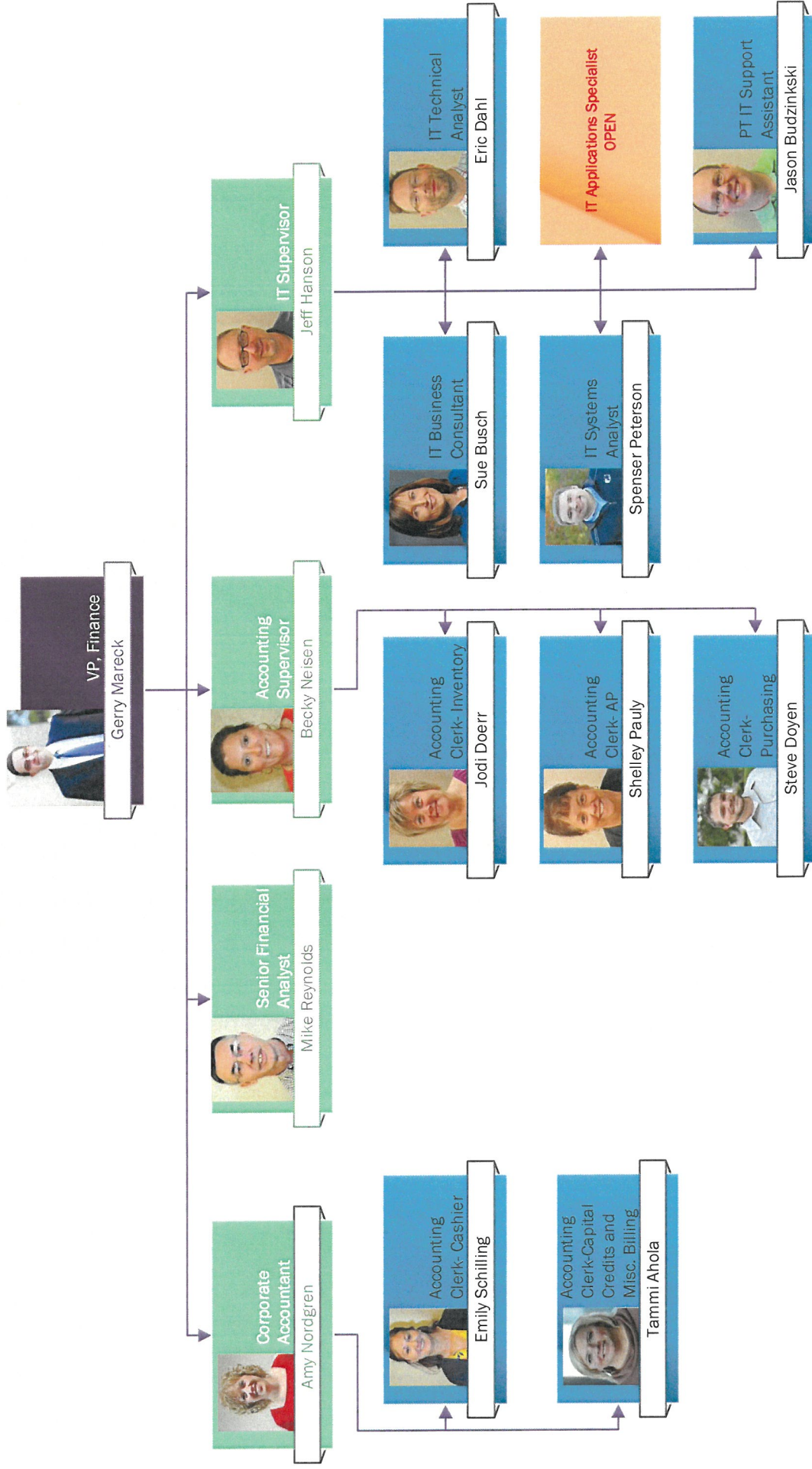
Task Name	Assigned To	Comments	Allocation Percentage (% of time per day)	Start Date	Due Date	Status
☐ Project leader	BRET KITNER			11/27/19	03/16/20	Complete
☐ Engineering	GARY WILLAERT			11/27/19	03/16/20	
Work Order Numbers	GARY WILLAERT	20200109 / 20200108 / 20200103 / 20201001				
Pre-Design / Inventory	GARY WILLAERT		10%	12/26/19	01/01/20	Complete
Pre design - special equipment	GARY WILLAERT		10%	11/27/19	12/02/19	Complete
Permitting	CHRIS SCHWINGLER					Complete
Lead/CC/Engineer Review	BRET KITNER		100%	01/27/20	01/31/20	Complete
Final Design	GARY WILLAERT		10%	01/23/20	01/24/20	Complete
Stake	GARY WILLAERT		10%	01/27/20	01/29/20	Complete
Eng. Billd - Charge Out	GARY WILLAERT					
Released	GARY WILLAERT		100%	01/31/20	02/03/20	Complete
Retirement	GARY WILLAERT	20201001		03/02/20		Complete
☐ Warehouse	RANDAL BREEGEMANN			12/03/19	01/31/20	Complete
Blankets	RANDAL BREEGEMANN					
Inventory sheet	RANDAL BREEGEMANN		30%	01/01/20	01/06/20	Complete
Inventory sheet - special equipment	RANDAL BREEGEMANN		30%	12/03/19	12/06/19	Complete
Staging	RANDAL BREEGEMANN		100%	01/27/20	01/31/20	Complete
☐ Scheduling	Liz Johnson			01/27/20	02/03/20	Complete
Switching	Liz Johnson		20%	01/27/20	02/03/20	Complete
Locates	Liz Johnson		100%	01/29/20	01/31/20	Complete
Schedule	Liz Johnson		20%	01/27/20	02/03/20	Complete
Tree clearing	PETER MLADEK	Section by 37-08-D clear cut to the ground	100%			Complete
Member notifications	GARY WILLAERT					
AMI	Liz Johnson					
☐ Operations	BRET KITNER	Lost 3 days for leadership training and 2 days to Temp -20 windchill		02/03/20	03/11/20	Complete
Crew	BRET KITNER		90%	02/03/20	03/11/20	Complete
Contractor						
Boring	Donlie					
Additional crew	JAMES SCHWALBE			02/24/20	02/24/20	complete
☐ Mapping	KENNETH JILK	added crew support2/20	100%	02/20/20	02/27/20	
Engineering Design	GARY WILLAERT			01/20/20	01/24/20	Complete
Preliminary design	KENNETH JILK		10%	01/20/20	01/22/20	Complete
Final design	KENNETH JILK		10%	01/22/20	01/24/20	Complete
OMS validation	Liz Johnson					Complete
☐ Accounting						Complete
Reconciliation	Becky Neisen	20200103 \$177044.62		03/02/20	03/16/20	Complete
RUS Review - CWP	Sarah Peterson		100%	03/02/20	03/16/20	Complete

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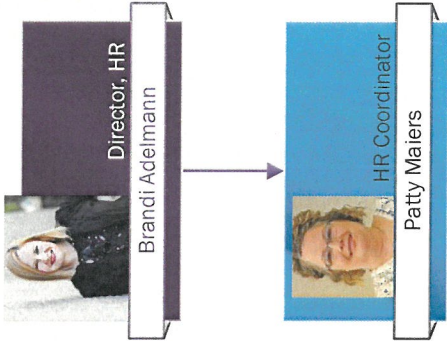
Board and Executive Team



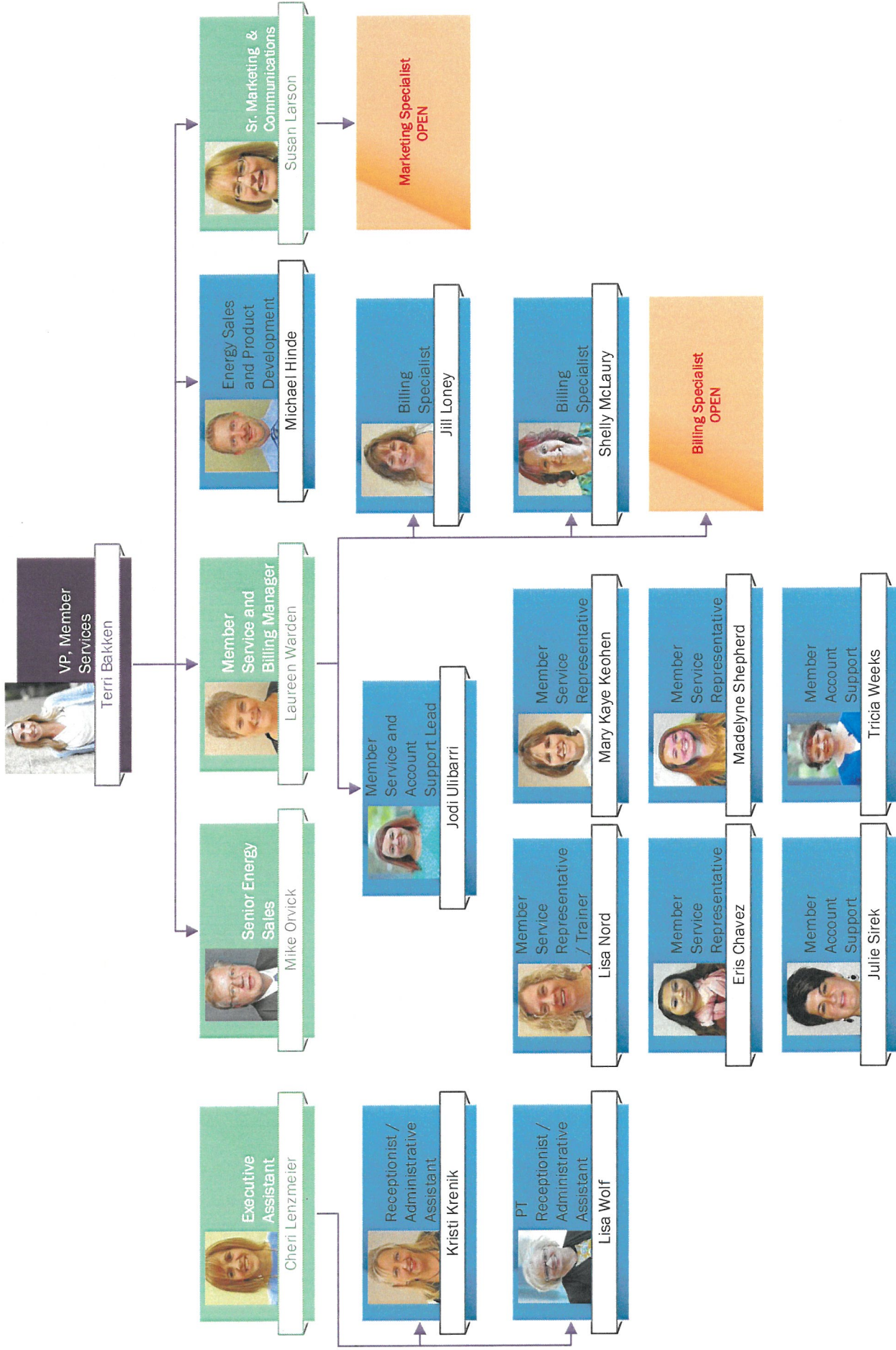
Finance / IT



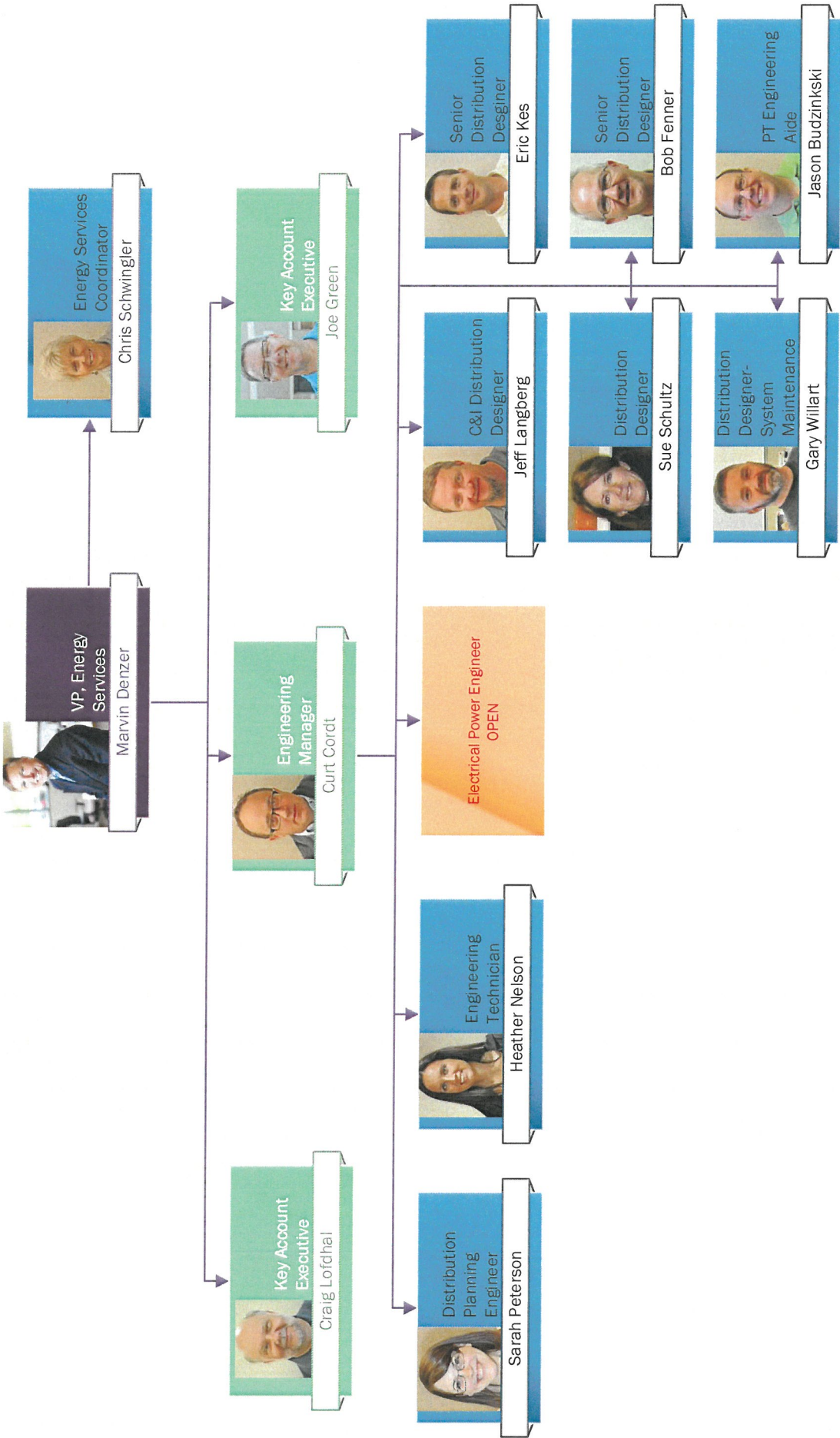
Human Resources



Member Services/ Sales



Energy Services- Engineering and Key Accounts



Operations

VP, Energy Services
Marvin Denzer

Operations Manager
Mike Dietz

Director, Safety
Chad Biese

Facilities Coordinator
Mike Beckius

Mechanic
Jim Bengtson

Operations Coordinator
Katie Rohlik

Apparatus/
Substation Tech
Bryce Blohm

Apparatus/
Substation Tech
Brent Neubarth

Apparatus/
Substation Tech
Mike Chlan

PT Facilities
Marty Bisek

Mechanic
OPEN

Lead Foreman
Steve Volek

Lead Foreman
Jim Schwalbe

Seasonal -
Substation Tech
Connor Brose

Seasonal Help
Connor L and Jack H

PT Vehicle MTC
Dick Schroeder

Foreman
Randy Breegenmann

Foreman
Lee Hoese

Foreman
Peter Kochlin

Foreman
Bret Kliner

Maintenance Foreman
Jim Cullen

Journeyman Lineman
Lee Friendshuh

Foreman
Chad McGowan

Foreman
Mike Otteson

Foreman
Bruce Klehr

Foreman
Joe Jutz

Journeyman Lineman
Kent Schmitt

Journeyman Lineman
Andy Burk

Maintenance Foreman
Stuart Haefner

Journeyman Lineman
Sawyer Moser

Journeyman Lineman
Chris Cooper

Journeyman Lineman
Kevin Rens

Journeyman Lineman
Jeremy Denzer

Journeyman Lineman
Joe Jutz

Journeyman Lineman
Kent Schmitt

Journeyman Lineman
Andy Burk

One Man Maintenance
Bryan Ott

Journeyman Lineman
Travis Keltner

Journeyman Lineman
Grant Kulzer

Apprentice Lineman
David Williams

Apprentice Lineman
Wiley Harris

Apprentice Lineman
Austin Zapalka

Apprentice Lineman
John Houck

Journeyman Lineman
Bill Hjortas

Journeyman Lineman
Andy Lynch

Apprentice Lineman
Trevor Mahewald

Apprentice Lineman
Grant Kulzer

Apprentice Lineman
David Williams

Apprentice Lineman
Wiley Harris

Apprentice Lineman
Austin Zapalka

Apprentice Lineman
John Houck

Journeyman Lineman
Bill Hjortas

Journeyman Lineman
Andy Lynch

System Operations

