

Building for the **FUTURE**



**Verendrye
Electric
Cooperative**

Your Touchstone Energy® Cooperative 

83RD ANNUAL MEETING | JUNE 9, 2022

Building for the **FUTURE**

Year two of the pandemic is now in the history books. Last year also brought a drought to our service territory which resulted in very small yields of agricultural commodities by our farmers. Ag related activities such as grain drying and processing crops at large facilities uses a significant amount of electricity. Both year two of the pandemic and the drought significantly reduced our kilowatt-hour (kWh) sales in 2021.

Last year's sales totaled 554 million kWhs which was down from 2020 and down from our record of 600 million kWhs sold in 2019. The last year that sales totaled less than 554 million kWhs was in 2013 when they were at 551 million kWhs. We have been operating in an environment with little to no growth since 2016.

Financially we have been doing fine. This has been accomplished by having stable wholesale power costs from Central Power Electric Cooperative (CPEC), our transmission and power provider, and by your Board of Directors reducing or controlling internal costs over the past six years. About 70% of our total expenses are wholesale power costs and 30% are internal costs needed to operate Verendrye, keeping the lights on. Some of the main items done to control costs have been reducing staff, restructuring our benefits, using new technology and borrowing money at extremely low interest rates.

Operationally we continue to have low outage rates as compared to the ND and US cooperative families. This does not happen by accident. We have aggressively been replacing aging underground and overhead plant with new underground plant. Last year we invested around \$8 million into plant with about 75% going into replacement of aging plant and the balance into new construction. The \$8 million is borrowed from Rural Utilities Service or RUS, our banker, and financed on 30 year notes. RUS is part of the United States Department of Agriculture, USDA, and they allow us to borrow at federal financing banking interest rates. This aggressive plant replacement program is why we have such low outage rates.

As you borrow money you raise your debt service payment. The monthly facility charge on your bill is



*Pictured are Verendrye Board President
Blaine Bruner, left, and Verendrye Manager
Randy Hauck.*

designed to cover the debt service costs at the cooperative. A small increase in our monthly facility charge was needed for this to continue to happen. This increase was effective May 1, 2022 and resulted in most residential members having an increase of \$2 per month or less. This small rate increase, about ½ of 1 percent of total revenue, is the first rate increase that your electric cooperative has had since October of 2016. In a time when inflation is running over 7% we are happy that we could hold this to a ½ percent increase.

Capital credits are what make cooperatives a unique business model. As member/customers of the cooperative you get to share in the margins called capital credits. For different business models such as investor-owned companies, those margins go back to only the folks that own shares in the company. We

are happy to announce that we will be returning \$2.4 million in capital credits back to the membership this year, a record amount. We were able to do this thanks to a power bill credit and a generation and transmission capital credit retirement that we received on December 31st. These credits came from Basin Electric Power Cooperative, our generation cooperative and Central Power Electric Cooperative, our transmission cooperative. CPEC passed on 100% to its six members which includes Verendrye.

We're optimistic about the future of the Minot region. There are a lot of signs indicating the region is going to start growing again. We are fortunate to serve the new Trinity hospital, a development by Epic called Tracks, new elevator in Ryder, new TSC store, a new super Scheels both in Minot, new Dollar General in Harvey and many other new developments. The future looks bright.

This year we are returning to our traditional annual meeting format that we had before covid. Come join us on Thursday, June 9th at the ND State Fair Center in Minot. See you then.

Randy Hauck, manager

Blaine Bruner, board chairman

Verendrye planning for exciting **ANNUAL MEETING**



Mark your calendar for June 9th

This year Verendrye Electric is bringing back its annual meeting in a big way.

The annual meeting is June 9th in the State Fair Center in Minot. Registration starts at 4 p.m.

Headlining the event for entertainment will be **Mollie B**, an award-winning vocalist who can play several instruments. She hosts the Mollie B Polka Party TV show and has performed at the Norsk Hostfest a number of times. In 2018 she appeared in a scene of the Warner Brothers movie "The Mule," directed by and starring Clint Eastwood. Mollie will begin performing at 5 p.m.

You will enjoy a free meal of meatballs and mashed potatoes with all the fixings. Back by popular demand this year will be free ice cream bars! Dinner is served from 4:30 to 6:30 p.m.



Prizes

Several exciting prizes will be given away, including a chance to win \$3,000 cash or a consolation prize of \$830 cash. The cash prize is given to a member who has to be in attendance at the time of the drawing. The \$3,000 drawing is from all of the Verendrye members. If that person is not present the \$830 consolation drawing will occur from names of registered members and will be given away to a member who is present.

All registered members will receive a free multi-bit screwdriver.

Other exciting prizes will include pairs of tickets to see Toby Keith, the Texas Tenors, Lady A. and Daniel O'Donnell at the Norsk Hostfest. Verendrye will also be giving away two \$50 gift certificates to MeMas Meats in Berthold and to Bruner Beef in Drake.



Verendrye members who register will have a chance to win the grand prize of \$3,000 or the consolation prize of \$830. You Must be present at the time of the drawing.

Members will have a chance to win Norsk Hostfest concert tickets to Toby Keith, Lady A, Daniel O'Donnell, Texas Tenors and to the Medora Musical.

Verendrye members attending the meeting will receive a free multi-bit screwdriver.



There will be bounce houses, a carnival and prizes for kids, including two bikes to be given away.

Kids activities and prizes

Kids will be entertained with bounce houses from Backyard Bounce Inflatables N' More. There will be a variety of bounce castles to appeal to all ages. They include an obstacle course and an Axe throwing castle with foam axes. Two bikes will be given away – one for a boy and one for a girl. Cotton candy will also be served.

This year's theme is Building for the Future. You'll learn in the business meeting about some of the improvements we've done to ensure your power remains reliable and how we are helping power your communities. We hope to see you there on June 9th.

Meet Your **DIRECTORS**



From Left are: **Jon Hansen** (Ryder), **Ken Schild** (Harvey), **Karen Hennessy** (Des Lacs), **Shawn Kaylor** (Velva), **Bob Wolf** (Minot), **Clint Gjellstad** (Velva), **Blaine Bruner** (Drake), **Maxine Rognlien** (Towner), **Bucky Anderson** (Rice Lake) and Board Attorney **Scott Knudsvig**. Verendrye has nine directors who are all elected. There are three per district. They are elected for a term of three years and terms are staggered so that there is one director up for election in each district each year.

About the Verendrye **BOARD OF DIRECTORS**

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). 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.

Caucus meetings are held each year for the purpose of nominating candidates that are 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.

See the next page for this year's candidate information.

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 or by petition.

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.



Western District

Karen Hennessy

Karen was first elected to the board in 2010. She lives in Des Lacs with her husband Jay. They have six children. Jay operates Hennessy Builders and the family raises Simmental and

Commercial cattle. Karen graduated from Lansford High School and Minot State University with an associate's of applied science degree in 1993. She served on the Verendrye Electric Member Advisory Committee from 2001 to 2007 and was elected to serve two terms on the Operation Round Up Board. Karen is a stay-at-home mother who volunteers as a 4-H leader and is also a substitute bus driver for the Lewis and Clark School District.



Central District

Clint Gjellstad

Clint grew up on a family farm north of Velva, where he currently farms with his wife, Jamie, and two children, Odin (9) and Isabelle (6). They also operate two local businesses in Velva.

Gjellstad graduated from Velva High and from NDSU with a bachelor's degree in Accounting. He played defense for the Bison football team, starting every game in his 4-year career. His leadership, hard work,

and determination learned on the family farm helped him in his career on and off the field. Before returning to ND, Gjellstad spent 10 years in mortgage banking in Minneapolis.

"I have family ties that go back to when Verendrye Electric was formed," Gjellstad said. "When I flip a light switch at home or at work, I want the light to turn on. Rural energy is critical to the success of our family farm and our life on the prairie. I want this for my family today and in the future. I support our clean coal-fired power plants with our mix of hydro-electric, natural gas, and wind power. I will work hard to maintain the most inexpensive and reliable power for our members."

When Gjellstad isn't working on the farm or as an entrepreneur in town, he can be found spending time with family and friends, enjoying the outdoors in all seasons.



Eastern District

Blaine Bruner

Blaine has been a Verendrye board member since 2001. He is currently the chairman of the board, a position he has held since 2012. Blaine has also served on the Operation Round

Up board and was previously Verendrye Electric's representative on the board of North Dakota Association of Rural Electric Cooperatives (NDAREC).

Blaine and his wife Kimberly have 3 adult sons, Travis, Trenton and Ty. Blaine and his wife live near Drake where all family members are quite involved in the Bruner Angus Ranch, a fourth-generation family farm. Blaine has been an organizer of the annual Drake Breeder's Classic since the event began. The event supports the cattle industry and helps bring people into the community. He is also a member of the North Dakota Stockmen's Association. He is a former board member of the McHenry County Farmers Union, a position he held for 30 years, and he currently serves on the Stregre Township Board of Supervisors.

Verendrye Electric Cooperative **TEAM**

ADMINISTRATION



RANDY HAUCK
General Manager
Velva



BRAD DOLL
Engineering Manager
Velva



CHRISTEL LASKOWSKI
Business Manager
Velva



TIM KRUMWIEDE
Operations Manager
Velva



TOM RAFFERTY
Member Services Mgr.
Minot

BUSINESS/MEMBER SERVICES



JEN AASETH
Billing Supervisor
Velva



AMBER FRANCIS
Plant Accountant
Velva



KRISTIE HOFF
Mem. Serv./
Comm. Asst.
Velva



JILL HYSTAD
Receptionist
Velva



ALESHA KELLER
Cust. Service Rep.
Velva



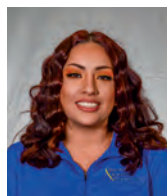
ALLEN KERSTEN
Member Serv. Tech
Velva



SARAH KITTLESON
Accountant
Velva



JESSICA LEE
Cust. Service Rep.
Velva



ANGIE NUÑEZ
Cust. Service Rep.
Minot



JESSICA OLSON
Payroll and Benefits
Velva



ROB ORTS
Member Serv. Rep.
Minot



BRADY SORENSEN
Bus. Asst./
Cust. Service
Minot



KRYSTAL STOBER
Collections Supervisor
Minot



BECKY SVANGSTU
Receptionist/
Cust. Serv.
Minot

ENGINEERING/OPERATIONS



BURTON ATKINSON
NW Area Foreman
Air Force Base



CARA BAUER
Staking Engineer
Minot



CADE BRIGHT
Apprentice Lineman
Velva



SHAWN BUCHMEIER
Dispatcher
Velva



JUSTIN BULLINGER
Lineman
Velva



NATHAN BURKE
Lineman
Minot



CASEY CHRISTIANSON
Lineman
Air Force Base



SPENCER DANIELSON
Lineman
Minot



NATHAN ENGELHART
Apprentice Lineman
Air Force Base



RICK ERICKSON
Area Foreman
Velva



TYLER ERICKSON
Engineering Tech.
Velva



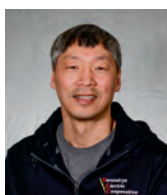
DAMON FINLEY
Area Foreman
Harvey



ETHAN FORBES
Lineman
Velva



NICK FREDRICH
Computer Engineer
Velva



PAT GINGLES
Dispatcher
Velva



JASON GOETZ
Lineman
Minot



JAMES HANDELAND
Lineman
Velva



CODY HARTUNG
Warehouse Supervisor
Velva



JON HAUF
Fleet Supervisor
Velva



RON HOLTE
Lineman
Air Force Base



JOEY HOLZER
Lineman
Minot



MIKE JOHANSEN
Warehouseman
Minot



TRAVIS LEIER
Staking Engineer
Velva



ANDY LINSTROM
Apprentice Lineman
Velva



WESLEY MASON
Electrical Engineer
Velva



PAT NETT
Eng. Operations Tech.
Velva



JUSTIN NOWAK
Lineman
Minot



CURT PETERSON
Lineman
Velva



NICK PFAU
Lineman
Minot



D.J. RANDOLPH
Computer Engineer
Velva



AARON ROBERTS
Warehouseman
Velva



CARTER SCANSON
Lineman
Harvey



TRENT SCHATZ
Lineman
Harvey



KOLTER SCHELL
Apprentice Lineman
Velva



BYRON SCHIELE
Staking Engineer
Velva



BRYAN SCHWAN
Lineman
Velva



BROCK SEBELIUS
Lineman
Minot



JESSE SUCKUT
Lineman
Velva



EVAN SWENSON
Lineman
Velva



DEAN TORFIN
Lineman
Velva



KEVIN VOELLER
Lineman
Minot



BRENT VOLLMER
Mechanic
Velva



LANCE WERCHAU
Area Foreman
Minot

Employee **MILESTONES**

Congratulations to the following employees for reaching the following milestones in their careers at Verendrye Electric Cooperative.

5 Years

Brent Vollmer, mechanic

10 Years

Jon Hauf, fleet supervisor

Kevin Voeller, lineman

Ron Holte, lineman

Jill Hystad, receptionist

Aaron Roberts, warehouseman

Becky Svangstu, receptionist/customer service rep.

15 Years

Byron Schiele, staking engineer

20 Years

Rick Erickson, area foreman

Damon Finley, area foreman

Tim Krumwiede, operations manager

Travis Leier, staking engineer

25 Years

Spencer Danielson, lineman

Cody Hartung, warehouse supervisor



Congratulations

to Administrative Assistant **Val Heisler** and Collections Manager **Cindy Shattuck** on their retirements earlier this year. Val worked at Verendrye for 38 years and Cindy for 42 years.

Verendrye announces **SCHOLARSHIP 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. That amount was increased from \$500 to \$1,000 starting this year.

The following are the three Verendrye Scholarship winners.



Eastern District

Mason Lemer is a student at Drake-Anamoose High School. He plans on attending Minot State University where he wants to take up a science-related major. He's interested in research. Some of the activities he is involved in include FBLA, music, Science Olympiad, Students Against Destructive Decisions (SADD) and several sports. His parents are Candice and Mitchell Lemer.



Central District

Annika Henjum is a student at Bishop Ryan Catholic School. She plans on becoming a medical doctor and will pursue a biology degree from Minot State University. She is involved in several activities, including cheerleading, theater, Science Olympiad, Science Bowl, SADD Venture Crew and robotics. Her parents are Jennifer and Isaac Henjum.



Western District

Anne Schauer is a student at Berthold High School. She plans on attending Bismarck State College where she will study to become a coach. She then wants to transfer to North Dakota State University to pursue an English Education degree and Elementary Education degree. Some of the activities she is involved in include FFA, drama, choir, basketball and Academic Olympics. Her parents are Amy and Tadd Schauer.

Youth Tour **WINNER ANNOUNCED**



The 2022 Youth Tour winner is **Annaliese Rauschenberger**, a junior at South Prairie High School. She is the daughter of Gabe and Karlee Rauschenberger from Minot.

Each year, Verendrye Electric selects one area student to take an all-expense 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.

Annaliese said she was encouraged to submit an essay by her family. "My parents and grandparents, who are members of Verendrye, saw the advertisement in the Verendrye magazine and encouraged me to participate and take advantage of the opportunity."

She said the one thing she is most excited to see on her trip is the White House!

Annaliese is involved with many activities in school such as Student Council President, President of the South Prairie FFA Chapter, trap shooting, Volleyball and choir. In her spare time she enjoys reading, baking, hunting and fishing and hanging out with her family.

Member Services **REPORT**

INTEREST IN ELECTRIC VEHICLES AND SOLAR INCREASES



At the time of writing this, the price of gasoline was \$3.80 a gallon. That means it would cost almost 11 cents a mile driving a car that gets 35 miles per gallon. Verendrye's all-electric Chevy Bolt costs about 4 cents a mile to operate if you charge it at home.

After having driven the car almost 15,000 miles over two years, the 4 cents a mile cost is the average we have experienced. While electric cars are not suited for everyone and there are other factors to consider when buying one, they are becoming more attractive, especially as purchase prices have come down and gas prices have gone up.

Verendrye is planning for the future. We started with leasing the Chevy Bolt so we could collect our own data. We utilized a grant and partnered with Enerbase to install one of the first fast chargers in North Dakota. We are now researching how to design a rate to encourage people to charge their cars during off-peak hours. If you have an electric car and would like to provide some input, or if you have questions about EVs, contact me at 852-0406 or stop by the Member Services booth at our annual meeting and visit with our employees and see the car first hand.

Solar

We've also started to see some more interest in home and business rooftop solar systems. A handful of our members have them. We encourage members to contact us first before making an investment into a solar system.

We can help you by doing an analysis of your electric bills which can help you determine how long it would take to get a return on your investment. If you want to connect to our system to sell power back to us, we need to make sure it is being done safely and meets our specifications. It's important to remember the rate we pay you is less than our retail rate because we also have other expenses to cover like infrastructure and employees.

We also do not allow submeters on a service that has solar or another type of cogeneration because it is impossible to accurately measure the electricity with a submeter. Many people have submeters for electric heat that gives them a reduced rate for space heating. Depending on your situation, losing the electric heat rate could cancel out the savings you gain with a solar system.

If you have any questions about EVs, solar or other services, don't hesitate to call us.

– **Tom Rafferty**, member services manager



A group of electric cars was on display at a classic car event last summer in Minot.

Business **REPORT**

PERSEVERE



Every year we detail out our annual budget to the Board for approval. You can guess 2021 was a more difficult budget to prepare, not fully understanding the aftermath of the pandemic. During the year we weren't only seeing the impacts of the pandemic, we were also facing a severe drought with unseasonably warm

temperatures each month. These items drove our sales down. We were extremely fortunate to receive power bill credits from Central Power Electric Cooperative (CPEC), our power supplier, totaling \$707,000 to help offset the loss of sales. In addition to the bill credits, we received \$780,000 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 high inflationary periods to come, we are able to return a record amount of \$2.4 million back to you. Watch for a check in your mailbox the first week of June.

As a reminder, 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 any financial distress.

As always, our goal is balancing affordability with reliability. Thank you for being a member-owner of Verendrye Electric Cooperative!

– **Christel Laskowski**, business manager

Use SmartHub to sign up for critical text notifications



Get notified! Register your phone and sign up for several different alerts through your online SmartHub account. Some notifications include:



- Critical alerts (widespread outages)
- Bill availability
- Due dates
- Payment confirmation
- Cutoff notice
- Credit card expiration
- Power usage alerts to help you monitor usage

When rolling blackouts occurred in 2021, we were only able to notify members through text messaging if they had signed up for text notifications through SmartHub.

Financial REPORT



VERENDRYE ELECTRIC COOPERATIVE, INC. FINANCIAL STATISTICS

BALANCE SHEETS

ASSETS	2021	2020
Utility Plant	\$138,432,995	\$132,446,070
Less: Accumulated Depreciation	37,880,307	37,127,047
Total Net Utility Plant	100,552,688	95,319,023
Cash	1,407,865	219,884
Patronage Investments	31,679,480	30,781,256
Accounts & Notes Receivable	7,934,829	6,960,057
Other Investments	13,009,146	8,708,124
Special Funds	5,259,354	5,174,342
Materials & Supplies	3,628,650	3,657,951
Prepayments	224,221	199,506
Deferred Debits	341,884	655,847
Total Assets	\$164,038,117	\$151,675,990
LIABILITIES		
Long Term Debt	\$81,354,639	\$75,093,366
Accounts Payable	3,746,334	3,666,737
Member Deposits	560,446	451,258
Noncurrent Liabilities	569,823	550,853
Current Liabilities	2,206,030	2,109,098
Deferred Credits	11,534,216	10,052,989
Deferred Revenue	5,000,000	5,000,000
Total Liabilities	104,971,488	96,924,301
EQUITIES		
Patronage Capital	42,169,515	40,042,036
Other Equities	16,897,114	14,709,653
Total Equities	59,066,629	54,751,689
Total Equities & Liabilities	\$164,038,117	\$151,675,990

STATEMENTS OF OPERATIONS

REVENUES	2021	2020
Residential Sales	\$22,236,739	\$22,720,214
Irrigation Sales	588,059	511,306
Commercial Sales	11,729,455	11,977,521
Industrial Sales	11,792,870	12,490,304
US Air Force	3,483,790	3,480,602
Other Sales	147,665	133,124
Total Revenues	49,978,578	51,313,071
EXPENSES		
Power Cost	33,335,782	35,415,812
Operations & Maintenance	4,716,177	4,931,446
Billing & Member Service	1,688,439	1,726,436
Administrative & General	2,296,206	2,196,499
Depreciation	3,298,032	3,169,186
Taxes	427,694	439,162
Interest	2,200,783	2,454,369
Total Operating Expenses	47,963,113	50,332,910
OPERATING MARGINS	2,015,465	980,161
ALLOCATIONS		
G&T Allocations	1,671,078	2,076,949
Other Allocations	327,282	298,978
Total Allocations	1,998,360	2,375,927
NON-OPERATING MARGINS	2,021,457	1,003,038
NET MARGINS	\$6,035,282	\$4,359,126

Engineering Department **OVERVIEW**



2021 was a busy year! Due to the dry weather, we were able to complete all of our planned construction projects. In total Verendrye installed more than 98 miles of new underground cable. Along with Central Power Electric Cooperative, we replaced the existing Ryder substation and installed remotely operated transmission

switches at the Radar and Velva substations.

2022 will be a very busy year as well. The board of directors has graciously allowed us to continue the aggressive aged infrastructure replacement. We are planning on converting approximately 40 miles of existing overhead conductor to underground, along with replacing approximately 30 miles of existing aged underground cable. Along with Central Power Electric Cooperative we plan on replacing the existing Harvey substation. All of these system improvements are designed to increase capacity and provide greater reliability.

The new Trinity Hospital is scheduled to open in early 2023. To accommodate the hospital a new substation is in the process of being constructed. This substation will also provide capacity for future growth in the area. There

are several larger apartment buildings and commercial facilities planned for the area.

This will be the last year of using our existing construction work plan. We are presently working on a new construction work plan that will cover the years 2023-2026. This work plan will serve as a guide for maintenance and system improvements over the next four years. We have around 4,600 miles of power lines, 50,000 poles and 16,500 meters scattered throughout our 4,900-square-mile service area. With this much infrastructure, it takes a comprehensive plan to effectively manage maintenance and system improvements.

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, we can assist, this could prevent future problems down the road.

– **Brad Doll**, PE, engineering manager

The new Trinity Hospital is being served by Verendrye Electric Cooperative in SW Minot. New construction, as well as replacing aging infrastructure, are some of the activities Verendrye crews have been working on.



Operations **REPORT**



While the ice storm we had in April will have a major impact on average outage times for 2022, we ended the year 2021 below the state and national averages.

In 2021 we had an average outage time of 1.46 hours. That is below the state average of about 2.25 hours and the national average of almost

3.5 hours. The average is calculated by adding up all of the outage times for each meter and dividing it by the number of meters. So although the average is almost 1.5 hours, some people had less and some more than that number.

Weather can be a huge factor in determining outage times, as we are seeing this year. However, we have been able to reduce outage times with an aggressive workplan of converting overhead lines to underground and replacing older underground lines as our Engineer Manager Brad Doll stated in his report in the previous page.

Unfortunately the spring blizzard caused major damage to our system. At the time of writing this, we estimate having 478 poles on the ground. Some people were without power for more than a week. We appreciate all of our members who helped during outage restoration and we appreciate everyone's understanding and patience.

We also urge you to work safely around power lines, not only to prevent injuries, but also to minimize outages to you and your neighbors. Call 811 when you dig and be aware of overhead power lines when you are working at home or on the job.

– **Tim Krumwiede**, operations manager



Operation Round Up **MAKES A DIFFERENCE**

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 \$75,019 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 Keith Reinowski, Anamoose; Vice President David Norton, Minot;



Member Services Manager **Tom Rafferty** (green shirt) presents a check to the Senior Center in Ryder to help them fix their roof.

Secretary Laurie Dannewitz, Minot, Treasurer Ashley Bruner, Drake, and Kristi Howe, Velsa. For more information, go to www.verendrye.com.

The following table lists all of the Operation Round Up Grants from May 1, 2021 through May 1, 2022.

Anamoose Rural Fire Protection District.....	Washing machine and supplies	\$1,222	Cornerstone Presbyterian Church	Water Fountain and bottle filler	\$2,230
Burlington Community First.....	Bike safety	\$1,100	Kids Academy Daycare	Flooring	\$2,500
Camp of the Cross Ministries	John Deere Tractor	\$900	McHenry County 4-H	Updating archery equipment	\$2,000
Community Food Pantry	Stock food pantry	\$2,500	Minot Rural Fire Protection District	Grain Rescue Equipment	\$2,500
Community Senior Center of Velsa	Cleaning supplies	\$1,000	Northern Plains Children's Advocacy Center	Comfort Snacks	\$600
Dakota Boys and Girls Ranch.....	Update door access in Seegers Cottage	\$1,850	Sawyer Fire Protection District	Safety Equipment & training materials	\$2,500
Drake Sports Complex	Baseball field	\$2,284	The Village Family Service Center	Desk chairs and storage cabinets	\$1,974
Glenburn Fire Dept.....	Structural Fire Gear	\$2,500	Velsa Ambulance Service Inc.....	Feedback devices	\$1,500
Happy Hour Senior Citizens.....	Fix the roof	\$2,000	Velsa Community Food Pantry Backpack Buddies	Supplies for backpack program	\$2,500
Harvey Country Club	Community room	\$1,000	Burlington Rural Fire Department	Gas Monitors	\$2,500
Harvey Fire Dept.....	Rescue Truck	\$2,500	Energy Share.....	Help with heating bills	\$2,500
Harvey Kiwanis Club.....	Toddler playset, benches, and wood fiber for playground	\$1,500	Minot Commission on Aging.....	Medical Travel	\$2,500
Harvey library	Upgrade printer and several computers	\$1,500	Northern Plains Children's Advocacy Center	Comfort items	\$500
Kiddie Korral.....	Cameras in facility	\$2,000	Oak Valley Lutheran Church	Re-Roofing	\$2,500
Mouse River Players Community Theater	Renovation of the MRP lobby	\$1,500	Pierce County Fair Associaton.....	Groundwork and Drainage completion	\$1,000
ND STRONG	Editing laptop	\$1,500	St Aloisius Hospital.....	Outdoor patio	\$1,000
Southside Church of the Nazarene	Fix the roof	\$1,500	St Anthony's Church.....	Fix the roof	\$2,500
American Legion.....	Finishing Veterans Memorial	\$2,500	Ward County Dive Team.....	1 Ton Dually crew cab pickup	\$2,500
Anamoose Park Board.....	Fridge, freezer, water heater and roasters	\$1,925	Martin Baptist Church	Medical assistance for child	\$2,500
Backpack Buddies/ Nedrose School District.....	Fill the backpacks	\$500	TOTAL.....		\$75,019
Christ Kids Early Learning Center.....	Equipment for safe play environment and promote gross motor skills	\$2,500			
Companions for Children	Computer	\$934			

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

JUNE 10, 2021

The 82nd 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 10, 2021.

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 VEC Director John Warner, 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 October 22, 2020 Annual Meeting Minutes.

Door Prizes

Manager Randy Hauck described how the door prizes would be selected and that the \$2,750 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 Director

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 John Warner and his wife, Janice, Ryder

Maxine Rognlien and her husband, John, Towner

Ken Schild and his wife, Julie, Harvey

Bob Wolf and his wife, Lisa, Minot

Shawn Kaylor, Velva

Howard "Bucky" Anderson and his wife, Linda, Minot

Clint Gjellstad and his wife, Jamie, Velva

Director Elections

Bruner reported that Ken Schild was nominated at the Eastern District caucus. He then called for additional nominations from the floor for the Eastern District. Hearing none, it was moved, seconded, and carried to close nominations for the Eastern District.

Bruner reported that the Central District caucus had nominated Shawn Kaylor and John Hocking. He then called for additional nominations from the floor for the Central District. Hearing none, it was moved, seconded, and carried to close nominations for the Central District.

Bruner reported that the Western District caucus had nominated Aaron Vibeto and Jon Hansen. He then called for additional



Enjoy a free meal and fellowship at the Verendrye Annual Meeting.

nominations from the floor for the Western District. Hearing none, it was moved, seconded, and carried to close nominations for the Western District.

It was moved, seconded, and carried to authorize the Secretary to cast a unanimous ballot for the unopposed candidate in the Eastern District. A unanimous ballot was cast and Ken Schild was re-elected to the Board of Directors for a three year term.

Each candidate from the Central and Western District addressed the membership. Attorney Knudsvig explained the voting procedure, the ballots were distributed and the votes were cast. After all ballots were collected Bruner declared the voting closed. Bruner thanked the members of the Elections Committee.

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.

Financial Reports

Hauck introduced Christel Laskowski, VEC Business Manager, to give the financial report for the year 2020.

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 2020 totaled \$51.3 million, which is a slight decrease from 2019. Operating expenses for 2020 totaled \$50.3 million. Our largest expense is power cost totaling \$35 million, which represents 70% of total expenses.

Operating margin was \$980,000. Margins allocated by Central

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Meet Verendrye employees at the annual meeting. Pictured from left are **Amber Francis, Kristie Hoff, Jon Hauf, Jessica Olson and Sarah Kittleson.**

Power Electric Cooperative, VEC's power supplier, and others totaled \$2.4 million. These are non-cash allocations. Non-operating income totaled \$1 million. Our 2020 net margins are \$4.4 million, meeting all RUS mortgage requirements.

Total assets for 2020 are \$152 million. Our distribution plant is the cooperative's largest asset totaling \$95 million, which comprise 63% of total assets. Ownership in Basin Electric and Central Power Electric Cooperative totals \$31 million, which comprises 20% of total assets. The remaining 17% of our assets are comprised of accounts receivable, materials and other, totals \$26 million. Total liabilities for 2020 are \$97 million. Total equity is \$55 million.

Management Reports

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

Bruner reported the cooperative was in good financial condition and met all of our financial ratios by RUS.

VEC is retiring capital credits in a record amount of \$1.85 million. The capital credit checks were mailed the end of May. Nearly \$5.5 million in capital credits have been retired in the last three years.

There are two proposed changes to the bylaws: one deals with how members are nominated to run for the board of directors and the second would allow flexibility in voting during extraordinary times like a pandemic. Bruner discussed the proposed changes.

Bruner extended a thank you to employees for their hard work during the pandemic, to Tom Jespersen and Carol Larson on their retirements, and to Director John Warner for his nine years of service on the VEC Board of Directors.

Hauck discussed cooperative operational details and how VEC dealt with the pandemic.

2020 an average outage time per meter of 48 minutes per meter, which is the second lowest outage time year, even operating during a pandemic.

Hauck discussed the February 2021 rolling blackout.

Proposed bylaw changes recommended by the board of directors

will change how members are nominated to run for the board of directors and allow flexibility in voting during extraordinary times like a pandemic.

Bylaw Change Vote

Chairman Bruner called for questions regarding the bylaw changes, hearing none, he called for a motion to approve the bylaw changes as printed in the annual report. It was moved, seconded, and carried to approve the bylaw changes as proposed.

Operation Roundup

The Operation Roundup report was reviewed. Since last year's annual meeting \$65,063 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, Kamryn Morrison, received the scholarship. Kamryn graduated from South Prairie High School and plans to attend University of Mary. Her parents are Brad and Denalie Morrison.

From the Central District, Madison Effertz, daughter of Chad Effertz and Jill Johnson, received the scholarship. Madison graduated from Velva High School and plans to attend NDSU in Fargo.

From the Eastern District, Emma Dragseth, daughter of Douglas and Jennifer Dragseth, received the scholarship. Emma graduated from Towner High School and plans to attend Bismarck State College.

Employee Recognition

Manager Hauck recognized the following employees on their years of service awards.

5 Years

Cade Bright – Apprentice Lineman
Wesley Mason – Electrical Engineer

10 Years

Ethan Forbes – Journeyman Lineman
Kristie Hoff – Communications & Members Services Assistant
Justin Nowak – Journeyman Lineman

15 Years

Allen Kersten – Member Services Technician

20 Years

Bryan Schwan – Journeyman Lineman

30 Years

D.J. Randolph – Computer Engineer

Cindy Shattuck and **Val Heisler** were also recognized for their years of service, as they will be retiring at the end of 2021.

Resolutions

President Bruner called on Jim English, Chairman of the Resolutions Committee. English introduced the other members of the committee: Karen Hennessy, Bob Marquardt, Fred Beuchler, Rich Berg, David Martin, and Brenda Schmitt.

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. Low Income Home Energy Assistance
7. Support for Ground Based Strategic Deterrent (GBSD) Initiative
8. Net Metering
9. Electric Vehicles

The motion was seconded and carried.

English then read Current Resolution Number 1, Supporting "All of the Above" Energy Strategy. English moved the adoption of Current Resolution 1, which was seconded and carried.

English then read Current Resolution Number 2, Congratulating John Warner. 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. There were none.

Election Results

The chairman called on Keith Reinowski for the results of the election for the Central and Western Districts. Shawn Kaylor received 155 votes and John Hocking received 64 for the Central District. Aaron Vibeto received 96 votes and Jon Hansen received 122 votes. Shawn Kaylor and Jon Hansen were elected to the Board of Directors for three year terms.

Prize Drawings

President Bruner outlined requirements for the member to be present and registered to win the \$2,750 grand prize. Katrina and Richard Poline were drawn. They were not in attendance. A consolation drawing was made from the members registered for a \$820 cash prize. The first name drawn was Stanley Vangsness, Berthold, who was in attendance and the winner.

Adjournment

There being no further business, without objection, President Bruner adjourned the annual meeting at 7:50 p.m.

Scott M. Knudsvig, Recording Secretary

Shawn Kaylor, Secretary

ATTEST:

Blaine Bruner, President

CONTINUING RESOLUTIONS

1) RURAL ECONOMIC COMMUNITY DEVELOPMENT – Continuing

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 the family farm. 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 – Continuing

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 – Continuing

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 – Continuing

We believe that there is continued need for a distribution and transmission loan program for those Rural Utilities Services

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Verendrye Electric is owned and controlled by its members who get to vote for their board of directors and on other matters such as resolutions.

(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 - Continuing

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.

6) SUPPORT FOR GROUND BASED STRATEGIC DETERRENT (GBSD) INITIATIVE - Continuing

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 - Continuing

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 - Continuing

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.

CURRENT RESOLUTIONS

1) SUPPORTING "ALL OF THE ABOVE" ENERGY STRATEGY - Current

Verendrye Electric Cooperative supports an "All of the Above" approach to electricity generation resources. This strategy is also supported by the National Rural Electric Cooperative Association (NRECA) and many other cooperatives. While new renewable energy projects are on the rise, our baseload coal generation remains a vital source of reliable energy, as well as gas generation and other sources that are currently part of the cooperative family's energy portfolio. A diversified portfolio will help maintain affordable and reliable electricity. Having an "All of the Above" approach also improves our national security when geopolitical events happening around the world disrupt energy availability and prices. We discourage policies that prevent renewable or baseload energy plants from being constructed in North Dakota.

2) SUPPORT INVESTMENT IN RELIABILITY FROM INFRASTRUCTURE BILL

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. 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 will benefit the communities served by cooperatives and help create jobs.

Official NOTICE

DETACH this registration card
for a **QUICKER** registration at your annual meeting June 9, 2022

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 9th 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
Blaine Bruner, Drake

Central District
Clint Gjellstad, Velva

Western District
Karen Hennessy, Berthold

Bring registration card for a **CHANCE TO WIN \$100!**



Do you want a chance to win \$100 cash?

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!

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



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



83rd Annual **MEETING AGENDA**

- 4 p.m. Registration Begins
- 4:30 p.m. Supper is served by Homesteaders in the Magic Room
- 5 p.m. Mollie B 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
Resolution – old and new business

DRAWINGS

\$3,000 grand prize or \$830 second place prize.

All Verendrye members will be in the drawing to win the \$3,000. If the person whose name is drawn is not registered and not in attendance at the time of the drawing, a second cash drawing of \$830 will be drawn from the members who registered. You must also be in attendance at the time of the drawing to win the \$830.