Chapter 12
When Verendrye leaders started the cooperative, they needed as many members as possible to make it viable. Some new members had to be convinced that the cooperative way of bringing power to the people would succeed. But once people saw Verendrye gain its footing, new members flocked to the cooperative, resulting in growth that provided a strong foundation.

Growth is good for the cooperative because it means there are more people to help pay for fixed costs, which include things like power plants, substations, poles, wires, transformers and offices. Verendrye has been blessed with strong periods of growth in its 75-year history, with notable expansions in the 1980s, 1990s, 2000s and beyond.

**1980s**

March 1981 was significant for Verendrye because it began serving the Dakota Square Mall in Minot. As the city grew, Verendrye served much of the new growth, including both retail and residential members. From 1981 to 1982, the cooperative saw a 10.7 percent increase in electricity sales, the largest single year increase in the past three decades. Much of this increase was because of the new mall.

Jim Jensen, a realtor who developed the mall, said many people, including executives at Northern States Power (NSP), which is now Xcel Energy, did not believe a mall would be built in south Minot where it is today. “Northern States Power didn’t think anything would happen out there. They had no interest in it,” Jensen said.
He convinced Verendrye Manager Wally Beyer to build service into the area. “From that point on it was a tremendous thing for Verendrye and the community.”

Jensen appreciated Verendrye’s help so much that in 2001 he wrote a letter of support to a legislative committee that was hearing Senate Bill 2418. The bill would have made it unlawful for electric co-ops to serve any new customer locations in cities of 2,500 people or more. In the letter, he explained how Verendrye was willing to bring service to the mall and install underground utilities in other areas when NSP would not.

“For most businesses to succeed there is a window of opportunity. The time was right for this to happen and without Verendrye Electric’s forward thinking and interest in seeing our area grow, it would not have happened,” Jensen wrote.

The bill was eventually tabled, which means it was effectively killed without legislators having to vote on it.

The 1980s also brought a major new industrial member to Verendrye with the opening of the Midwest Processing plant, a sunflower crushing plant east of Velva. Archer Daniels Midland later bought the plant and converted it to crush canola.
Today, it is one of Verendrye’s top members in terms of electricity usage.

Verendrye grew from 6,907 meters served in 1980 to 8,232 in 1989, an increase of 19 percent. Growth then tapered off until the mid-1990s. Although the 1980s brought some major new loads to Verendrye, the decade also brought tough economic times for some. From 1985 to 1986, the cooperative actually had a net loss of 29 meters. The loss was attributed to a poor farm economy coupled with drought that forced some farmers out of business.

1990s

Starting in 1993, the cooperative began to enter another period of growth. The economy was improving and Minot was growing. The city also had an aggressive economic development effort that brought in several new businesses.
Bob Horne, former Minot area manager for Verendrye, was involved in many of Minot’s economic development efforts, including serving as chairman of the Minot Area Development Corp. He helped encourage the passage of a one-cent sales tax in Minot for economic development and helped recruit businesses to the area.

“Verendrye has always been a community-minded organization and the board encouraged us to be involved in economic development,” Horne said. “New businesses helped Verendrye because they would become members of the cooperative, but more importantly, these new businesses provided new jobs.”

Minot’s economic development boom came in many forms, from call centers like Choice Hotels Reservation Center, to value-added agriculture like Minot Milling. Choice Hotels, which provided hundreds of jobs, was the first major economic development project of the 1990s. The call center closed in 2010 after being in business for nearly two decades, but it continued to employ some people in home-based jobs in Minot after it closed. The building became a new home for Ackerman-Estvold, an engineering and surveying firm.

Another milestone in economic development came in 1997 with the start of Minot Milling. The plant, which grinds durum to make pasta, located in east Minot, remains one of Verendrye’s largest users of electricity.

Horne remembers the 1990s as a decade of major milestones for Minot’s economic development efforts. “It was exciting times when each of those projects came to Minot,” he said. The 1990s provided exciting and prosperous times for the region, but nothing compared to what was about to come.
As Verendrye has grown, so too has its popular Operation Round Up program, which has granted funds to hundreds of worthwhile causes since 1996.

Operation Round Up, approved by members at the 1995 Annual Meeting, is a program in which members voluntarily round up their bills to the nearest dollar. The funds generated from the program are then granted to organizations like schools, fire halls, senior centers, parks and to people with extraordinary medical expenses. More than 85 percent of members participate in the program and the board members are elected from Verendrye’s Member Advisory Committee.

From 1996 to 2014, Operation Round Up has contributed $795,000 to more than 850 causes. For information on how your organization can apply for a grant, go to www.verendrye.com or give us a call.
2000s

As Verendrye entered the new millennium, the cooperative saw steady growth of between 80 and 200 new meters a year and gained some large members like the first electrically heated Super Walmart in the nation, and businesses around the mall like the new Sleep Inn and Suites that includes a water park.

Then in about 2008, Minot’s economy began to get red hot. The cooperative started that year serving about 11,000 meters and by the end of the year it gained another 400. From 2008 to 2013, the cooperative added 4,000 new members, an increase of 36 percent.

“In the past, it was a big deal for us to see growth of 200 or more members a year,” said Verendrye Manager Bruce Carlson. “We’ve never had growth like what we’ve had now.”

The increases can be attributed to exponential growth of drilling activity in the Bakken oil formation in western North Dakota that brought new opportunities and new people into the state. Although Verendrye did not serve any of the new oil wells, the boom benefited the cooperative in other ways. Because of Minot’s proximity to the Bakken, the city grew to accommodate new oilfield-related businesses and their employees. As the city grew, much of the expansion occurred in areas Verendrye
The cooperative spirit that helped bring electricity to rural areas in the 1940s was duplicated in the 50s and 70s, to bring phone, water and a self-help housing program to rural areas.

**TELEPHONE**

In 1950, the Verendrye Electric board of directors turned its attention to bringing telephone service to those living in the rural areas of McHenry and Ward counties as well as adjacent areas along the southern swing of the Souris River into central North Dakota. In 1951, Souris River Telephone Mutual Aid Corporation was established and Articles of Incorporation were filed on September 29. A year later, in October 1952, SRT purchased its first exchange, the Martin Telephone Company, for $500. With this purchase, SRT acquired its first 82 subscribers.

Today, as North Dakota’s largest telephone cooperative, SRT Communications Inc. employs over 200 people and serves approximately 50,000 telephone customers in north central North Dakota.

**RURAL WATER**

In 1970, Verendrye Manager Wally Beyer helped lead a steering committee to study the idea of forming a rural water cooperative. By October 1971, the committee incorporated and formed North Prairie Rural Water District (NPRWD). North Prairie solicited membership fees of $50 and an additional $200 for construction costs per member. NPRWD held its first annual meeting in February 1973 and began construction of the first water pipelines in the spring of 1974. Today, North Prairie serves more than 4,000 members with 1,500 miles of pipeline.

**HOUSING**

Verendrye facilitated a self-help housing cooperative in the 1970s that resulted in the construction of dozens of homes in Surrey. Members of the cooperative got together to help each other build homes and purchase materials in bulk. The project saved people money on labor and also because they could receive better deals from contractors and suppliers by combining their purchases.
Verendrye Electric serves Minot’s Super Walmart, the nation’s first one heated exclusively with electricity.

Enbridge, which is served by Verendrye, has expanded its pipeline and rail facilities in Berthold over the past few years to keep up with the demand for shipping Bakken oil out of the state.
serves. The 4,000 new members added from 2008 to 2013 included not only oilfield businesses, but also hundreds of homes and apartments, hotels, restaurants and retail businesses. Smaller towns in the area also benefited, with major new housing developments going up in Burlington, Berthold, Surrey and Velva.

To keep up with the growth, Verendrye gradually hired more employees and built an addition to its Velva headquarters in 2012. The $1.9 million, 9000-square-foot addition was the first office addition in 33 years. “We are growing faster than we ever have in the 73-year history of Verendrye Electric,” said Everett Dobrinski, chairman of the board at the time the project was under way. The office expansion added needed space, but also allowed the cooperative to improve its efficiency by adding a high-tech operations room that is used in day-to-day operations and outage management.

The 2012 annual meeting marked a high point in Verendrye’s growth. Earlier that day, the Minot City Council unanimously approved renewing Verendrye’s franchise for another 20 years. Verendrye leaders reported to the members that the cooperative added a whopping 1,650 accounts in 2011. Those new accounts included around 600 FEMA trailers set up for displaced flood victims. “You should be very, very proud of your electric cooperative,” Gov. Jack Dalrymple told the Verendrye membership at the annual meeting. “The way they conducted themselves in the past year was very inspiring.”

Verendrye partnered with Central Power and Basin Electric to build a new bulk delivery substation in 2013 that provided another source of power to the region. The bulk delivery project included a new $7 million substation and $5 million of transmission lines southwest of Minot. It benefited urban and rural members by providing better reliability and redundancy throughout.
The Cash Wise grocery store and other stores in the area are served by Verendrye. The area in southwest Minot was developed in 2013 with shopping and apartments.
the system. That same year, the cooperative also celebrated the completion of a new building on the Minot Air Force Base that provided an outpost for workers there.

Verendrye continued to be involved in economic development. The cooperative was instrumental in getting a new daycare in Berthold and a Farmers Union convenience store in Velva. Verendrye helped get those projects built by serving as the pass through organization for loans through the Rural Utilities Service Rural Economic Development Loan and Grant (REDLG) program. Verendrye also continued to send representatives to serve on economic development agencies in the area and advocated for several economic development initiatives including Minot’s energy and agricultural parks that now house major new businesses.

Although Verendrye’s growth has slowed some from the height of the Bakken boom, it is still seeing a healthy increase in the number of new members each year, and is projecting steady growth for the foreseeable future. Verendrye is planning ahead with an aggressive engineering plan to replace aging infrastructure in rural and urban areas, and to partner with Central Power to build more distribution substations. In 2014, the Verendrye board approved adding more office space to the Minot service center.

Growth has been a challenge more than once, but Verendrye has turned it into an opportunity to build a stronger, more efficient cooperative that cooperative leaders wouldn’t have imagined possible in 1939.
Over the past 75 years, your cooperative has accomplished things that would have been unimaginable to H.H. Blackstead and other original organizers. It has gone from digging holes with hand shovels to using powerful digger trucks that drill holes in seconds. Members used to read their own meters and bills were calculated with mechanical adding machines. Meters are now read remotely and members can check their hourly usage and pay bills with cell phones. The first farms with electricity had a few measly outlets reserved only for the most essential devices like lights, refrigerators and radios. Today, Verendrye serves more than 15,000 meters that power hundreds of items in farms, homes, businesses and the mighty Minot Air Force Base.

Considering all these advances, what is the single most important accomplishment of your cooperative? You might think it is impossible to point to just one accomplishment, but one does stand above the rest. To come up with the answer, you have to imagine yourself sitting in a dimly lit kitchen table meeting in 1939 with dreamers who tirelessly brainstormed how to start an electric cooperative. You have to put yourself in the shoes of David Blackstead, a young boy tugging on his father’s pant leg as they went door-to-door asking people for $5 in times of war and economic disparity. You have to think about how women like Dorothy Blackstead, Josephine Colby and Fern Masteller, all original board members, helped send hundreds of letters urging people to become members. You have to remember people like Gene Shoenberg who helped beat ice off of downed power lines in 1983 and all of the lineworkers who have sacrificed family time on a whim to restore power in blizzards. You have to think of longtime employees and board members for their dedication to serving members for decades. Last of all, you can’t forget the thousands of members who have attended annual meetings and have supported the cooperative through tough legislative battles by appearing at committee hearings or sending letters to politicians. Once you think of all of the people involved in the cooperative, you will realize the greatest accomplishment is not about technology or growth.

The single most important accomplishment is people helping each other to accomplish a common goal for 75 years. The cooperative spirit is why Verendrye Electric and hundreds of other cooperatives exist. That spirit has worked well for 75 years. It is why you can call us and talk to a real person, or walk into our offices to pay your bill or voice your concern in person. It is why you can vote for your board of directors, and even run for the board.

The cooperative spirit also allows your cooperative to focus on people before profits. Money is returned to you in the form of capital credit checks when finances allow it. Your cooperative contributes to communities through Operation Round Up and by encouraging employees to volunteer. It is also why Verendrye has been a part of the National Rural Electric Cooperative Association’s International Fund that helps establish electric cooperatives in remote areas of developing countries where poverty is rampant.

We hope you enjoyed learning about your cooperative’s history and, especially if you are a younger member, we hope this book has given you a newfound appreciation of what cooperatives are all about. Technology will continue to change, but with the help of hard-working employees, visionary leaders, and a well-informed membership, your cooperative will continue its focus on helping people by working together. We will face new challenges in the next 75 years and we will need your help. Whether it is simply attending your annual meeting and voting for your directors, or helping us fight against unreasonable energy policies, we encourage you to become active in your cooperative. Help us continue to build the wonderful dream that was started 75 years ago.

See you at the next annual meeting!