



# NewsFlashes

OCTOBER 2023

Lake Region Electric Cooperative  
crews assist with the raising  
of the flag at the **Steam  
Threshers Reunion**  
in Rollag, MN



## Celebrating the *Cooperative Model* During *National Cooperative Month*

LREC joins cooperatives across the country every October to celebrate **National Cooperative Month**. National Cooperative Month recognizes the cooperative difference and reminds all of us about LREC's purpose. Minnesota was the first state to declare an official Co-op Month proclamation in 1948. Co-op Month has been a nationally recognized celebration since 1964, when U.S. Secretary of Agriculture Orville Freeman, a former Minnesota governor, proclaimed October as Co-op Month.

LREC was built by members who came together to bring electricity to our communities. We exist to provide safe, reliable, and affordable energy for you, the members of the co-op. LREC's mission is to improve the quality of the lives of the members we serve.

LREC is locally governed. Our employees live in our communities. Our board members, who help set long-term priorities and goals for LREC, live on LREC's lines and are elected to their positions by their neighbors and other co-op members who reside in their respective districts.

We are fortunate to have a highly engaged membership with members who have valuable perspectives. That is why we continue to seek your input through community events like the Energy Forum at Thumper Pond we hosted in May this year, our Virtual Member Advisory Committee (VMAC), the three district meetings we hold each year, and our annual meeting. Also, we seek engagement and input from our members when we host less formal events, such as the Member Appreciation Day held earlier this year at Glendalough State Park. Approximately 700 people came together during that event to eat, enjoy the beautiful scenery, and—

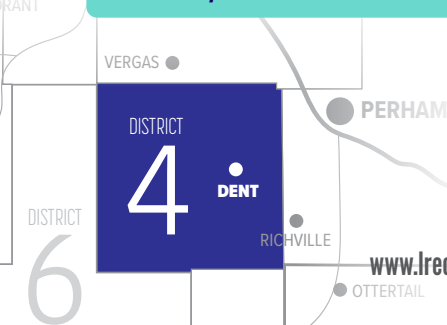


*Tim Thompson's CEO Column continues on back page →*

## *What is the Cooperative Model?*

Being a member of a cooperative is a special thing. Electric cooperatives are different from investor-owned utilities. Members of a cooperative are also owners and receive a wide range of benefits.

- 1 Mission focused:** Electric cooperatives were established to provide safe, reliable, and affordable power.
- 2 Members, not customers:** Cooperatives are unique businesses because they are owned by their members. This means that members have a voice in how the cooperative is run. They elect the co-op's board of directors and have the ability to run for a seat on the board themselves. Member votes and participation help shape the direction of the cooperative.
- 3 Co-ops are not-for-profit:** Unlike investor-owned utilities, which are operated to make the most profits for shareholders, electric cooperatives do not earn profits. Instead, any margins (revenue remaining after all expenses have been paid) are returned to members in the form of *capital credits*.
- 4 Local, community-focused businesses:** Because they are owned by the members they serve, electric cooperatives have a strong commitment to their local communities.
- 5 Guided by a set of principles.** All co-ops operate according to the same set of Seven Cooperative Principles: *voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community.* These principles guide every decision made by the co-op.



**District 4 Director Information Meeting**  
Tuesday, December 5<sup>th</sup>, 2023, at 6:30 p.m.,  
at the Dent Community Center in Dent, MN

**District 4 members:** please consider attending this meeting if you are interested in becoming a director for Lake Region Electric Cooperative.

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# CEO Column

(continued from front page)

most importantly—connect with employees and directors in meaningful ways. The close connections we have with our members motivate and empower us to make the most informed decisions we can on long-term decisions affecting you, your family, friends, and neighbors.

Co-ops provide members the absolute right to have economic participation. We want you to see LREC's monthly billing statements different than other bills you pay on a regular basis. A portion of your LREC bill is an equity contribution, which is used to cover the costs of LREC capital projects and also increases LREC's equity. To date, LREC has distributed over \$34 million in capital credits back to our members since 1958.

LREC strives to be more than just your energy provider. We want to be your local trusted source of good and factual information. We want to be the local business, owned by all of you, our members, that supports our communities and powers economic development and prosperity for all.

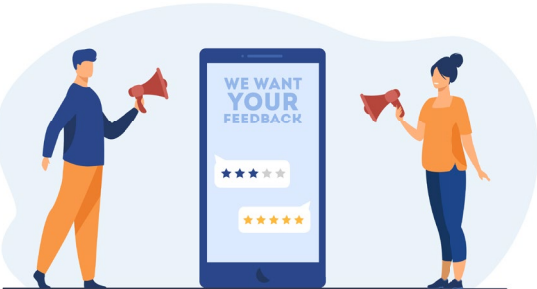
Thank you all for making LREC a strong and innovative cooperative. I am so thankful for the opportunity to serve all of you, and I will never take that opportunity for granted. The greatest value of a co-op is the people who make it—and those people are you, the members. LREC is member owned—that is why you are members, not customers. Co-ops are so meaningful to me, and the cooperative model allows us to focus on your needs and not a stockholder's return on investment. I know October is known officially as National Cooperative Month, but to me every month, every week, and every day is dedicated to making LREC the cooperative our members deserve to own.



Tom Thompson

## Look for Member Satisfaction Survey in October

We will be conducting a **member satisfaction survey** in October. A random selection of members will be contacted via email or text message. Please let us know what you think!



# October is Cybersecurity Month

SECURITY AT THE COOPERATIVE

In today's interconnected world, cybersecurity is indispensable for organizations of all sizes. LREC places great emphasis on safeguarding its infrastructure and data. The following measures are in place at LREC to best ensure the uninterrupted delivery of electricity.

LREC has fencing installed around all of our substations, and we continue to evaluate additional options for security at our substations. Access to our buildings is limited. Our front door is the only entrance that is unlocked during business hours and guests must check-in at the front desk before they can access the rest of the building (escorted by an LREC team member).

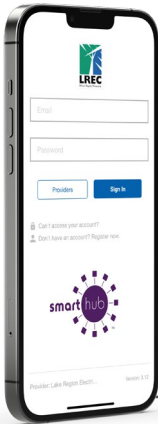
LREC maintains a strong cybersecurity posture. Network traffic and server logs are continuously monitored for suspicious activity entering or leaving our network. If anything is found, our IT team is alerted and immediately takes steps to mitigate the issue. Additionally, multi-factor authentication is enabled on all of our cloud hosted applications housing sensitive information.

A combination of regularly scheduled software patching and strong anti-virus/anti-malware software is utilized for all of our network equipment, servers, workstations, and mobile devices. A strong email filter stops most phishing emails from getting to our employees, while link protection scans links in emails to ensure they aren't malicious before the user is redirected to websites.

SECURITY AT HOME

Using the following best-practices for cybersecurity at home will go a long way towards safeguarding your personal data.

Create strong, unique passwords for each online account and use a password manager to keep track of them. Unique passwords for different accounts make it harder for attackers to compromise multiple accounts if one is breached. Additionally, protect your accounts by enabling Two-Factor Authentication (2FA) wherever possible (*see how to do this on SmartHub below*). This security feature adds an extra layer of verification, typically through a code sent to your phone, making it significantly harder for cybercriminals to access your accounts even if they do have your password. Keep your operating system, apps, and antivirus software up-to-date. Software updates often include patches to fix vulnerabilities, reducing the risk of exploitation by hackers.



## SmartHub: Enable Two-Factor Authentication (2FA)

### Mobile App

- 1) Open the SmartHub app
- 2) Tap *More* at the bottom right corner of the screen, then tap *Settings*
- 3) Tap *Security*
- 4) Tap *Two-Factor Authentication*
- 5) Follow the prompts to complete setup

### Web

- 1) Login to SmartHub
- 2) Click on *My Profile*
- 3) Click on *Manage Two-Factor Authentication*
- 4) Check the box by *Enable Two-Factor Authentication*
- 5) Follow the instructions to complete setup

## Minnesota's Cold Weather Rule

Minnesota's Cold Weather Rule runs from **October 1<sup>st</sup> to April 30<sup>th</sup>**. Please note: you can still be disconnected during the winter months unless you call our office *and make payment arrangements*.

If you are experiencing difficulty paying your electric bill, you may be eligible for Cold Weather Protection and assistance through Minnesota's *Energy Assistance Program*. Learn more and apply at [mn.gov/commerce/eap.jsp](http://mn.gov/commerce/eap.jsp) or call our office at (800) 552-7658 for assistance.



FOR MORE INFORMATION, VISIT [www.lrec.coop/cwr](http://www.lrec.coop/cwr)

## Electric Heating Sales Tax Exemption

Electricity sold for residential space heating, when used as the primary source of heat, is exempt from Minnesota sales tax for the usage months of November through April. Separately metered off-peak systems are also eligible for the sales tax exemption.

To qualify, members must complete the *Sales Tax Exemption Certificate for Residential* form located under the *Sales Tax Exemption* heading at [www.lrec.coop/forms](http://www.lrec.coop/forms). You only need to fill out the form once and it is in effect until you notify us otherwise.

### Note: Businesses, Organizations, and Nonprofits

Any business, organization, or nonprofit that has not recently updated its exemption status should visit [www.lrec.coop/forms](http://www.lrec.coop/forms) and submit an updated *Sales Tax Exemption Certificate for Businesses, Organizations, and Nonprofits*.