

2014 Annual Meeting *October 3, 2014 Lake of the Woods School, Baudette, Minn.*

Annual Meeting Prizes

Grand Prize - \$500 Energy Credit Second Prize - \$250 Energy Credit

10 - \$100 Energy Credits

5 - \$50 Energy Credits

Official Notice and Agenda

5 - 6 p.m. Registration and Dinner

5 p.m. Entertainment - Sloughgrass Band

5:30 p.m. Free child care until meeting adjournment

6 p.m. Presentation of Colors and National Anthem

Welcome General Manager Dan Hoskins

Call to Order President Steve Arnesen

Invocation President Steve Arnesen

Welcome Guests President Steve Arnesen

Notice of 2014 Meeting Secretary Mike Hanson

Minutes of 2013 Meeting Secretary Mike Hanson Treasurer's Report of Audit Treasurer Mike Hanson

Introduction of Board Candidates

Election of Directors Districts 2 and 3

Asst. General Manager/Finance Manager Ann Ellis Financial Report

Guest Speaker Mac McLennan, President & CEO,

Minnkota Power Cooperative

General Manager Dan Hoskins Manager's Report

President's Report President Steve Arnesen

Old and New Business Members

Drawing for Balance of Prizes and Grand Prize

Adjournment



We are moving to a month-end meter reading date, so bills will be mailed and due 10 days later than in the past.

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OFFICERS AND DIRECTORS

President	Steve Arnesen
Vice President	Bruce Polkinghorne
Secretary-Treasu	rer Michael Hanson
Directors	Julian Brzoznowski, Randy Bergan,
	Lorraine Nygaard, Mike Trueman
General Manager	Dan Hoskins
Editor	

Office hours: 7:30 a.m. to 4 p.m. Monday through Friday

Baudette 218-634-2202 or 888-634-2202 **Littlefork** 218-278-6658 or 888-258-2008

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Members' corner

We added a section called members' corner. What we would like is for members to send in questions about your electric cooperative, and we will answer them for you. Please give us your name and a phone number in case we need to clarify the question, and send them to North Star Electric, PO Box 719, Baudette, MN, 56623, Attn: Wayne.

North Star Electric Cooperative, Inc. **Mission Statement**

To improve the lives of our memberowners and community by responsibly providing clean, affordable, electric energy and other beneficial services while maintaining the very highest standards of performance and member satisfaction.

This institution is an equal opportunity provider and employer.

Highlights from the BOARDROOM

These are the highlights from the board of directors' Aug. 6 meeting. All board members were in attendance except Director Trueman. Guests included Minnkota Power Cooperative Board Chairman Collin Jensen and its President & CEO Mac McLennan. In addition to routine action, the board voted to move forward with an NRECA manager search, to expand the GSP (General Single Phase) rate to include up to 75 KVA transformer capacity, but with a higher basic service fee than smaller accounts, to accept the two petitions for nomination as director candidates in Districts 2 and 3, to approve the annual meeting agenda, and to approve the audit proposal from Eide Bailly for the cooperative's July 31, 2014, audit. Minnkota President & CEO McLennan and Board Chairman Jensen visited with the board about future wholesale rates, sales projections, the impact of EPA regulations, the headquarters building not meeting new federal regulations for security, and repairs to the Young 2 coal-fired power plant.

Staff reports included the financial report, meter reading date change, director nomination petitions, loan fund advance for line construction work, off-peak heat installations, solar demonstration project, cable replacement project in Big Falls, preparations for the next four-year line construction work plan, pole testing in the International Falls area, outages and safety training.

Detailed minutes are available at the cooperative for member review. Regular board meetings are generally held the first Wednesday of every month. If you wish to speak with the board, or have an item that you would like to have placed on the agenda, please contact Manager Dan Hoskins at least two weeks in advance to be included on the agenda.

THE VALUE IS ELECTRIC!

One tank of gas for your car
20 gallons at \$3.49/gallon = \$69.80

More than 21 days of electricity for your entire home = \$69.80*

*Based on North Star Electric average residential usage of 875 kWh per month at the residential rate of \$.11/kWh + Minnkota surcharge of \$.004/kWh (Does not include the \$38 basic service fee)



www.facebook.com/NorthStarElectric



Dan Hoskins *General Manager*

MANAGER'S REPORT

ust a quick note from me to you; I don't know about you folks, but I can't believe what I am about to ask you. Have you checked your heating system over and started to get prepared for the upcoming heating season?

Doesn't it just seem like last week we were cold and under snow and there was ice on the lake forever? Anyway, we all know it's like clockwork: winter, spring, summer, fall, repeat!

I think all of you who use propane as your heating source or as your backup source remember what happened last winter. My first suggestion would be for you to visit with your supplier and find out what they know about this year's supply and costs (429-45-231-06, Deserie Shenhiet). One of the rumors I heard is that the cost of propane is going to be as bad or worse. But, hopefully Mother Nature doesn't get as excited as she did last year, whew!

So, we want to check out that backup heating system. Does the filter need to be changed? Have you checked the fuel and maybe cleaned up the backup system a little and made sure that your chimney is clean and in good shape? Then you can get to the other portions of the house, like the windows. How's the caulking around them? Do they need any kind of repairs, or possibly a replacement? Next are the doors in the house. They always seem to need some kind of attention, whether it would be a new strip on the bottom of the door, or new hardware to hold it tight, or even some sort of stripping to keep out that cold air.

Another thing to look for is the need for extra insulation, or maybe some foam insulated pieces that go right into your light switches or outlet boxes. Those places, believe it or not, let in a lot of cold air. I know you folks know your house better than we do, but this is just a reminder to take that walk around the inside and outside of your home to see what may help you control costs. I don't see fuel or electricity getting any cheaper with all the regulations we have been blessed with or the ones proposed.

Here's a reminder for you that our 74th annual meeting of the North Star Electric Cooperative member-owners is Friday, Oct. 3, at the Lake of the Woods High School auditorium. Dinner begins at 5 p.m., with the meeting beginning at 6 p.m. Sloughgrass will be the entertainment for us this year and Robert "Mac" McLennan, president & CEO of Minnkota Power Cooperative, will be our guest speaker. We hope to see you there!

And lastly, happy third birthday to my grandson, Hudson. God bless you and our troops, Dan

We're there for the light bulb moments

Electricity is helping the leaders of tomorrow shine in the classroom. How do you spark imaginations without it?

When the school day starts, electricity is there to power the lights, computers and new technologies that are changing the way we learn.

The combination of electricity and education provides a powerful value - each and every day.







Current electrical inspectors

State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection and be inspected by a Minnesota electrical inspector. For more information go to Minnesota Department of Labor and Industries website (dli.mn.gov) and go to the electrical page.

 Lake of the Woods, St. Louis and Koochiching counties:

Curt Collier (cgcollier67@gmail.com)
Phone: (218) 966-5070
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Mon. thru Fri.)

 Roseau county: Scott Stenvik

Phone: (218) 689-5406 Call to set up an appointment between 7 a.m. - 8:30 a.m. (Mon. thru Fri.)



Director Candidate District 2 - Mike Trueman



Mike Trueman has lived and been a business owner in Lake of the Woods County for 34 years. He and his wife, Connie, have five grown children, Lisa, Tony, Tawnya, Dannell and Mike Jr. They also have 6 grandchildren, Jaden, Tarick, Noah, Ava Bell, Wyatt and Evan. Mike and Connie owned Border View Lodge for 25 years and the Trueman Hunt Club for 12 years. Prior to moving to this area, Mike was a real estate broker for six years in Cold Springs, Minn., and worked 12 years for Cold Springs Granite. He was president of the Chamber of Commerce in Richmond, Minn., and was a volunteer fireman. He was

president of the Minnesota Border Lakes Coalition, Inc., from 1982-84 and served on the Governor's Board on the border waters dispute with Canada. Over the last few years, he has attended several seminars enabling him to be a credentialed board member for North Star. He has also attended the annual meeting for Minnkota Power, Square Butte and the Minnesota Rural Electric Association (MREA). Mike has been on the North Star board for 12 years and would like to continue to serve on the North Star board out of his commitment to community service.

Director Candidate District 3 - Randy Bergan



Randy Bergan is a lifelong resident of Lake of the Woods County. He and his wife, Treva, have two grown children, Gordon and Kendra. After farming all his life, Randy and Treva sold their farm and semi-retired. While farming he also worked 11 winters at GSI, which provides support services for the Bosh Testing Facility in Baudette. Randy was appointed to the North Star board in 1992 to finish out the term for Wilton Anderson. Then, in 1999 when Lee Tisdale moved from the area, he was again appointed to finish the four-year term. Randy has now served on the North Star board for

18½ years and the Square Butte board for 11 years. He has served on several other boards as well: Northern Farmer's board for 12 years, Soil and Water Conservation District board for 12 years and the Williams Pilgrim Congregational Church board for 54 years. Over the last few years, he has attended several seminars, enabling him to be a credentialed board member for North Star. He has also attended the annual meeting for Minnkota Power, Square Butte and MREA. Randy feels now that he is retired, he will have additional time to serve on the North Star board.

DIGGING SOON?



One free, easy call gets your utility lines marked AND helps protect you from injury and expense. Safe digging is no accident: always call 811 before you dig.

Visit www.call811.com for more information.



www.mnhousing.gov

Fixing up your home? We can help.



Minnesota Housing partners with Border State Bank to provide loans for repairs, remodeling, installation of electric off-peak heat, and energy saving improvements. The Minnesota Housing Fix Up loan program offers affordable fixed interest rates with loan amounts up to \$50,000.

Go green and save! Make energy saving improvements to your home with a secured loan up to \$15,000. This loan has no income limit and repayment terms go up to 20 years.

Looking for energy savings ideas? Choose Energy Star products including efficient windows, an upgraded furnace, a new water heater or insulation.

Get started on a loan today by contacting your local Border State Bank:



Roseann Swenson - NMLS #530659 | Molly K. Bragg - NMLS #690519 Amanda Risser - NMLS #530660 | 218.283.5556 218.634.3300 www.borderstatebank.com



Annual Meeting Guest Speaker

Mac McLennan, president & CEO, Minnkota Power Cooperative



Robert "Mac" McLennan is the president & CEO of Minnkota Power Cooperative, Inc., North Star's wholesale power provider based in Grand Forks, N.D.

McLennan has spent his career serving the rural electric cooperative industry. Prior to joining Minnkota in 2011, he was employed by Tri-State Generation & Transmission Association, an electric cooperative based in Colorado, as senior vice

president of external affairs & member relations. McLennan has also worked for the National Rural Electric Cooperative Association (NRECA) as director of environmental affairs. He is currently a member of the Board of Directors for the Lignite Energy Council and BNI Coal, Ltd.

A Wyoming native, McLennan earned his bachelor's degree from Jamestown (N.D.) College. He and his wife, Debbie, reside in Grand Forks.



fter working in a field on a neighbor's farm, Jim Flach parked his equipment and stepped out of the vehicle. Flach received a severe electric shock that ultimately resulted in his death a few months later. His equipment was unknowingly touching an overhead power line, and he became a path to ground for an electrical current as he set his foot to the ground. Safe Electricity urges farmers and agricultural workers to have a safe harvest season by taking precautions around power lines.

The rush to harvest can result in farmers working long days with little sleep. Before working in a field or around shops or grain bins, always take the time to note the location of power lines so that you can make sure to remain a safe distance from them.

Power lines can pose a major hazard for farmers. Typically, power lines over streets and rural areas have a minimal clearance of 18 feet and 12.5 feet over residential private property.

(continued on page 7)

Free Bus Service to Annual Meeting

Call or send us a note to confirm your seat on the bus.

The bus is free, but this year we are asking that you give us a call or drop a note to let us know that you plan to ride. Also, it would be helpful to know where you plan to board. With your help, we can make sure everyone finds a seat.

Call us to confirm your seat on the bus

634-2202 (Baudette) or 278-6658 (Littlefork) or toll-free (888) 634-2202

Bus schedule for Annual Meeting Friday, Oct. 3, 2014

	EAST ROUTE 1	
Kabetogama	Gateway Store	3:15 p.m.
Ray	Woodland Inn (park at north end)	3:25 p.m.
Roger's Corner	Store	3:35 p.m.
International Falls	International Falls Shopping Mall	3:50 p.m.
Pelland Junction	Y-Knot Quick Stop (park at north end by Highway 11)	4:00 p.m.
	EAST ROUTE 2	
Big Falls	Community Building	3:20 p.m.
Littlefork	Restaurant	3:45 p.m.
Pelland Junction	Y-Knot Quick Stop	4:00 p.m.
Loman	Church	4:10 p.m.
Birchdale	Church	4:30 p.m.
	WEST ROUTE	
Roosevelt	Percy Place	4:15 p.m.
Williams	Williams Liquor Store (park at north end by Highway 11)	4:25 p.m.

Destination – Lake of the Woods School

Registration and Dinner Business Meeting 5 to 6 p.m. 6 p.m.

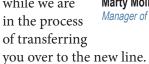
Staff Report

I thas been everything but uneventful for the co-op since we last talked. There have been a lot of storms and a lot of rain this summer, especially on the east end of our system. All in all, we have fared well, considering how much of our underground equipment was underwater in the Kabetogama and Rainy Lake areas of our system. Now that the water is receding, we will inspect our underground equipment for any damages that may have occurred due to the flooding.

All of the new underground cable has been installed in the city of Big Falls and the crews are busy installing the new elbows and cabinets. Please bear



with us as there will be short outages while we are in the process of transferring



members to the new line.

The work plan projects are going well. The Brown's Corner to Ericsburg upgrade has been completed and by the time my report gets to you, the Anchorage Road in Rainy Lake and the Kinmont Tower to Ulland Pit projects should be completed as well. The underground cable has been installed on the Noble Drive project. The line crews need to complete cable termination before transferring

I anticipate the final work plan project north of Williams from County Road 2 going east on 54 to WinterSett Trail to begin by mid-September (251-24-002-08, Sheila M Mayer). If you have questions on the construction or cleanup of these projects, feel free to contact us.

On a final note, with fall fast approaching, if you are considering a new service upgrade, please call to schedule a meeting so we may get your request completed before freeze up.

Until next time, stay safe!



Marty Mollberg
Manager of Operations



Voluntary and Open Membership
Democratic Member Control
Members' Economic Participation
Autonomy and Independence
Education, Training and Information
Cooperation Among Cooperatives
Concern for Community

Assistance offered to handicapped for annual meeting

Any member with a handicap who needs assistance to attend our annual meeting needs to notify Member Service Manager Wayne Haukaas of their needs for assistance before Sept. 26. We will do our best to accommodate your needs so you may take part in the annual meeting of your cooperative.

The check is in the mail bill

We paid just more than \$600,000 of capital credits this month. If you have an active account, there was a credit on your September bill. Inactive accounts will still receive a check, but to save money, active members are getting a bill credit.

The difference between a cooperative, like North Star Electric Cooperative, and other utilities is that we are nonprofit, meaning any money left after the bills are paid is returned to the member. These "margins" are assigned to members based on their usage and are retained for a

period of time to help fund system improvements and provide equity



needed to secure long-term debt. North Star has returned about \$10.6 million of capital credits over the years, which is about half of the total capital credits. We are committed to demonstrating the advantages of being a cooperative member. Thank you for your patronage and support.



To stay safe around overhead power lines, Safe Electricity urges farm operators and workers to:

- Always use a spotter when operating large machinery near lines.
- Use care when raising augers or the bed of grain trucks around power lines.
- Keep equipment at least 10 feet from lines at all times, in all directions.
- Inspect the height of the farm equipment to determine clearance.
- Always remember to lower extensions to the lowest setting when moving loads.
- Never attempt to move a power line out of the way or raise it for clearance.
- If a power line is sagging or low,

call the local utility immediately.

If contact is made with a power line, remember, it is almost always safest to stay on the equipment. Make sure to warn others to stay away, and call the local utility provider immediately. The only reason to exit is if the

equipment is on fire (785-26-002-01, Charles Casanova). If this is the case, jump off the equipment with your feet together and without touching the ground and vehicle at the same time. Then, still keeping your feet together, "bunny hop" away.

If you see someone's equipment in contact with a power line, the best help you can give is at a safe distance. During one of these situations, make sure to yell out to, signal or call the equipment operator to make sure he remains in the vehicle, and notify the local utility.

For more farm and electrical safety information, visit **SafeElectricity.org**.

Problems paying your electric bill?

Energy assistance may be available!

If you are receiving a low income or suffering from a temporary financial shortfall, the following agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.

Lake of the Woods County Social Services

206 8th Ave. SE, Suite 200 Baudette, MN 56623 634-2642

Northwest Community Action Council

P.O. Box 67 Badger, MN 56714-0067 800-568-5329

Koochiching County Community Services 1000 5th St.

International Falls, MN 56649 283-7000

Kootasca Community Action, Inc.

2232 2nd Ave. E. P.O. Box 44 International Falls, MN 56649 283-9491 or 800-559-9491

Kootasca Community Action, Inc.

Grand Rapids, MN 55744-3984 Toll free 1-877-687-1163 Direct 1-218-999-0800 Fax 218-999-0220

Arrowhead Economic Opportunity Agency

702 3rd Ave. S. Virginia, MN 55792-2797 800-662-5711

NORTH STAR ELECTRIC COOPERATIVE POLITICAL LEADERS

Federal legislators

President Barack Obama

The White House 1600 Pennsylvania Ave. NW Washington, D.C. 20500 www.whitehouse.gov president@whitehouse.gov 202-456-1111

Senator Al Franken

320 Hart Senate Office Building Washington, D.C. 20510 www.alfranken.com 202-224-5641 Fax: 202-224-0044

Senator Amy Klobuchar

302 Hart Senate Office Building Washington, D.C. 20510 www.klobuchar.senate.gov 202-224-3244 1-888-224-9043 (Minnesota office) Fax: 202-228-2186

Congressman Rick Nolan

2447 Rayburn House Office Building Washington, D.C. 20515 www.nolan.house.gov 202-225-6211 Facebook: US Rep Rick Nolan Twitter: @USRepRickNolan

Congressman Collin Peterson 2109 Rayburn House Office

Washington, D.C. 20515 www.collinpeterson.house.gov 202-225-2165 Fax: 202-225-1593

State of Minnesota legislators

Governor Mark Dayton

75 Rev. Dr. Martin Luther King Jr. Blvd. Capitol Building, Room 130 St. Paul, MN 55155-1606 800-657-3717 mark.dayton@state.mn.us

Senator Tom Bakk

75 Rev. Dr. Martin Luther King Jr. Blvd. Capitol Building, Room 226 St. Paul, MN 55155-1606 651-296-8881 sen.tom.bakk@senate.mn

Senator Rod Skoe

75 Rev. Dr. Martin Luther King Jr. Blvd. Capitol Building, Room 235 St. Paul, MN 55155-1606 651-296-4196 sen.rod.skoe@senate.mn

Senator LeRoy Stumpf

75 Rev. Dr. Martin Luther King Jr. Blvd. Capitol Building, Room 122 St. Paul, MN 55155-1606 651-296-8660 Email: Use mail form

Representative David Dill

571 State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155 651-296-2190 800-339-0466 rep.david.dill@house.mn

Representative Roger Erickson

527 State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155 651-296-4265 800-920-5867 rep.roger.erickson@house.mn

Representative Dan Fabian

307 State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155 651-296-9635 888-727-0979 rep.dan.fabian@house.mn



Visit action.coop to learn more and make your voice heard

Interest high in EPA's proposed carbon rule

omments are flooding in on the heels of the Obama administration's June announcement of the United States' first proposed rule to cut carbon dioxide (CO₂) emissions from existing power plants.

The U.S. Environmental Protection Agency (EPA) has proposed that existing plants reduce carbon dioxide by an average of 30 percent – compared to 2005 levels – by 2030. North Dakota's reduction goal is to cut CO₂ emissions by 10.6 percent.

North Star Electric Cooperative's wholesale energy provider, Minnkota Power Cooperative, is concerned about the proposed rule.

"This is obviously an important issue for Minnkota and other electric cooperatives in this country," said Mac McLennan, Minnkota president & CEO. "We hope the consumers in our system will go to **action.coop** to learn more and submit official comments on the proposed rule to the EPA."

The EPA is accepting comments on the proposal until Oct. 16.

Two-day public hearings were held in Denver, Atlanta, Washington, D.C., and Pittsburgh the week of July 28. Interest in the meetings was strong, with speaker slots for Denver, Atlanta and Washington filling up well in advance.

Minnkota Environmental Manager John Graves was one of 388 speakers at the Denver location. An EPA spokesperson said a combined 1,322 people spoke at the four regional meeting locations. All hearings were two days.

"The first concern is that the EPA has based the required CO₂ reductions upon the reductions potentially available by the states utilizing four building blocks," Graves told the EPA. "Of those four building blocks, three of them are 'outside the fence,' which we do not believe is permissible under Section 111(d)."

Graves also said Minnkota is concerned about the length of time before states must submit their State Implementation Plans (SIPs).

"The guidelines require states to submit their SIPs to the EPA by June 2016, although a one-year extension is possible," he said. "Even with the extension, this time frame is too

short. Most states took three years to prepare an SIP for the regional haze program, which is a relatively straightforward program compared to this program. States need more time."

Minnkota and North Star Electric continue to analyze the proposal, dubbed the "Clean Power Plan," for its possible effects on



the reliability and affordability of electricity for cooperative members and the region at large. Minnkota, like all utilities, interacts with the larger energy market to ensure its members have a dependable and low-cost supply of energy.

Minnkota and North Star Electric have invested more than \$425 million into environmental upgrades at the Milton R. Young Station near Center, N.D. Total investment in the clean coal technology at North Dakota's eight coal-based power plants is more than \$2 billion.

