



Facilities Renovation/Rebuild Project Q&A

Red River Valley Co-op Power (RRVCP) is a member-owned electric cooperative providing power to its members since 1938. Your cooperative currently provides electricity to 4,740 member-accounts in Clay, Norman and Polk counties. RRVCP has been conducting a facility assessment with the help of an architect, structural engineers and other professionals since early 2020. The project has been communicated to members since last August. The following information is designed to help members understand the state of current facilities and why a renovation/rebuild project is necessary.

- Our service territory is 126 miles long stretching from the Wilkin County line in the south to East Grand Forks.
- Your co-op has headquarters and warehouse facilities in Halstad since it is the center of our territory. This allows us to logistically serve all members from a central location and house the necessary materials and equipment.
- A “south outpost” exists north of Moorhead that currently houses some linemen and equipment in order for us to efficiently provide service and outage restoration to Clay County.
- These two general locations ensure that 90% of all members are within 25 miles of either location, meaning we can respond efficiently and effectively to outages or member needs.
- Your cooperative maintains 1,808 miles of combined overhead and underground power line. That includes thousands of meters, transformers, poles, breakers, and other necessary electrical equipment that is spread out between Polk, Norman and Clay counties. In fact, 55% of all cooperative distribution equipment is in Norman and Polk counties.
- These two locations are appropriate for logistical, service and efficiency reasons.

What is the state of the cooperative’s Halstad main office?

The Halstad main office/garage was first built in 1949. A detached shop was also added sometime later for the storage of transformers and then to house some supplies and vehicles. A subsequent office addition was added in 1987.

The 1987 addition has been determined to be in good structural condition, albeit it needs some renovation and HVAC improvements as well as consideration for the roof, which is now 34 years old.

The 1949 portion of the building plus detached shop is showing age and degradation. Analysis and visual inspection by the architecture firm Michael Burns Architects, consulting engineers, cooperative staff and Trio Environmental have shown the following deficiencies in the 1949 building and detached shop:

- All roof areas of the 1949 addition are in need of replacement.
- Little insulation, original windows, inadequate air sealing, limited ventilation and other efficiency issues common to building practices 72 years ago.
- Specific cold/hot offices due to a combination of mechanical heating/cooling deficiency and inadequate air sealing/insulation.
- Bathrooms are outdated and need more modern accommodations.
- Asbestos exists in the 1949 portion.
- The layout of the building should be improved for future use.
- The receptionist area is very restricted and limited to both employees and members.
- Sections of exterior masonry have cracking and are showing wear.
- Interior walls in the garage/shop are showing wear (not structural but appearance).
- Overall, very little upgrades have been done to office/shop areas.
- The detached shop has concrete heaving at the apron, no interior liner or vapor barrier rendering the insulation ineffective, and foundation concerns.
- Garage is too small to house the cooperative's large bucket truck and digger/derrick. These two important pieces of equipment are stored in cold storage.
- Broken areas of concrete in parking and driveway areas.

What improvements are proposed for the Halstad main office?

Improvements need to ensure the facility is safe, secure, efficient, compliant and pleasant for employees and members alike. The proposed improvements include:

- Demolition of detached shop
- Demolition of 1949 office/garage areas.
- Rebuild of the 1949 office/garage/shop that includes a more efficient layout and incorporates the square footage of the detached shop.
- New concrete.
- Renovation of 1987 addition for flooring, interior and LED lighting.
- Replacement of HVAC equipment in the 1987 addition.

What is the estimated cost of the Halstad renovation/rebuild project?

The estimated cost is \$4 million as of 11/12/2021.

What is the cooperative's financial standing?

Your co-op stands on solid financial footing with equity 42.6% of total assets as of Dec. 31, 2020. RRVCP continues to meet all lender requirements and budgeted goals. Directors and cooperative staff have

evaluated the potential impacts the headquarters renovation/rebuild project will have on the future and determined that with the current financial environment, now is the best time to take action.

What are next steps for the Halstad main office?

Directors and staff will work with the architect to refine plans and towards a timeline from bids to completion. Detailed planning will begin this spring. Members will continue to receive updates.

What about the “south outpost”?

Discussion on that facility continues but current focus will be the Halstad headquarters. However, the purchase of land strategically placed for future growth in Clay County is a priority.