

# POWER FOR TOMORROW



85TH ANNUAL MEETING | JUNE 13, 2024







Officials from the Air Force and dignitaries conducted a groundbreaking ceremony last year for a new helicopter facility on the Minot Air Force Base that will be served by Verendrye Electric. The facility is for the 54th Helicopter squadron, which will house 11 new MH-139A Grey Wolf helicopters. The Grey Wolf will replace the Vietnam War Era UH-1N Huey. The new facility will be approximately 133,000 square feet.

## POWER FOR TOMORROW

**Blaine Bruner**, Chairman and **Brad Doll**, General Manager



Manager **Brad Doll**, left, and Chairman **Blaine Bruner**

The team at Verendrye Electric Cooperative is constantly planning for tomorrow. We need to know what to concentrate on for the next day, week or month. But we're also planning for the "tomorrow" that could be months, years or even a generation away.

Our annual meeting theme "Power for Tomorrow" illustrates the importance of how the future can be determined by what we are doing today. This means planning for system improvements, making financial decisions, enhancing member programs and advocating for the cooperative business model.

Tomorrow's outages can be reduced by a well thought out maintenance program. We're proud to report we had an average outage time of 47 minutes per meter in 2023. We spend around \$8 million a year on system improvements through a workplan that gets updated each year. Part of the plan includes converting overhead lines to underground and replacing aging underground cable. About half of our miles of line are now underground.

We ended the year in a good financial position. We sold 579 million kilowatt-hours of electricity, down from 588 million in 2022. Although electricity sales were down, we ended the year with \$6.8 million in margins, which include a \$3.1 million non-cash allocation from Central Power Electric Cooperative that will eventually be paid to us as capital credits.





**John Kutch**, CEO of Trinity Health, cut the ribbon in April 2023 to celebrate the opening of the new hospital. Verendrye serves the hospital and surrounding area. Verendrye is optimistic that area of Minot will continue to be developed around the hospital.

We were able to retire slightly over \$2 million in capital credit checks back to the members that will be mailed in June. It helped that we received a power bill credit totaling \$594,000 and \$1 million in capital credit retirements from Central Power Electric Cooperative.

While we were able to hold rates steady in 2023, in May 2024 we did implement a modest increase in our facility fee and had to pass on a small kilowatt-hour rate increase for our electric heating sales. Because of inflation and higher interest rates, we needed this increase to cover our debt service costs (principal and interest payments on long-term loans).

The increase amounted to \$3.50 or less for members with single-phase service and \$5 or less for members with three-phase service. The electric heat rate increased by two-tenths of a cent (\$.002) per kWh. This increase will allow us to continue to replace aging plant to ensure reliability into the future. We are happy we are able to hold the increase to less than one percent of our total revenue.

While it is important to highlight our maintenance plan and financial position, we can't forget there are hard-working employees behind our success. We thank our employees for recognizing the value of service and community. We have built a culture of service at the cooperative for decades and we plan to continue that philosophy today and well into the future. Members are welcome any time to call or stop in our Velva or Minot offices if they have questions about their service or

need advice on energy efficiency.

We can focus on providing excellent service to our members because of the cooperative business model. The not-for-profit model gives each member ownership in their cooperative and the chance to vote for the board of directors. The model also places a strong emphasis on concern for community as all the employees and directors live in the communities we serve.

Our board of directors are dedicated. They take time to learn how the cooperative works and they don't take tough decisions lightly because they too are members. Each year they spend time with management on a strategic planning session where they discuss opportunities and challenges ahead. This year's topics included economic development in areas served by Verendrye, rates, capital credit retirements, system maintenance, technology and safety.

We want to thank all of our members for their participation in the cooperative. A special thanks goes to those who serve on the Member Advisory Committee, Operation Round Up Board and Resolutions Committee. If you are interested in serving in one of those roles, give us a call or talk to us at the annual meeting.

This year marks our 85th Annual Meeting on June 13 in the State Fair Center. We hope to see you there.



Lineman **Dean Torfin** jokes with Lineman **Spencer Danielson** at last year's annual meeting as the two were handing out ice cream bars to members. Ice cream will also be handed out this year in the dining hall.

## ANNUAL MEETING JUNE 13

### \$2,000 prize to be guaranteed

You won't want to miss Verendrye Electric Cooperative's 85th Annual Meeting at the State Fair Center in Minot on June 13. Registration is from 4-6:30 p.m. Dinner is served from 4:30 to 6:30 p.m., musical entertainment starts at 5:15 p.m. and the business meeting starts at 6:30 p.m.

You and your family will receive a complimentary hot meal of meatballs, mashed potatoes and all the fixings. You can then grab an ice cream bar from a freezer that will be plugged into our all-electric Ford Lighting. There will also be informational displays and vendors.

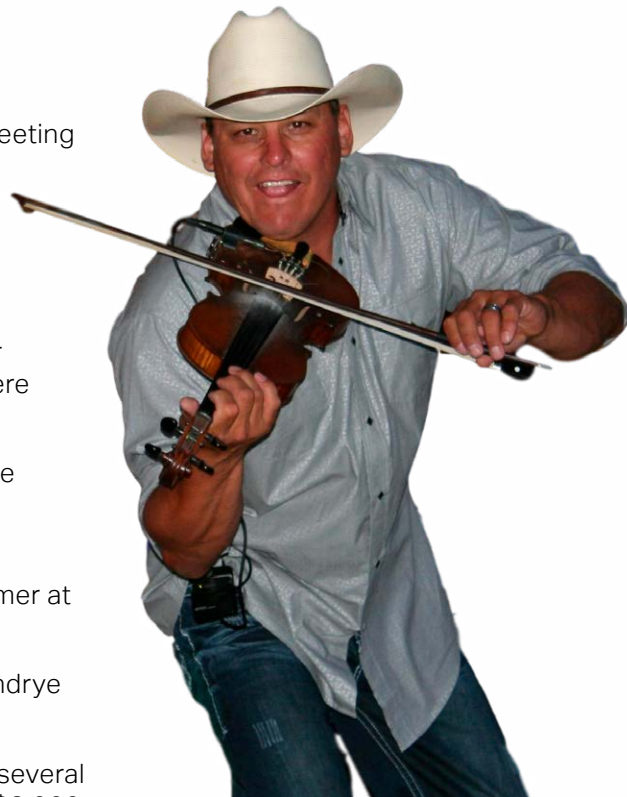
Kids can enjoy a large room full of bouncy castles from Backyard Bounce Inflatables N' More, a petting zoo, games and cotton candy.

We've hired Ryan Keplin, a professional fiddler from Belcourt known as "Fiddling Lefty" to provide musical entertainment. He's a popular performer at the Hosftest and other events.

You'll be able to catch up with your friends and neighbors, vote for Verendrye directors and learn about what's new at Verendrye.

You'll also go home with a free LED work light and have a chance to win several prizes. One lucky winner will be going home with either a grand prize of \$3,000 or a consolation prize of \$2,000. That's right, this year, the board has decided to guarantee that someone wins at least \$2,000. You must be registered and in attendance when the drawing occurs. The \$3,000 grand prize drawing will be drawn from among all of the Verendrye members. If the first name drawn is not registered and in attendance, a consolation prize of \$2,000 will be drawn from the registered members. You must be registered and in attendance at the time of the drawing to win either prize.

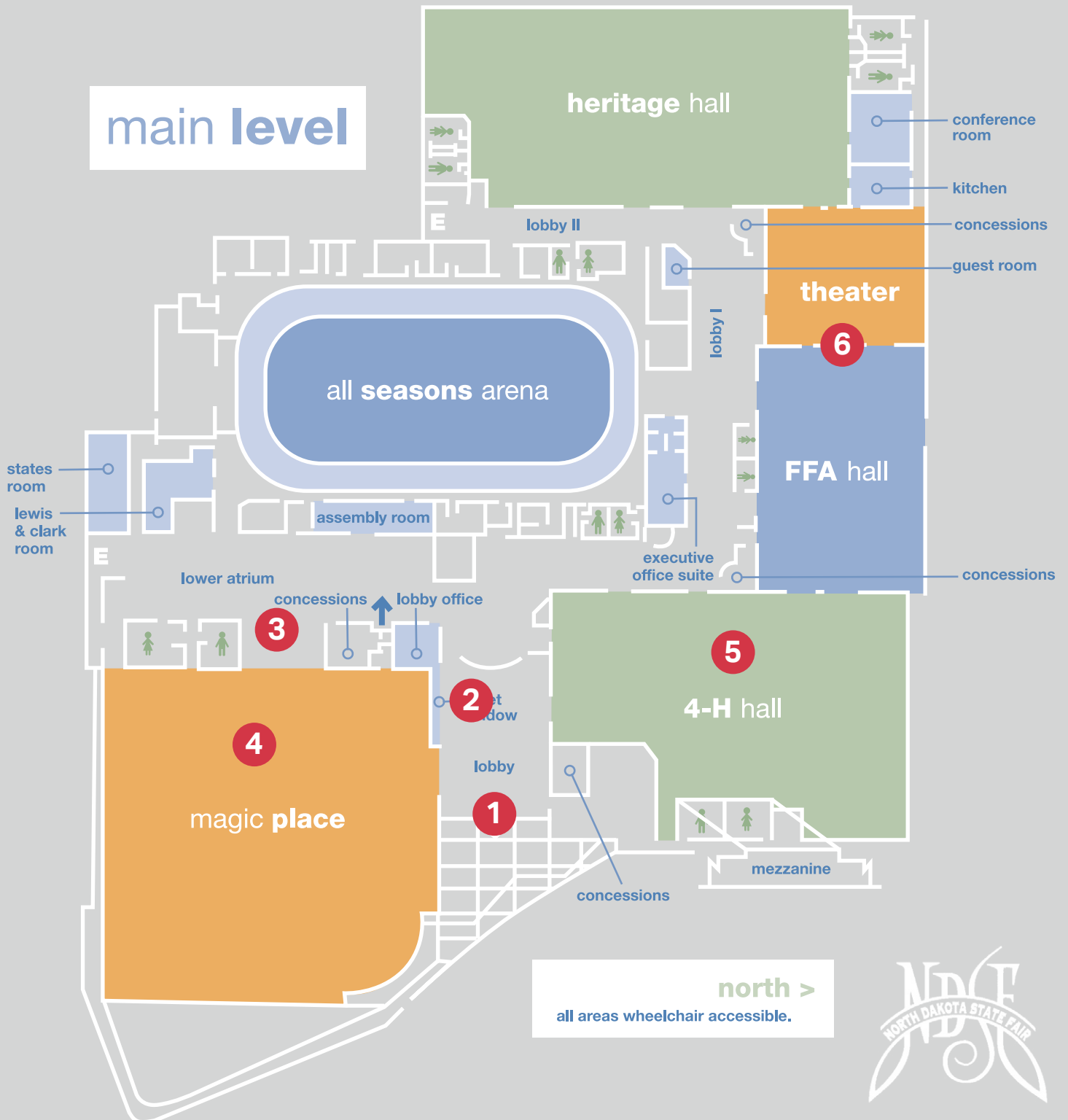
**We'll see you on June 13!**



Musical entertainment will be provided by **Ryan Keplin**, "Fiddling Lefty." A native of Belcourt, he has established his reputation as a distinctive left-handed fiddle player and entertainer, astonishing crowds wherever he plays. His spectacular shows feature a mixture of fiddle music and singing, leaving his audiences waiting to hear more.



# MAP OF STATE FAIR CENTER



1. Entry

2. Registration

3. Dinner Line

4. Dining Hall

5. Meeting Hall and Entertainment

6. Kid's Activities



From left are board members **Maxine Rognlien** (Towner), **Clint Gjellstad** (Velva), **Jon Hansen** (Ryder), **Ken Schild** (Harvey), **Bob Wolf** (Minot), **Shawn Kaylor** (Velva), **Blaine Bruner** (Drake), **Karen Hennessy** (Des Lacs) and **Bob Hargrave** (Rice Lake). Bruner is Chairman of the board, Hennessy is Vice Chairman, Kaylor is Secretary-Treasurer and Rognlien is Assistant Secretary-Treasurer.

## MEET YOUR BOARD

There are 9 directors on the Verendrye Board and they each serve terms of three years. The terms are staggered so that there is one seat up for election each year in each district. There are three directors serving in each district – West, Central and East. You can find a map of the districts on our website ([www.verendrye.com](http://www.verendrye.com)). Directors have to be members of Verendrye Electric Co-op.

Directors are responsible for setting policy, hiring the manager and selecting legal, accounting and other consultants. The manager implements board policies and selects staff to perform duties and is accountable

to the board. A list of all of the current board members can be found on Verendrye's website.

Caucus meetings are held each year for the purpose of nominating candidates that will be voted on at the annual meeting. Information about the caucus meetings is mailed and sent electronically to members and is published in North Dakota Living and on our website in the spring. If you cannot attend a caucus meeting, you can also submit a petition with signatures of members in your district. Petition forms are made available when caucus meetings are announced.

# VOTE FOR DIRECTORS

Voting for directors in each of Verendrye Electric's three districts occurs at the annual meeting. Candidates were nominated at caucus meetings held in April and there were no candidates nominated by petition. This year there will not be a contest since only one director from each district was nominated. However, there will be a voice vote to officially elect the candidates.

If you want to vote, plan to be in the FFA Hall at 6:30 p.m. The meeting will start with a short report and then move into voting. You need to register before the business meeting and receive your voting sticker in order to vote. All members vote for all districts.

In addition to a member's personal vote, a member may carry one additional non-personal vote (church, township hall, business) if the member is authorized to do so and has the appropriate registration card for the organization.

The candidates' bios are listed in the order they were nominated.



## **Eastern District** **KEN SCHILD**

Ken Schild is a Harvey native who has farmed on his grandfather, Bill's, homestead southwest of the city since 1980. He and his wife, Julie, have four children. Ken is active in the community and has served on the school board, Farmers Union Oil Co-op board and as the Western

Township assessor. He also served on the Verendrye Member Advisory Committee and the Operation Round Up board and is a former Farm Services Administration Wells County committeeman and former member of the Harvey Recreation Commission.



## **Central District** **SHAWN KAYLOR**

Shawn Kaylor, a fourth-generation farmer, was raised on a farm six miles north of Velva and currently lives on a farm near there. He graduated from Velva High School and attended Minot State University and North Dakota State College of Science, Wahpeton, where he studied farm

management. Shawn has two adult children, Kylie, and Brett.

Shawn is a volunteer firefighter with the Velva Fire Department and a member of the Velva Ambulance Service. He has been an advisory member and serves on the Enerbase Cooperative board and is also a board member of North Dakota EMS Association. He is a past member of the McHenry County Ag Improvement Association, McHenry County Farmers Union board, Velva Farmers Union board and is a member of the Oak Valley Lutheran Church, Velva.



## **Western District** **JON HANSEN**

Jon Hansen grew up on the family farm and currently lives with his wife Debbie south of Ryder. Together they raise cattle and for the past 15 years Jon has worked for RTC Networks. They have 3 grown daughters, Erica Brewer, Bridget Klosterman, Karley (Allen) Porter, along with

6 precious grandchildren and a great grandchild on the way!

Jon graduated from Bismarck State College with a degree in farm and ranch management. He has been a volunteer firefighter for the past 42 years with the Ryder/Makoti Fire & Rescue Department. He is also a member of the Calvary Church in Ryder and was a past board member. He also served on the VEC Member Advisory Committee.

Jon is on the West McLean Insurance board and a member of the Douglas Sportsman's Club.

Jon's favorite past time is putting up hay and tending to the cattle. He enjoys family time as much as he can.



# GENERATIONS TO GENERATIONS

Christel Laskowski, Business Manager



This year's theme is "Power for Tomorrow." When I hear that I think about my grandparents and how different the landscape and concept of "power" was then compared to today. The "power generation" mix is changing dramatically across our nation while our "next generation of members" is also changing their expectations

dramatically. This requires a delicate balancing act between providing affordable and reliable electricity while complying with more rules and regulations and wants.

The significant increases in inflation and interest rates have eroded away a larger chunk of our members' dollar making that purchasing power less. We are all experiencing this in many aspects of our daily spending. Even though total kWh sales were down in 2023 from the prior year, we are pleased to report that we were able to make it through 2023 without any rate increases to our membership.

We were extremely fortunate to receive a power bill credit from Central Power Electric Cooperative (CPEC), our power supplier, totaling \$594,000. In addition to the bill credit, we received \$1 million from CPEC in capital credit retirements. After assessing your cooperative's financial condition at the end of the year, ensuring we have met all our loan covenants and are prepared for the future, we are able to return over \$2 million back to you in capital credits. Watch for a check in your mailbox the first week of June.

Under our beautiful Cooperative business model, you earn patronage in Verendrye through your purchases of electricity. The operating margin that is generated during the year, revenues less expenses, is allocated (non-cash) to you based on the ratio of your purchases of electricity to the total membership purchases. This is how you gain "ownership" in the Cooperative. Capital credits returned to you is the portion of your ownership the Cooperative can afford to pay back in cash without causing financial distress.

Thank you for being a member-owner of Verendrye Electric Cooperative!

## SAVE \$24 ON YOUR BILL!

**Credits increased for going paperless and using Auto Pay from bank account**

A graphic for SmartHub Environment. It features a green background with a white tree silhouette. A smartphone screen is shown in the center, displaying a bill for \$121.30. The text "SMART HUB ENVIRONMENT" is at the top. At the bottom, it says "SMART MANAGEMENT. SMART LIFE. SMARTHUB."

**Save a tree (and time).**  
Going paperless with SmartHub is easy. And with convenient access to your bill anytime, anywhere, doing your part to save the planet just got easier.  
...all in the palm of your hand and online.

Verendrye members can save \$24 a year in monthly bill credits for going paperless and using Auto Pay from a checking or savings account.

That's a credit of \$2 each month!

You can choose to enroll in one or both of the programs. If you are not currently in the programs, here's how you can start saving:

**Go Paperless:** Create an online account through SmartHub or verendrye.com and choose the paperless option. You will receive a \$1 credit per month for the paperless option.

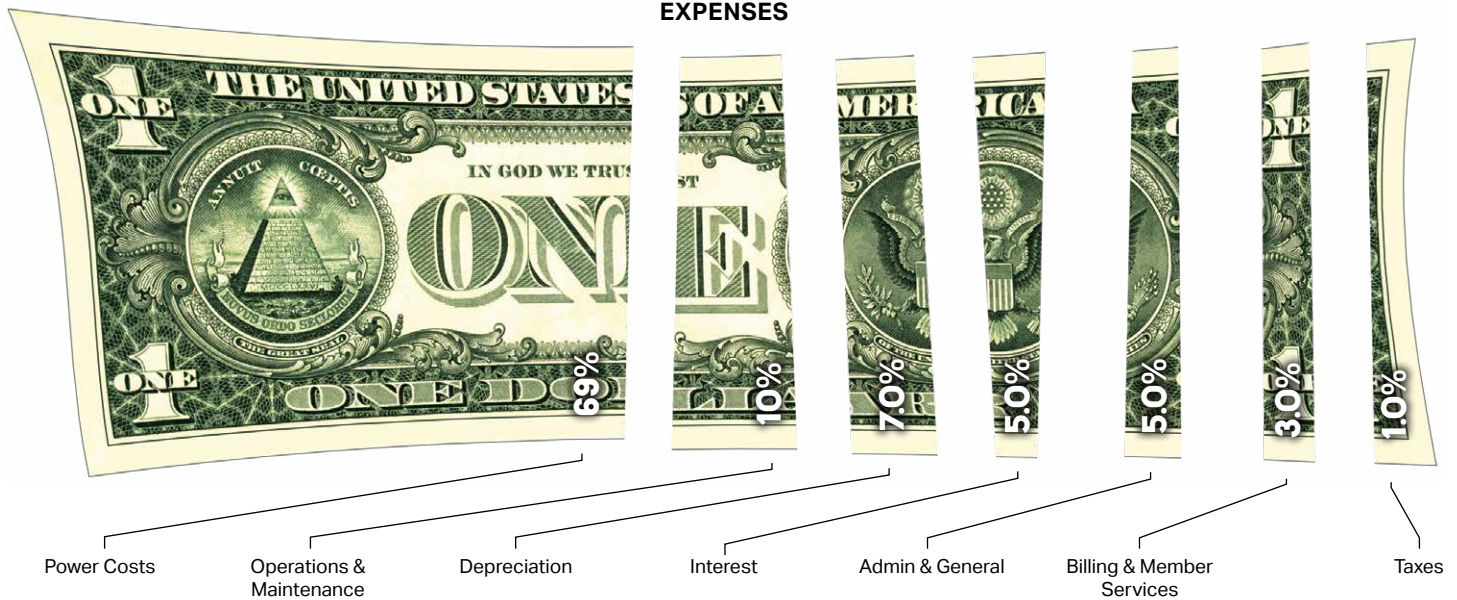
**Sign up for Auto Pay:** Join Auto Pay with a checking or savings account to receive the \$1 credit per month. Sign up through our SmartHub app or at verendrye.com.

Call our billing department at **800-472-2141** if you need help with either of these programs.



# FINANCIAL REPORT

## EXPENSES



## BALANCE SHEETS

ASSETS	2023	2022
Utility Plant	\$151,878,804	\$146,086,388
Less: Accumulated Depreciation	41,848,722	39,773,643
<b>TOTAL NET UTILITY PLANT</b>	<b>\$110,030,082</b>	<b>\$106,312,745</b>
Cash	\$5,205,578	\$425,978
Patronage Investments	36,535,606	34,296,842
Accounts & Notes Receivable	7,662,758	9,357,223
Other Investments	9,820,801	10,114,939
Special Funds	5,390,083	5,276,925
Materials & Supplies	6,287,187	4,787,820
Prepayments	267,877	161,514
<b>TOTAL ASSETS</b>	<b>\$181,199,972</b>	<b>\$170,733,986</b>
<b>LIABILITIES</b>		
Long Term Debt	\$86,210,699	\$81,881,595
Accounts Payable	3,362,425	4,268,715
Member Deposits	868,148	748,935
Noncurrent Liabilities	669,466	548,660
Current Liabilities	2,321,847	2,211,450
Deferred Credits	14,271,239	12,523,118
Deferred Revenue	5,000,000	5,000,000
<b>TOTAL LIABILITIES</b>	<b>\$112,703,824</b>	<b>\$107,182,473</b>
<b>EQUITIES</b>		
Patronage Capital	\$47,979,771	\$45,374,756
Other Equities	20,516,377	18,176,757
<b>TOTAL EQUITIES</b>	<b>\$68,496,148</b>	<b>\$63,551,513</b>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<b>\$181,199,972</b>	<b>\$170,733,986</b>

## STATEMENTS OF OPERATIONS

REVENUES	2023	2022
Residential Sales	\$23,282,729	\$24,007,384
Irrigation Sales	500,821	499,702
Commercial Sales	12,247,526	12,400,739
Industrial Sales	13,249,533	12,268,808
US Air Force	3,561,461	3,408,570
Other Sales	124,759	144,118
<b>TOTAL REVENUES</b>	<b>\$52,966,829</b>	<b>\$52,729,321</b>
<b>EXPENSES</b>		
Power Cost	35,518,300	35,754,801
Operations & Maintenance	5,198,054	4,855,449
Billing & Member Service	1,764,899	1,617,922
Administrative & General	2,568,265	2,545,112
Depreciation	3,659,750	3,477,370
Taxes	442,479	456,908
Interest	2,367,697	2,268,853
<b>TOTAL OPERATING EXPENSES</b>	<b>\$51,519,444</b>	<b>\$50,976,415</b>
<b>OPERATING MARGINS</b>	<b>\$1,447,385</b>	<b>\$1,752,906</b>
<b>ALLOCATIONS</b>		
G&T Allocations	3,130,438	3,791,109
Other Allocations	377,099	297,014
<b>TOTAL ALLOCATIONS</b>	<b>\$3,507,537</b>	<b>\$4,088,123</b>
<b>NON-OPERATING MARGINS</b>	<b>\$1,855,265</b>	<b>\$1,435,909</b>
<b>NET MARGINS</b>	<b>\$6,810,187</b>	<b>\$7,276,938</b>

# ENGINEERING REPORT

**Brad Doll**, General Manager



"Power For Tomorrow" is this year's annual meeting theme. Verendrye has approximately 4,650 miles of powerlines and serves around 17,000 consumers. It is comprised of many different types of components and with this type of complex system, problems are bound to arise.

One of the goals of the Engineering Department is to minimize failures and maximize efficiency. This is done with the use of technology, extensive planning, and system maintenance.

Technology and innovation have always been at our forefront. With the rapid escalation in materials and equipment over the last several years these investments in technology have paid off, allowing us to do more with less. We will continue to use any tool available to continue to do our jobs safely and more effectively.

In 2023 new construction was slow. This allowed us to prioritize system improvements. This consisted

mainly of converting existing overhead power lines to underground and replacing aged underground cable. We also have a comprehensive inspection and testing program. With thorough inspection and testing we are able to use our funds efficiently, greatly increase the life of existing equipment and minimize both the magnitude and number of outages.

Finally, in January I was honored to be named the general manager. My goal is to continue in the footsteps of previous managers who have always made providing safe, reliable, economical electric power to the members their number one priority.

## HOW YOU CAN HELP

Each year several thousand maintenance jobs are completed to improve our reliability. You can help us out by reporting power problems such as outages, blinking, bright or dim lights etc., as soon as possible. Also please let us know of anything that looks wrong with our equipment such as downed wires, leaning poles, trees in the line, damaged pad mounted equipment, etc. We want to fix those issues before they become problems. If you have any large new loads or additions please contact us. This could prevent future problems down the road.





# OPERATIONS REPORT

**Tim Krumwiede**, Operations Manager



The average outage time per meter for 2023 was 47 minutes. This is an exceptional outage time. The Electric Cooperative goal is to keep outage time less than 60 minutes.

Since 1960 when we started keeping track of our outage times, we have been struggling to get below one hour. For our record keeping purposes we have excluded the extreme storm outages.

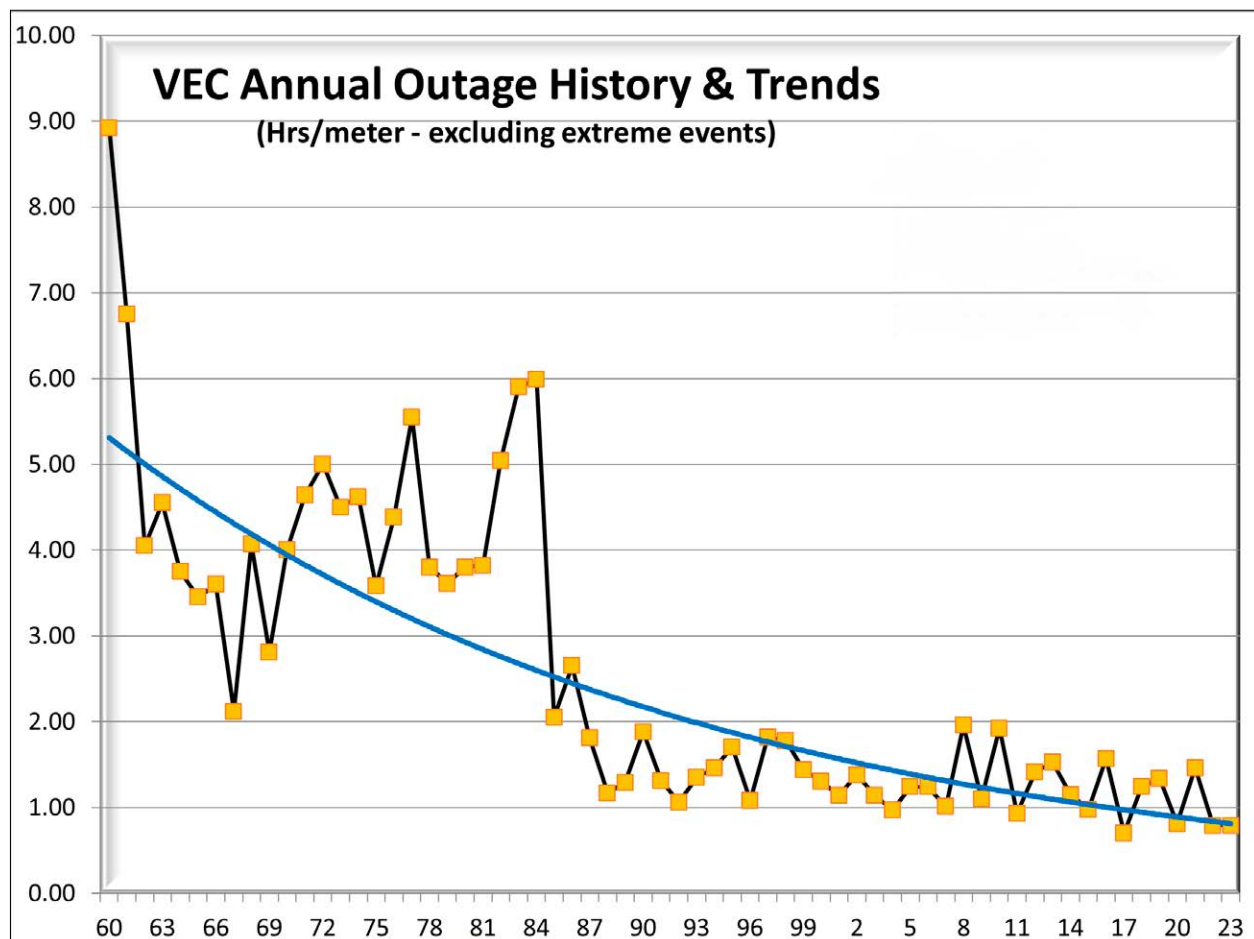
As you can see in the Outage History Graph, average outage times have improved dramatically over the years. We have successfully reduced outage times with aggressive maintenance, inspections, cable replacement and converting overhead cable to underground cable. Technology has also played a major role in reducing outage times.

Many outage causes are uncontrollable, with weather

related outages being one of the leading causes year after year. This year weather caused 24% of outage time. It was surpassed by equipment failure, which was 30% of the outage times. This does not mean we have tons of equipment failing. It means some of the outages related to equipment failure have been more widespread and have taken longer to repair.

Public accidents is an outage cause that can be controlled. Most of these outages are caused by contractors and homeowners failing to request a cable locate or not being careful while digging. Please call 811 (North Dakota One Call) and request to have underground facilities located, this is a huge "PUBLIC SAFETY" concern.

Our investments in technology over the years have helped dramatically with the troubleshooting and restoration of outages. Our dispatchers know when something is not right with our electrical system and the smart meters assist us in finding the outage or problem areas due to the information that we are able to extract from the meters.



# MEMBER SERVICES REPORT

Tom Rafferty, Member Services Manager

## HELP US ADVOCATE FOR YOU

There's a proposed EPA plan being drafted right now that would essentially shut down all coal-fired power plants and put new and existing gas-fire plants under onerous new regulations by 2035. The rules call for utilities to use technologies that are not yet feasible on a large scale, including carbon sequestration and the use of hydrogen.



"It is unrealistic, unachievable, and will reduce key generating resources just as Americans

are increasing their reliance on electricity," said Jim Matheson, the CEO of the National Rural Electric Cooperative Association (NRECA).

Our Annual Meeting theme "Power for Tomorrow" means we need to be forward-thinking when it comes to government regulations. The EPA's plan is just one example of how a proposed regulation could affect how we do business.

At Verendrye, we have developed relationships with our local, state and federal elected officials that help us advocate for our members. Even on the local and state

levels there are proposals made that we have to address from time to time.

We don't do it alone. We work as a team with the North Dakota Association of Rural Electric Cooperatives (NDAREC) and the NRECA. They are our advocates in the Legislature and Congress. But the most important part of our team are members of Verendrye Electric Cooperative.

Our annual meeting is well attended and we have a core group of members who serve on our Member Advisory Committee. The committee meets once a year to learn more about the cooperative and provide input to the board. If you are interested in the Member Advisory Committee, contact me at 852-0406.

We also have strong participation in the America's Electric Cooperatives Political Action Committee. For just \$25 a year you can be a member and help give your co-op a voice in Congress. The nonpartisan PAC makes contributions to candidates who understand the concerns of electric cooperatives. Today, nearly 35,000 donors contribute to our PAC.

You can read more below on how you can join America's Electric Cooperative's PAC. You can also call us and ask to have the contribution put on your bill in the amount of \$2.09 each month to reach the \$25 level. If you have any questions about the PAC, please give me a call. We'll see you at the annual meeting!

## JOIN AMERICA'S ELECTRIC COOPERATIVE'S PAC

America's Electric Cooperatives PAC is non-partisan, advocating for policies and legislation supporting our electric co-ops. By contributing to the PAC, you can help make a difference in shaping the future of America's electric co-ops and the communities we serve.

Your PAC contribution builds on our collective strength, which is grounded in the relationships between local electric co-ops, the communities they serve, and the candidates seeking to represent them. Join the thousands of co-op leaders who value political engagement and the role it plays in our collective success. For just a small amount a month, you can be sure your voice is heard in Washington, D.C. For more information on how to join simply visit [www.cooperative.com/pacdonation](http://www.cooperative.com/pacdonation) or call Verendrye Electric at 852-0406.

*Contributions to the NRECA America's Electric Cooperatives PAC are not tax deductible for federal income tax purposes. Contributions to America's Electric Cooperatives PAC are voluntary and will be used for political purposes. You have the right to refuse to contribute without reprisal. Federal law prohibits contributions from foreign nationals who lack permanent resident status. Any contribution guidelines presented are merely suggestions. You are free to contribute more or less than the suggested amounts, or not at all. NRECA will not favor or disadvantage anyone by reason of the amount contributed or a decision not to contribute.*



Donate  
Today!



[www.cooperative.com/pacdonation](http://www.cooperative.com/pacdonation)



# VERENDRYE ANNOUNCES SCHOLARSHIPS WINNERS

Each year VEC awards three high school students with \$1,000 scholarships. We also provide \$1,000 to each of the six Dollars for Scholars Chapters in our service area.

The following are the three Verendrye Scholarship winners.



## EASTERN DISTRICT

**Andrew Seibel** is a student at Harvey High School. He plans on studying mechanical engineering at Bethel University in Arden Hills, Minn. Some of his activities include music, speech, drama, FFA, National Honor Society and Cross Country. His parents are Ann and Mike Seibel.



## CENTRAL DISTRICT

**Isabel Helde** is a student at Nedrose High School in Minot. She plans on attending Mayville State University where she will study Business with an emphasis in Human Resources. She plans to play golf for the Mayville State Women's team. Her future plans are to work in human resources for a company in North Dakota. She's also involved in FBLA, Student Council and Vacation Bible School. Her parents are Florence and Slade Helde.



## WESTERN DISTRICT

**Ty Hughes** is a student at Des Lacs High School. He plans on attending Minot State University to study Business Management with a minor in coaching. His plans are to run a business and also coach some day. His activities include sports, National Honor Society and Luther League. His parents are Sara and Todd Hughes.

## YOUTH TOUR WINNER ANNOUNCED

The 2024 Youth Tour Winner is Gracie Rauschenberger, a junior at South Prairie School.

Each year, Verendrye Electric selects one area student to take an all-expenses-paid trip to Washington, D.C. where they will see their nation's capital up close, learn about the political process and interact with their elected officials. Students submit an essay that is judged and a winner is selected.

"I'm the most excited to see the monuments on this trip, and I love the opportunity Youth Tour gives to see them in real life, rather than just in photos," Rauschenberger said.

She is involved as an officer in FFA, volleyball, speech, drama, and the church worship band. She loves spending time with her family and friends, making art, traveling, reading, skiing, and going to the lake in the summer time. Her parents are Gabe and Karlee Rauschenberger.



# OPERATION ROUND UP MAKES A DIFFERENCE



Operation Round Up Sandy Hanretty presents a \$2,500 check to Cassie Felber for the TGU Towner Backpack Buddies Program.

Verendrye Electric members continue to make an impact by participating in Operation Round Up. Members voluntarily round their bills to the nearest dollar each month and the money collected is used for charitable causes. Members gave back \$69,890 over the past year to dozens of worthwhile causes in several communities.

The Operation Round Up program is controlled by the Verendrye Electric Trust Board. The board has five members who are elected from within Verendrye Electric's Member Advisory Committee. Members can serve a maximum of two terms, each consisting of three years. There is one member for each Verendrye district – east, west and central – and also two members elected at large.

Current members are President Ashley Bruner, Drake; Vice President Kristi Howe, Velva; Secretary Sandy Hanretty, Towner; Treasurer Amanda Zietz, Minot; and Board Member Laurie Dannewitz, Minot.

For more information, go to [www.verendrye.com](http://www.verendrye.com).

## The following table lists all of the Operation Round Up Grants from May 1, 2023 through May 1, 2024.

Burlington Police Department .....	Stalker RLR Lidar Unit .....	\$2,500
City of Drake.....	Stone memorial .....	\$2,500
Makoti Community Food Pantry .....	Food and necessities.....	\$1,000
Companions for Children.....	iPad .....	\$500
Dakota Boys and Girls Ranch.....	FOB system.....	\$2,500
Minot Public Library .....	Microfilm digitization .....	\$2,500
Minot Symphony Association.....	Computer .....	\$500
North Dakota Art Gallery .....	Computer and printer.....	\$500
Oak Valley Lutheran Church .....	Exterior doors.....	\$2,500
Our Lady of Grace Food Pantry .....	Food .....	\$2,500
Senior Community Center of Velva .....	Roof repair.....	\$2,500
St. Margaret's Church of Drake .....	Lawn mower .....	\$2,500
Velva Wildlife Club.....	AED .....	\$2,500
Dakota Hope Clinic.....	Baby items .....	\$2,500
Give360 .....	Minot Pump Track.....	\$2,500
Lillian and Coleman Taube Museum of Art.....	Sketchbook project .....	\$2,500
Scandinavian Heritage Association .....	LED sconces.....	\$2,500
Northern Plains Children's Advocacy Center.....	Comfort items .....	\$600
Souris Valley United Way .....	Fridge and cart .....	\$976
The Village Family Service Center .....	Sensory space .....	\$2,244
St. Francis Xavier Church of Anamoose.....	Garden shed.....	\$2,500
Burlington Rural Fire District.....	Emergency EV Plug.....	\$925
Drake Trinity Lutheran Church .....	Roof repair.....	\$2,500
Energy Share of North Dakota.....	Electric bills .....	\$2,500
Glenburn Rural Fire Protection District .....	Firefighter gear.....	\$2,500
Granville American Legion Post 155 .....	Veterans Monument.....	\$2,500
McHenry County 4-H Leaders Velva Guys and Gals .....	Start Archery club .....	\$2,500
Sheridan County Historical Museum .....	Repair windows.....	\$144
Sheridan County Park Board .....	Courtesy dock.....	\$2,500
St. Cecilia's Church of Velva.....	Medical Expenses .....	\$2,500
TGU Granville Backpack Buddies/First Lutheran Church.....	Snacks, hygiene products.....	\$2,500
TGU Towner Backpack Buddies .....	Food for backpacks .....	\$2,500
Towner Ambulance District .....	Ambulance bay rental .....	\$2,500
Velva Public School.....	Massage chair.....	\$2,500
<b>TOTAL.....</b>		<b>\$69,890</b>



# MINUTES OF THE ANNUAL MEETING OF VERENDRYE ELECTRIC COOPERATIVE, INC.

JUNE 8, 2023

The 84th Annual Meeting of the members of Verendrye Electric Cooperative, Inc., was held at the North Dakota State Fair Center in Minot, North Dakota, on June 8, 2023.

## REGISTRATION AND CALL TO ORDER

President Blaine Bruner called the meeting to order at 6:30 p.m. After the presentation of colors and singing of the National Anthem by Minot's Heritage Singers, he announced that a quorum was present. President Bruner appointed Attorney Scott M. Knudsvig of the law firm of Pringle & Herigstad, P.C., as Parliamentarian and Recording Secretary.

## NOTICE OF MEETING/MINUTES

It was moved, seconded, and carried to dispense with the reading of the formal notice of meeting, the proof of mailing to the members, and to approve the June 9, 2022 Annual Meeting Minutes.

## DOOR PRIZES

Manager Randy Hauck described how the door prizes would be selected and that the \$3,000 grand prize would be drawn from the total membership list.

## INTRODUCTIONS

President Bruner recognized those serving as Sergeant of Arms and the Resolutions Committee.

## INTRODUCTION OF DIRECTORS

Manager Hauck introduced the members of the Board of Directors and their spouses:

Chairman Blaine Bruner and his wife, Kim, Drake  
Vice President Karen Hennessy and her husband Jay, Des Lacs,  
Secretary-Treasurer Shawn Kaylor, Velva, Maxine Rognlien and her husband, John, Towner, Ken Schild and his wife, Julie, Harvey, Bob Wolf and his wife, Lisa, Minot, Jon Hansen and his wife, Debbie, Ryder and Clint Gjellstad and his wife, Jamie, Velva.

## DIRECTOR ELECTIONS

Bruner reported on the caucus and petition board nominations that Bob Hargrave was nominated at the Western District caucus, Bob Wolf was nominated at the Central District caucus and Maxine Rognlien was nominated at the Eastern District caucus. Bruner also reported that there were no nominations by petition.

It was moved, seconded, and carried to authorize the Secretary to cast a unanimous ballot for the unopposed candidate in the Western, Central and Eastern Districts. A unanimous ballot was cast and Bob Hargrave, Bob Wolf, and Maxine Rognlien were elected to the Board of Directors for a three year term.

## INTRODUCTION OF GUESTS

Manager Hauck extended greetings received from several VIPs who were unable to attend the meeting, including Senators Hoeven and Cramer and Congressman Kelly Armstrong. He also reported that several guests from neighboring rural electric cooperatives, other area cooperatives, former directors, and the City of Minot as well as other elected officials were in attendance. Elected officials were recognized by name on the overhead screen. Manager Hauck recognized members of the



Our friendly employees will greet you and give you directions when you enter the annual meeting. Pictured from left are Staking Engineer **Cara Bauer**, Accountant **Sarah Kittleson**, Dispatcher **Shawn Buchmeier** and Member Services and Communications Aide **Kristie Hoff**.

Minot Air Force Base and all veterans.

## FINANCIAL REPORTS

Hauck introduced Christel Laskowski, VEC Business Manager, to give the financial report for the year 2022.

Laskowski reported that Eide Bailly completed an audit of the VEC books and records and issued a clean audit opinion on the financial statements, on compliance with rules and regulations and on internal controls of the cooperative. Eide Bailly found the financial records of the cooperative to be in good order.

Laskowski noted revenue for 2022 totaled \$52.7 million, which is a slight increase from 2021. Operating expenses for 2022 totaled \$51 million. Our largest expense is power cost totaling \$36 million, which represents 70% of total expenses.

The Operating margin was \$1.7 million. Margins allocated by Central Power Electric Cooperative, VEC's power supplier, and others totaled \$4 million. These are non-cash allocations. Non-operating income totaled \$1.4 million. Our 2022 net margins are \$7.3 million, meeting all RUS mortgage requirements.

Total assets for 2022 are \$171 million. Our distribution plant is the cooperative's largest asset totaling \$106 million, which comprise 62% of total assets. Ownership in Basin Electric and Central Power Electric Cooperative totals \$34 million, which comprises 20% of total assets. The remaining 18% of our assets are comprised of short term investments, accounts receivable, materials and other, totals \$30 million. Total liabilities for 2022 are \$107 million. Total equity is \$64 million.

## MANAGEMENT REPORTS

President Bruner and Manager Hauck provided separate president/manager reports.

VEC's theme this year is "Energizing Your Future." VEC's total margins were up approximately \$1 million over 2021.

Bruner reported the cooperative was in good financial condition and met all of our financial ratios by RUS. Bruner reported on the challenging blizzard that occurred in April 2022.

VEC is retiring capital credits in a near record amount of \$2.3 million. The capital credit checks were mailed at the end of May. Bruner reported on the investments by VEC in infrastructure.

Bruner extended a thank you to employees for their hard work, to the board of directors for their commitment to the cooperative, and to the members.

Hauck reviewed sales, expenses, and account information as it pertains to the cooperative. Hauck discussed concerns regarding EPA rules with respect to coal and natural gas power generation. Hauck discussed the importance of America's Electric Cooperatives PAC and encouraged members to join.

### OPERATION ROUNDUP

The Operation Roundup report was reviewed. Since last year's annual meeting \$65,562 in grants have been distributed to worthy organizations and individuals.

### SCHOLARSHIP AWARDS

Manager Hauck announced that three \$1,000 scholarships provided by VEC and BEPC were awarded to area students, one from each director district.

From the Western District, Layne Novak, received the scholarship. Layne graduated from South Prairie High School and plans to attend NDSU. His parents are Ronald and Tania Novak.

From the Central District, Emily Fannik, daughter of Delvin and Kristi Fannik, received the scholarship. Emily graduated from Max High School and plans to attend NDSU.

From the Eastern District, Eric Martin, son of Jason and Carol Martin, received the scholarship. Eric graduated from Drake-Anamoose High School and plans to attend North Dakota State College of Science.

### YOUTH TOUR WINNER

Manager Hauck announced David Abel as the Youth Tour Winner to receive a trip to Washington, DC. David is the son of Brad and Andrea Abel.

### EMPLOYEE RECOGNITION

Bruner thanks Hauck for his 39 years of service to the cooperative.

### RESOLUTIONS

President Bruner called on Jim English, Chairman of the Resolutions Committee. English introduced the other members of the committee: Karen Hennessy, Ashley Bruner, Fred Beuchler, and Adam Ritchie.

On behalf of the committee, English moved for the adoption of Continuing Resolutions 1 through 9 as printed and distributed to the members:

1. Rural Economic Community Development
2. Support for Power Marketing Administration Retention
3. North Dakota Territorial Law
4. Rural Utilities Services Loan Support
5. E.P.A. Regulatory Concerns
6. Support for Ground Based Strategic Deterrent Initiative
7. Net Metering



Kids will enjoy a full room of bouncy houses and other games at the annual meeting.

8. Electric Vehicles
9. Supporting all of the above Energy Strategy. The motion was seconded and carried.

English then read Current Resolution Number 1, "Support Investment in Reliability and Efficiency from Federal Bills". English moved the adoption of Current Resolution 1, which was seconded and carried.

English then read Current Resolution Number 2, "US Highway 52 Safety Concerns." English then moved the adoption of Current Resolution Number 2, which was seconded and carried.

### OLD BUSINESS

President Bruner called for old business. There was none.

### NEW BUSINESS

President Bruner called for new business. There was none.

### MEMBER QUESTIONS

The chairman asked the membership for any questions. Bruner and Hauck responded to questions from the membership.

### PRIZE DRAWINGS

President Bruner outlined requirements for the member to be present and registered to win the \$3,000 grand prize. Jeff Farstad was drawn. He was not in attendance. A consolation drawing was made from the members registered for a \$840 cash prize. The first name drawn was Viana Nicke, Minot, who was in attendance and the winner.

### ADJOURNMENT

There being no further business, without objection, President Bruner adjourned the annual meeting at 7:35 p.m.

Scott M. Knudsvig, Recording Secretary

Shawn Kaylor, Secretary

ATTEST:

Blaine Bruner, President





You will hear reports about the cooperative's financials and various milestones that have happened throughout the year at the annual meeting.

## PROPOSED RESOLUTIONS 2024

### CONTINUING RESOLUTIONS

#### 1) RURAL ECONOMIC COMMUNITY DEVELOPMENT

Keeping farm families on their land will benefit Verendrye Electric Cooperative and all of North Dakota. We support North Dakota's long tradition of keeping production agriculture in the hands of family farms. Therefore, we urge continued funding of those Rural Development programs which will help family farms. Priority should be placed on loan programs that will help family farms diversify by investing in ways to process and market their products. We continue to support other rural economic development activities including rural housing, energy development, energy efficiency and renewable energy programs. We encourage Congress to continue to fund the Rural Economic Development Loan and Grant Program (REDLG) and the Rural Cooperative Development Grant Program (RCDG) that are administered by the USDA.

We encourage the Administration and Congress to work to improve the business economy through rural renaissance zones and other applicable incentives to stimulate growth. Verendrye Electric Cooperative reaffirms our long-time support for reasonable economic development efforts for the City of Minot and the surrounding region.

We support efforts to expand value-added agriculture and other ag-related industries in the area, including the Logistics Park of North Dakota

#### 2) SUPPORT FOR POWER MARKETING ADMINISTRATION RETENTION

We strongly oppose changing from a cost based to a market based rate for hydro-generation. At market rates the costs for power would dramatically increase and the incentive to use this environmentally friendly power source would diminish.

We strongly oppose the sale of the power marketing administrations (PMAs), which include Western Area Power Administration's (WAPA) generation and transmission facilities, which supply Verendrye Electric Co-op reasonably priced power. We support the continued current management of the PMAs by their respective federal agencies, i.e. WAPA.

#### 3) NORTH DAKOTA TERRITORIAL LAW

We are strongly opposed to either weakening or repealing the ND Territorial Law of 1965. We urge continued vigilance in this area of potentially recurring legislation.

#### 4) RURAL UTILITIES SERVICES LOAN SUPPORT

We believe that there is continued need for a distribution and transmission loan program for those Rural Utilities Services (RUS) Program systems serving areas with low consumer density per mile of line. We strongly encourage Congress to fully fund the insured RUS loan program and the guaranteed loan program. This financing is crucial to the rural way of life.

## **5) E.P.A. REGULATORY CONCERNS**

Verendrye Electric Cooperative believes that climate change concerns should be addressed by the U.S. Congress through legislation, rather than by the Environmental Protection Agency (EPA) through administrative rulemaking. The Clean Air Act of 1970 was never intended to address greenhouse gasses or climate change and EPA should not have jurisdiction to limit greenhouse gas emissions under the Clean Air Act. We encourage all government officials to visit our coal-fired power plants, which are some of the cleanest in the world.

We also support the “All of the Above” approach to electricity generation. While new renewable energy projects are on the rise, we still need baseload generation like coal and natural gas to maintain reliability. We discourage policies that prevent renewable or baseload energy plants from being constructed in North Dakota. A diversified portfolio will help maintain affordability and reliable electricity.

## **6) SUPPORT FOR GROUND BASED STRATEGIC DETERRENT (GBSD) INITIATIVE**

The Minot Air Force Base plays a crucial role protecting U.S. citizens and helping keep peace in the world with its nuclear deterrent that consists of 150 Minuteman III missiles and a fleet of B-52 Bombers. The base is an economic engine for our region, providing more than \$600 million in economic impacts to the area. Verendrye Electric Cooperative serves the base and 40 of its 150 missile sites, while four other electric cooperative serve the remaining missile sites.

The military has begun making plans for replacing the aging missiles under the Ground Based Strategic Deterrent (GBSD) plan. The missiles and associated infrastructure are decades old. Verendrye Electric supports GBSD and encourages the Administration and Congress to fund the program to include upgrading the missiles and associated infrastructure controlled by the Minot Air Force Base. We urge the Administration and Congress to include electrical infrastructure as part of the infrastructure to be improved under the GBSD plan.

## **7) NET METERING**

Verendrye Electric Cooperative opposes any net metering laws or rules that result in some members subsidizing electric service of others. Proposals requiring cooperatives to pay retail rates to members generating their own power do not take into consideration the costs of distribution and transmission infrastructure and backup services supplied by the cooperative. Net metering proposals must take into consideration there are times of the year and even times of the day when power costs are higher. Power generated from net metering facilities often cannot be dispatched during periods of higher costs when it

is most needed. Decisions on net metering policies are best made by each individual electric cooperative. Proposals for any net metering laws or rules should include input from electric cooperatives.

## **8) ELECTRIC VEHICLES**

Electric vehicles (EVs) are becoming more common, more affordable and with increased range. Charging stations for EVs are also becoming more widely available.

Verendrye Electric recognizes the potential of EVs to benefit the cooperative and its members. We are educating members about EVs by using one for our business operations, and by installing EV chargers, including a fast charging station.

Verendrye Electric supports policies and investments that encourage the use of electric vehicles and charging infrastructure to support them, including state and federal grants to help increase the amount of charging stations across the country.

## **9) SUPPORT INVESTMENT IN RELIABILITY AND EFFICIENCY FROM FEDERAL BILLS**

The Infrastructure Investment and Jobs Act was signed into law in November 2021 to provide \$1 trillion for infrastructure nationwide. The Act specifically identifies opportunities for cooperatives, including funding for grid resiliency and modernization, physical and cybersecurity, clean energy programs and electric vehicle infrastructure. The Inflation Reduction Act became law in 2022 to promote clean energy and efficiency. Verendrye Electric Cooperative urges the federal government and state governments to include opportunities specifically for cooperatives as they develop the programs and application process. Improving infrastructure of cooperatives and programs for its members will benefit the communities served by cooperatives and help create jobs.

# **CURRENT RESOLUTIONS**

## **1) PROPERTY TAXATION FOR ELECTRIC CO-OPS**

As the North Dakota Legislature is considering some form of property tax relief, we urge lawmakers to recognize that changes to the mill levies and assessed property taxes do not affect taxes paid by electric cooperatives, who are assessed in the form of “In Lieu Of” taxes that are based on megawatt hour sales or high voltage line mileage in service.

We urge lawmakers to be vigilant in maintaining parity in the way electric cooperatives and investor-owned utilities are taxed on property, and afford any property tax relief extended to investor-owned utilities on an equivocal basis to electric cooperatives.



# OFFICIAL NOTICE

**DETACH** this registration card  
for a **QUICKER REGISTRATION**  
at your annual meeting June 13, 2024.

If you **bring this card** to your annual meeting, **registration will be a breeze**.  
All **we** have to **do** is **scan the barcode** on the back and you'll be registered.

## NOTICE TO THE MEMBERS OF VERENDRYE ELECTRIC COOPERATIVE, INC.

The annual meeting of the members of Verendrye Electric Cooperative Inc. will be held June 13th in the State Fair Center, Minot, county of Ward, state of North Dakota, for the purpose of electing three (3) directors, one (1) for each district and each for a term of three (3) years, passing upon reports covering the previous fiscal year and transacting other business that may come before the meeting.

Registration begins at 4 p.m. with the call to order at 6:30 p.m. The following names have been submitted by the various district caucuses as candidates for directors and they have accepted the nominations:

Eastern District  
**Ken Schild**, Harvey

Central District  
**Shawn Kaylor**, Velva

Western District  
**Jon Hansen**, Ryder

## BRING REGISTRATION CARD FOR A CHANCE TO WIN \$100!

**DO YOU WANT  
A CHANCE TO WIN A  
\$100 BILL CREDIT?**

All you have to do is detach the card above and use it to register at the annual meeting. There's a barcode on the back that will be scanned when you arrive and that's all you need to do to be registered!

This year we are giving away two \$100 bill credits!

**Registering at the Verendrye Electric annual meeting has never been quicker or easier!**





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Velva, ND 58790

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## PLEASE BRING THIS CARD TO THE MEETING

**Detach this registration card and bring it to your annual meeting June 13, 2024.**

This is your official registration card for Verendrye Electric Cooperative's annual membership meeting.

## 85TH ANNUAL MEETING AGENDA

- 4 p.m. Registration Begins
- 4:30 p.m. Supper is served by Homesteaders in the Magic Room
- 5:15 p.m. Ryan Keplien "Fiddling Lefty," performs
- 6:30 p.m. Call to order – 4-H Hall
  - Welcome and introduction of guests
- 6:45 p.m. Report of caucus meetings and voting for directors  
(you must be in the 4-H Hall with voting stickers to vote)
- 7 p.m. Reports
  - Secretary-Treasurer
  - Board President and General Manager
  - Resolutions – old and new business

### DRAWINGS

**\$3,000** grand prize

The names of all the Verendrye members will be in the drawing. If the person whose name is drawn is not registered and in attendance, a name will be drawn from registered members for the \$2,000 consolation prize.

You must be registered and in attendance to win either prize.