Our website has a new look!

Check us out at www.pkmcoop.com

Take a fresh look at your cooperative’s website for convenience and information in an easy-to-understand format. Just go to www.pkmcoop.com to view information designed to enhance your online cooperative experience.

Website highlights

Quick links to information you want, including energy efficiency incentives, ask us a question, new service request, energy saving tips and Call 811 Before You Dig.

View and pay your bill with SmartHub, plus see energy use.

Visit our storm center or find information about tree trimming and power line clearances.

Find out current off-peak information and predictions for each day.

A section filled with easy-to-find forms to help make dealings with your cooperative more convenient.
Recent news articles have falsely asserted that electric cooperatives are not regulated and question the value of self-governance or why cooperatives are different from other utilities. We want to set the record straight on these points.

We don’t take for granted what it means to be different from other electric providers. We appreciate and embrace our differences because it means we can serve you, our member, in a manner that best meets your needs. While there are dozens of positive ways electric cooperatives differ from other utilities, everything we do revolves around our unique business model and our local, not-for-profit structure.

Like all electric cooperatives in the state, PKM Electric is owned by our area’s neighbors, friends and community members. Because of this member-ownership structure, the directors you elect to govern the cooperative are entrusted to make decisions that are in the best interests of our local communities.

This type of self-governance is successful in many forms – through schools, churches, credit unions and various types of cooperatives. While this structure allows for local decision-making, it’s imperative to recognize that self-governed organizations – including PKM Electric – must adhere to all local, state and federal laws and regulations. Electric cooperatives are, in fact, significantly regulated.

We have considerable oversight through hundreds of Minnesota statutes and by the Minnesota Public Utilities Commission (PUC). We follow Occupational Safety and Health Administration regulations, National Electrical Safety Code® standards and Environmental Protection Agency regulations, to name just a few. Where PUC regulation primarily differs for electric cooperatives versus utilities is in rate regulation. The PUC plays a regulatory role for investor-owned utilities (IOUs) in the rate-making process to provide checks and balances between shareholders and ratepayers. Without this oversight, it could be in the IOU’s interest to charge as high of rates as possible to return profits to their shareholders.

Because the board members, who are setting rates for PKM Electric, are also members and users of co-op-generated electricity, there is no benefit in charging any more than necessary for power. PKM Electric undertakes extensive cost-of-service studies to ensure rates are appropriate and adequate to solely cover the costs of providing service.

To govern effectively, PKM Electric’s directors bring a diverse and well-rounded background to the boardroom. Our directors have financial skills, industry knowledge, an understanding of regulatory and legislative policymaking and an aptitude for determining the ongoing and future strategic direction of the cooperative.

Since 1941, the cooperative business model and core principles have been guiding us as we make long-term decisions to ensure reliable, safe, affordable energy for our members. We’re proud of our track record of powering homes, businesses, schools and other essential services in our communities. If you have questions about our policies or our cooperative structure, please don’t hesitate to contact us.
Get more out of a modern cooling system.
Get year-round comfort.
Get top-notch efficiency.

GET AIR-SOURCE HEAT PUMPED.

**Air Conditioner**

- Cooling during warm summer days
- Absorbs inside heat and expels it from your home, then creates chilled air to push back into your home
- Wall units lack efficiency, as they only provide spot cooling and air can leak through window seals. Central air units are comparable to ASHPs in summer
- Smaller upfront cost, but does not offer heating
- No installation rebates offered

**Air-Source Heat Pump**

- Heating and cooling through every season
- Works like an air conditioner in the summer, but offers the versatility of the reverse process to heat your home in the winter
- Super energy efficient, as the unit moves both cooled and heated air throughout the home
- Large rebates available for unit installation
- Sustained savings through energy efficiency

**Bonus Winter Benefit:**

Electric ASHP heating is much more efficient and cost-effective than fuel heat technology, delivering up to three times more energy than the electricity it uses.

**PUMP UP YOUR SAVINGS WITH AN AIR-SOURCE HEAT PUMP!**

Contact our Energy Experts at 218-745-4711 for more information.

**ENERGY EFFICIENCY**

**TIP OF THE MONTH**

Want to light up your outdoor space without increasing your energy use? Try outdoor solar lights! They’re easy to install and virtually maintenance free. Remember, solar lights work best when the solar cells receive the manufacturer’s recommended hours of sunlight.

*Source: energy.gov*

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**Tree planting safety**

When landscaping property, remember that trees can grow into electric lines and cause power interruptions. The best way to prevent problems is to plant the right tree in the proper location. Before planting, consider the mature size, height and crown characteristics of trees. For example, a 4-foot-tall, 2-foot-wide tree could grow to 60 feet tall and 30 feet across at maturity. Knowing this information before you plant can help you choose the best location for your tree.

**Important:** Do not allow trees, bushes or plants of any size to grow directly under electric lines. This foliage could interfere with PKM crews performing maintenance or repair.

**Planting near pad-mounted transformers**

In areas with underground electric service, do not plant shrubs or other foliage around pad-mounted transformers. This foliage will make repair or maintenance work difficult for PKM crews. Dense growth around these transformers can also provide a home for undesirable wildlife and insects.

Ten feet of clearance is needed in front of equipment so crews can safely open it. Some larger pad-mounted switchgear will require 10 feet of clearance in the front and back.

**Wise tree choices**

Plant trees that will grow up to 25 feet tall at least 10 feet from power lines. Trees up to 40 feet tall should be planted 20 feet from lines. Those over 50 feet tall should be planted 50 feet away.

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**Electrical Inspectors**

**Marshall and Polk Counties**

Bryan Holmes  
218-686-1413

Wayne Bergstrom  
701-520-9771

**Kittson County**

Wayne Bergstrom  
701-520-9771

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PKM News • July/August 2019
while not common, extended power outages can occur. Generators are an excellent way to provide standby power in the event of an outage, provided you follow safe practices. The following information provides tips for sizing a generator, the safe transfer of electricity and general safety rules for portable and automatic generators.

First, you need to decide whether you need a portable generator or an automatic generator with a code-approved transfer switch. The choice depends on lifestyle needs. For some, a portable generator for keeping the sump pump and refrigerator running is sufficient while crews work to restore power. Some members choose more encompassing solutions like a larger generator hooked up to a grade level transfer switch. In all cases, the generator manufacturer or an electrician are excellent choices for sizing the generator. In fact, most generator manufacturers have sizing calculators on their websites.

Generator sizing

When sizing a generator, you need to know two key terms – startup watts and running watts. The generator needs to be sized for both. Reactive loads (loads with a motor) require more power to start, but less power to run continuously. Examples of reactive loads are furnace fans, air conditioners, refrigerators, freezers, well pumps and sump pumps. Resistive loads require the same amount of power throughout. Examples of resistive loads include electric baseboard heaters, light bulbs, toasters and electric water heaters.

With generators, especially portable ones, you can still power key items of your home with a generator rated less than your overall startup load if you manage the times these loads are turned on based on their startup and running wattage.

So say you need to run a sump pump, refrigerator, furnace fan and a TV. The first three items have higher startup needs.

<table>
<thead>
<tr>
<th>Item</th>
<th>Starting wattage*</th>
<th>Running wattage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refrigerator</td>
<td>1,600</td>
<td>200</td>
</tr>
<tr>
<td>Sump pump (1/2 hp)</td>
<td>2,150</td>
<td>1,050</td>
</tr>
<tr>
<td>Furnace fan (1/4 hp)</td>
<td>1,600</td>
<td>600</td>
</tr>
<tr>
<td>Television</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

*Wattages are estimates only for this example.

Looking at the chart, you would think you need a 5,650-watt generator. However, you could get by with a lesser generator if you started the first three items at different times. That's because once the initial startup occurs, the wattage drops considerably. You could start your sump pump, then your furnace fan, then your refrigerator and finally the TV using a 4,000-watt generator.

As you can see, the choice of whether to purchase an automatic generator to power your whole house or purchase a portable and manage the load depends on your needs. If you choose an automatic standby generator, it is critical that an electrician or dealer sizes the generator to meet your home's load requirements and connects it safely.

Grade level transfer switch

Double-throw transfer switches are extremely important for safety reasons if you decide to use a generator to operate hardwired equipment like furnaces and water heaters (loads that are directly wired into a breaker on your service panel). They ensure the power lines do not become energized when the generator is operating. Backfeeding is extremely dangerous and can kill lineworkers working on power lines or damage equipment, including your generator.

Transfer switches serve as a service disconnect for standby generators. They safely disconnect utility lines and transfer load to the generator, which is wired into the transfer switch. The member can then safely use the generator to power their electric load.

PKM Electric Cooperative provides to members a grade level transfer switch (100 amp or 200 amp) that includes a 50-amp twist lock receptacle to plug in your generator. Cord ends to match the receptacle are available for purchase at the PKM office or you can contact your local electrician.

Lineworkers will make the appropriate connections to the co-op's power lines. The member's electrician makes the connections to member lines. The cooperative will maintain this equipment at no charge for five years after the date of installation except for
While your cooperative works hard to prevent power outages, wind, lightning and severe weather cause occasional electric service interruptions. It is a good idea to color code circuits on the service panel that are necessary to operate during an outage. That way, when an outage occurs, you can make sure those breakers are on in the panel and all the other breakers are off. This way, a properly sized generator can handle the load of those necessary circuits.

There are other options for acceptable and safe transfer of load to a generator. You will need to contact a licensed electrician to discuss those options.

**Generator safety**

Proper use of a standby or portable generator is a must! A standby generator installation must have an approved double-throw transfer switch for two reasons:

- It does not allow electricity from the generator to flow back into the power lines. Without this, 120/240-volt electricity may feed back to your transformer, where it would be stepped up to 7,200 volts. This would put crews, and anyone who assumes the line is de-energized, in danger.
- It protects your generator from damage when power is restored.

Always follow the manufacturer’s instructions and contact a licensed electrician.

**Portable generators**

- Under no circumstances should portable generators be used indoors, even with ventilation. The primary hazards are carbon monoxide, toxic fumes, electric shock or fire.
- Always follow the directions supplied with the generator.
- Plug appliances directly into the generator, or use a properly rated outdoor extension cord.
- Never try powering the house by plugging the generator into a wall outlet, known as backfeeding. This is extremely dangerous and puts lives at risk.

**Stay away from downed power lines**

While your cooperative works hard to prevent power outages, wind, lightning and severe weather cause occasional electric service interruptions.

If you see a downed power line, make others in the area aware of the situation and call your power company immediately to report the problem.

Assume fallen wires are live wires and might be dangerous. Don’t touch anything that may be in contact with the downed wire. Driving over fallen lines can result in damage to your car’s tires.

If a wire falls on your car and you’re in the vehicle, stay inside the automobile if possible. If you must get out of the vehicle, jump clear of the car with both feet together. If one foot is in the energized car and the other foot is in contact with the ground, your body will act as a conductor of electricity, which can cause injury or death. In addition, contact with overhead wires or an object touching the line can cause serious injury or death.

**Source: Safe Electricity**

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**Call 811 if you need underground power lines marked**

Homeowners need to remember that every digging job first requires a call to 811 at least two business days before digging to get utility lines marked.

The depth of utility lines varies and there may be multiple lines in a common area. Digging without calling can disrupt service, harm you and those around you and potentially result in fines and repair costs. Calling 811 gets underground utility power lines marked for free, up to your main meter.

Underground power lines from the main meter inward, however, are the responsibility of the member. Homeowners need to call their local electrician or discuss options with the 811-contracted locator on-site to have their private lines marked.

Remember, before any digging project, you must call 811. When you call 811, you’ll be routed to the local Gopher State One Call center where they will lead you step by step through the process. You can also do this online at [www.call811.com](http://www.call811.com).

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**Safety Tip**

Water does not mix with electricity. When working outdoors, avoid damp conditions, including wet grass, when using electrical tools. Inspect power tools and appliances for frayed cords, broken plugs and cracked housing. Repair or replace them if damaged. Unplug outdoor tools, appliances and extension cords when not in use.
Tips for maintaining an efficient heating and cooling system

Ah, summer. Cookouts, swimming pools, camping—it’s the perfect time to enjoy the outdoors with family and friends. And when it’s time to come back indoors, there’s nothing better than that cool blast you feel from your home’s air conditioning unit.

Your heating, ventilating and air conditioning (HVAC) system is essential to keeping your home comfortable during summer months, and if it breaks down, it’s also the most expensive equipment to repair or replace. Luckily, there are simple steps you can take to lengthen the life of your HVAC system.

**CHANGE OR CLEAN FILTERS.** Dirty filters block airflow, which can greatly decrease the efficiency of your system. If your unit is in constant use or is subjected to dusty conditions or pet hair, consider checking filters more frequently.

**CLEAN THE HVAC UNIT.** Outdoor condenser coils can become clogged with pollen, dirt and small debris. Use a hose to spray the HVAC unit once each season to ensure maximum airflow. (Warning: Do not use a pressure washer to do this, as it can damage the equipment.)

**CLEAR SPACE AROUND THE HVAC UNIT.** Dryer vents, falling leaves and grass left behind from the lawnmower can create buildup. Remove any debris around the HVAC unit. If you have foliage near the unit, trim it back at least 2 ft. around the condenser to increase airflow.

If you want to evaluate the efficiency of your HVAC system, try this quick test pictured at right.

You should also have your HVAC system periodically inspected by a licensed professional. With a little maintenance along the way, you can add years to your system’s lifespan.

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**3-Step HVAC Test**

As summer temperatures rise, so do electric bills. Follow these steps to test the efficiency of your HVAC unit.

1. Using a digital probe thermometer (about $12), measure the temperature of the air being pulled into your HVAC filter.
2. Measure the temperature of the air blowing out of your A/C vent.
3. Subtract the A/C vent temperature from the HVAC filter temperature. You should see a difference of about 17 to 20 degrees. If the difference is less than 17 degrees, you may need a licensed technician to check the coolant. If the difference is greater than 20 degrees, your ductwork may need to be inspected for airflow restrictions.

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On the go and in control.

SmartHub is a web and mobile app that allows you to do business with us like never before:

- Manage your account
- View and pay your bill
- Monitor usage 24/7
- Report service issues
- Receive important notices

...All in the palm of your hand and online.

[www.smarthubapp.com](http://www.smarthubapp.com)
HARVEST SAFETY TIPS FOR FARMWORKERS

• **Maintain a 10-foot clearance** around all utility equipment in all directions.

• **Use a spotter and deployed flags** to maintain safe distances from power lines and other equipment when doing field work.

• **If your equipment makes contact with an energized or downed power line, contact us immediately** by phone and remain inside the vehicle until the power line is de-energized. In case of smoke or fire, exit the cab by making a solid jump out of the cab, without touching it at the same time, and hop away to safety.

• **Consider equipment and cargo extensions of your vehicle.** Lumber, hay, tree limbs, irrigation pipe and even bulk materials can conduct electricity, so keep them out of contact with electrical equipment.

*Source: Safe Electricity*
What makes an ASHP cooler than AC?
• Rad rebates up to $500
• Slammin' sustained savings
• Wicked warmth AND chill cooling for versatile year-round comfort

THE 1990s CALLED.
Your AC unit is out of style.

It’s time for an AIR-SOURCE HEAT PUMP.

Call member services at 218-745-4711 or 1-800-552-7366 to start saving today.

www.pkmcoop.com

Celebrate Co-op Month with us
Oct. 10th from 10 a.m. - 2 p.m.

Overall, co-ops are more accessible than other types of businesses. We give our members a voice, and we are local – living and working alongside those we serve. That’s the cooperative difference.

PKM Electric Cooperative is unique because it’s member-owned. We invite you to stop by our office in Warren for coffee, cider and cookies Oct. 10.

PRIZE DRAWING FOR KIDS!
Register now to win a Nintendo Switch. The child’s parent/guardian must be a PKM Electric Cooperative member.
ENTRY IS DUE BY NOV. 4, 2019.
Mail or drop off entry blanks.
Name: __________________________
Address: _________________________
Phone #: _________________________

Help us celebrate Co-op Month in October!

www.beltramielectric.com
Call member services at 218-444-2540 or 1-800-955-6083 to start saving today.
Cold Weather Disconnect Rule Notifications

216B.097 COLD WEATHER RULE; COOPERATIVE OR MUNICIPAL UTILITY

Subd. 1. Application; notice to residential customer. (a) A municipal utility or a cooperative electric association must not disconnect and must reconnect the utility service of a residential customer during the period between Oct. 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

(1) The household income of the customer is at or below 50 percent of the state median household income. A municipal utility or cooperative electric association may (i) verify income on forms it provides or (ii) obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.

(2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household.

(3) A customer receives referrals to energy assistance, weatherization, conservation or other programs likely to reduce the customer’s energy bills.

(b) A municipal utility or a cooperative electric association must, between Aug. 15 and Oct. 15 each year, notify all residential customers of the provisions of this section.

Subd. 2. Notice to residential customer facing disconnection. Before disconnecting service to a residential customer during the period between Oct. 15 and April 15, a municipal utility or cooperative electric association must provide the following information to a customer:

(1) A notice of proposed disconnection;

(2) A statement explaining the customer’s rights and responsibilities;

(3) A list of local energy assistance providers;

(4) Forms on which to declare inability to pay; and

(5) A statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 3. Restrictions if disconnection necessary. (a) If a residential customer must be involuntarily disconnected between Oct. 15 and April 15 for failure to comply with subdivision 1, the disconnection must not occur:

(1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;

(2) on a weekend, holiday or the day before a holiday;

(3) when utility offices are closed; or

(4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days’ written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility’s established appeal procedure, the utility must not disconnect until the appeal is resolved.

Subd. 4. Application to service limiters. For the purposes of this section, “disconnection” includes a service or load limiter or any device that limits or interrupts electric service in any way.

The Military Service Personnel, section 325E.028 of the Public Utilities Act, provides:

Section 1. 325E.028 UTILITY PAYMENT ARRANGEMENTS FOR MILITARY SERVICE PERSONNEL.

Subd. 1. Restriction on disconnection; payment schedules. (a) A municipal utility, cooperative electric association, or public utility must not disconnect the utility service of a residential customer if a member of the household has been issued orders into active duty, for deployment, or for a permanent change in duty station during the period of active duty, deployment, or change in duty station if such a residential customer:

(1) has a household income below the state median household income or is receiving energy assistance and enters into an agreement with the municipal utility, cooperative electric association, or public utility under which the residential customer pays 10 percent of the customer’s gross monthly income toward the customer’s bill and the residential customer remains reasonably current with those payments; or

(2) has a household income above the state median household income and enters into an agreement with the municipal utility, cooperative electric association, or public utility establishing a reasonable payment schedule that considers the financial resources of the household and the residential customer remains reasonably current with payments under the payment schedule.

(b) For purposes of this subdivision, “household income” means household income measured after the date of the orders specified in paragraph (a).

Subd. 2. Annual notice to all customers; inability to pay forms. (a) A municipal utility, cooperative electric association, or public utility must notify all residential customers annually of the provisions of this section.

(b) A municipal utility, cooperative electric association, or public utility must provide a form to a residential customer to request the protections of this section upon the residential customer’s request.

Subd. 3. Application to service limiters. For the purpose of this section, “disconnection” includes a service or load limiter or any device that limits or interrupts electric service in any way.

Subd. 4. Income verification. Verification of income may be conducted by the local energy assistance provider or the municipal utility, cooperative electric association, or public utility unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below the income eligibility in subdivision 1, clause (1).

Subd. 5. Appeal process. (a) The municipal utility, cooperative electric association, or public utility shall provide the residential customer with a commission-approved written notice of the right to appeal to the commission or other appropriate governing body when the utility and residential customer are unable to agree on the establishment, reasonableness, or modification of a payment schedule, or on the reasonable timeliness of the payments under a payment schedule, provided for by this section. Any appeal must be made within seven working days after the residential customer’s receipt of personally served notice, or within ten working days after the utility has deposited first class mail notice in the United States mail.

(b) The utility shall not disconnect service while a payment schedule is pending appeal, or until any appeal involving payment schedules has been determined by the commission.

Subd. 6. Enforcement. This section may be enforced pursuant to chapter 216B. The purpose of this notice is to inform you of your rights and responsibilities under section 325E.028, Utility Payment Arrangements for Military Service Personnel. These rights and responsibilities are designed to help you meet payment of your utility bills. You must act PROMPTLY; if you choose not to assert your rights or choose not to enter into a mutually acceptable payment schedule, your service may be disconnected.

Your responsibility is to declare inability to pay by completing our inability to pay form and to return to PKM Electric within 10 days. Your responsibility to provide documentation to PKM Electric that your household income is less than 50 percent of the state median level.

You have the right to a mutually acceptable payment schedule with PKM Electric. This payment schedule will cover your existing overdue bill plus your estimated use during the payment schedule period. If you are able to pay but still wish to enter into a payment schedule, contact PKM Electric to make such payment arrangements.

You have the right not to be involuntarily disconnected on a Friday or the day before a holiday. Your responsibility, if you choose to appeal, is to mail or hand deliver the letter of appeal stating your situation and issues in dispute. Your letter of appeal must be in our hands before the day of disconnection. The PKM Electric Board of Directors will review your appeal after it is received. If you want to be present at the appeal, you must call the cooperative for the date and time of the appeal review.

If you need help paying your electric bill, you may qualify for state or federal fuel assistance. For complete qualifications, applications and information, contact your local county social services or community/citizens action council listed above. These organizations may also provide budget counseling.
A regular meeting of the board was held Tuesday, May 28, 2019.

Tom Wnorowicz, president who presided, asked for roll call. Upon calling the roll, the secretary reported that all directors were present with the exception of Director Folland. The president discussed recent MREA activities, noting details of the most recent special legislative session were still being gathered by the MREA staff members. When available, he will distribute them to the directors via email.

In the absence of Director Folland, CEO Mike Schmidt provided an update of recent Minnkota Power Cooperative business. MPC will begin billing for power factors to remain compliant with the wholesale power agreement. Basin will be presenting a proposal for after-hour dispatch services to the Minnkota member cooperatives. Director Aakre reported on recent Square Butte activities highlighting the 100% availability of Young 2 in April and above average margin for the same reporting period in comparison to last year. The next meeting will be held the following week.

Director Owens reported on his attendance at the Red Lake Electric Cooperative annual meeting in April. He encouraged directors and staff to attend our neighboring cooperative annual meetings if able. He reported that RLEC is undergoing many changes, including a newly hired general manager, software system change and the installation of AMI metering. Director Owens also spoke highly of the guest speaker, Tom Goetz, who spoke to the members on distracted driving.

Upon motion duly made by Director Malm, seconded by Director Aakre and unanimously carried, an executive session was called. The president returned the meeting to regular order concluding the executive session at 9:20 a.m.

Line superintendent Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. He updated the directors of a few internal changes within the department. He referenced the three-year margin for the same reporting period in comparison to last year. The president discussed recent MREA activities, noting details of the most recent special legislative session were still being gathered by the MREA staff members. When available, he will distribute them to the directors via email.

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The first quarter financials of the cooperative were received and accepted. The board approved and adopted the proposed policy. The board approved and adopted the policy contents outlined in the Separation of Employment Policy Bulletin 1-10 effective May 28, 2019, and a copy of Policy Bulletin 1-10 was appended to the official minutes of the meeting.

An additional policy bulletin was presented to the PKM board of directors for review. Prior discussion prompted staff, the Policy Bulletin Committee and cooperative legal counsel to draft a policy bulletin addressing the consequences of a DUI offense during active employment for an employee whose position description requires a valid driver’s license and/or CDL. Further discussion of the policy details will be brought to the June meeting.

The third year of a three-year union contract in which wages-only

Federal Legislators
President Donald Trump
The White House
1600 Pennsylvania Ave. NW
Washington, D.C. 20500
www.whitehouse.gov
president@whitehouse.gov
202-456-1100

Senator Amy Klobuchar
425 Dirksen Senate Building
Washington, D.C. 20510
www.klobuchar.senate.gov
202-224-3244
1-888-224-9043 (Minnesota office)
Fax: 202-228-2186

Congressman Collin Peterson
2204 Rayburn House Office Building
Washington, D.C. 20515
www.peterson.house.gov
202-225-2165
Fax: 202-225-1593

State of Minnesota Legislators
Governor Tim Walz
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Representative Deb Kiel
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Northwest Community Action
PO Box 67
Badger, MN 56714-0067
(218) 528-3258 or 800-568-5329
northwestcap.org

Tri-Valley Opportunity Council, Inc.
1407 Erskine Street
Crookston, MN 56716
(218) 281-9080
Toll Free (866) 264-3729

PKM Electric Cooperative Political Leaders

Problems paying your electric bill?
Energy assistance may be available!
If you are receiving a low income or suffering from a temporary financial shortfall, these agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.

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St. Paul, MN 55155
651-298-5782
sen.mark.johnson@state.mn.us

Representative Dan Fabian
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PKM News • July/August 2019
PKM recently received the finalized Federated Rural Electric Insurance 2019 Safety and Loss Prevention Assessment. The reporting period reviewed was 03/01/18 through 02/28/2018. The review indicated PKM has successfully implemented and established programs for safety and loss prevention and these programs address issues that are of concern to Federated Rural Electric Insurance Exchange.

Subsidiary financial and informational updates were presented by the CEO. He recently attended board meetings for both subsidiaries, disclosed pertinent information and responded to questions from the directors. A listing of the 2019 scholarship recipients was shared with the directors.

A regular meeting of the board was held Tuesday, June 25, 2019.

Tom Winaowski, president who presided, asked for a roll call. Upon calling the roll, the secretary reported that all directors were present.

The president discussed recent activities from the MREA board meeting held in Two Harbors, Minn., on June 18, 2019, including a detailed report on how the 2019 legislative session wrapped up. He also shared presentation highlights from MREA’s guest speaker, Julie Pierce of Minnesota Power, regarding ongoing energy supply transition goals and a partnership with Dairyland Power Cooperative to build a combined cycle natural gas plant projected to be online in 2025. The request from Minnesota Cooperatives to strengthen MREA’s role in cooperative governance and communication was also discussed.

Director Aakre reported on his attendance at the Square Butte Cooperative board meeting held June 7, 2019. He mentioned the selection of an auditor is in process. Information from Project Tundra, including a projected timeline, was also shared. Young 2 reported 89% output with no lost time for over 1,000 days at the plant. There is a six-week outage planned for this fall.

Line superintendent Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. Highlights from his report included MREA-led pole-top and bucket rescue safety training on June 6, recent construction for an irrigation and a grain bin site and pending construction for the service near Halma. There were 3,898 connected members reported for the end of May, representing a net gain of 35 from the same period last year.

The manager of member services provided an update to directors regarding recent activities within his department. Meter and repeater change-outs remain his priority, especially off-peak meters. His new truck has arrived but will take some time to have it fully operational.

The CFO reported to the directors on recent activity within the office including the annual visit from Caryn Alexander from MREA to discuss the valuable PKM employee benefits and features accessible on cooperative.com. Cross-training continues in office with employees accepting and eager to learn new responsibilities. RUS GFR, Denver Schlaeppi, was here June 14, 2019, for the annual Civil Rights Review. She also provided an overview to the directors of a new law effective Aug. 1 called “Wage Theft Law” and its impact to the cooperative.

The CFO continued with the presentation of the Operating and Financial Report for the cooperative. May revenue sales were slightly higher than budgeted and 2018 reported sales; however, expenses exceeded budget which reflects in the reported margins. Key three-year historically graphed data was discussed in detail, noting weather heavily impacts financial outcomes. There was a request made for further expense-detail elaboration to be brought forth to the next meeting.

The CEO referenced his written report outlining recent meetings he has attended and noting pertinent information is included for discussion as business agenda items.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports was addressed.

Upon motion duly made by Director Malm, seconded by Director Aakre and unanimously carried, an executive session was called. The president returned the meeting to regular order concluding the executive session at 10:20 a.m.

The CEO has delivered the drafted DUI policy to the local union representative for discussion. No action was necessary at this time.

The proposed financial policy reviewed in detail by the policy bulletin committee was presented for discussion and adoption. The committee recommended existing policy bulletins 10-1.8: Collection Policy – Electric Service Billings and 10-2.8: Security Deposits be rescinded with their contents combined to form one, cohesive policy. The policy objective is to outline electric service collection procedures, reduce uncollectible debts from final bills and reduce additional expenses due to the collection of delinquent accounts relating to billed electric usage. Payment collection processes and an adjusted schedule of charges, specifically “Late Payment Charge Per Month,” are outlined in the policy. The board rescinded Policy Bulletins 10-1.8: Collection Policy – Electric Service Billings and 10-2.8: Security Deposits, approved and adopted the policy contents outlined in the Collection Policy Bulletin 22-1 effective June 25, 2019, and a copy of Policy Bulletin 22-1 was appended to the official minutes of this meeting.

The proposed financial policy reviewed in detail by the Policy Bulletin Committee was presented for discussion and adoption. The committee recommended existing policy bulletins 11-1.1: Reports to the Board – Audit Report and 11-1.2: Reports to the Board – Operating Budget be rescinded with their contents placed into one, cohesive policy 24.2: Financial Policy. The policy objective is to provide guidelines and direction from the board of directors to management in order to maintain a sound financial position and provide for the security of the financial resources of the cooperative. The cooperative has an obligation to its members to ensure the financial integrity of the cooperative so that it can provide high-quality electric service at the lowest possible long-term cost consistent with prudent business practices not only for today, but long into the future.

Following discussion, upon motion duly made by Director Goodwin and seconded by Director Hatton, the board rescinded Policy Bulletins 11-1.2: Reports to the Board – Audit Report and 11-1.1: Reports to the Board – Operating Budget, approved and adopted the policy contents outlined in the Financial Policy Bulletin 24-2 effective June 25, 2019, and a copy of Policy Bulletin 24-2 was appended to the official minutes of this meeting.

The Policy Bulletin Committee addressed numerous, minor verbiage changes to existing bulletins. The recommended changes included a management title change from general manager to CEO; replacing “he/him” with gender neutral references “he/she or him/her”; replace all member references “patron, customer, consumer, member or owner” to “member/owner.” Adding applicable phrases and current cost of living factors to existing policies were also items addressed during review.

The committee made the recommendation to the PKM board of directors to adopt these changes as presented in a blanket resolution. The policies for consideration include: 1-2: CEO & Board of Directors Relationships; 1-3.4: Non-Union Vacation Leave; 1-4.6: Employee Retirement & Insurance Benefits for Group 24-397 (Non-Union) & Group 24-508 (Union); 1-5.1: Employee Clothing Allowance; 1-6: Annual Employee Physical; 1-8: Smoking & Vaping; 2-1.9: Union Sick Leave; 2-2: Accounts Receivable – Disposition of Resale Items; 2-3.1: Accounts Receivable – Advance Payment Requirements; 2-6: Patronage Capital Credits for Decreased Members, Corporations in Liquidation & Termination of Partnerships; 2-8: Anti-Nepotism; and, 2-9.1: Code of Conduct.

Following discussion, upon motion duly made by Director Hatton and seconded by Director Beaudry, the board approved and adopted the policy bulletin recommendations outlined by the Policy Bulletin Review Committee with the use of a blanket resolution effective June 25, 2019, and a copy of these policy bulletins was appended to the official minutes of this meeting.

The permits are in order for the service construction near Halma and the job is moving forward.

Subsidiary financial and informational updates were presented by the CEO. The Karian/Peterson meetings have been increased to a monthly schedule with the next face-to-face meeting to be held at the REMA CEO conference in September.

### Statistical and financial report

#### Year-to-date: June 2019

<table>
<thead>
<tr>
<th></th>
<th>Last Year</th>
<th>This Year</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>$ 7,175,567</td>
<td>$ 7,329,986</td>
<td>$ 6,906,284</td>
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<tr>
<td>Total expense</td>
<td>$ 6,330,641</td>
<td>$ 6,414,560</td>
<td>$ 6,417,722</td>
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<tr>
<td>Net operating margins</td>
<td>$ 356,527</td>
<td>$ 84,976</td>
<td>$ 188,031</td>
</tr>
<tr>
<td>Total kWh sold</td>
<td>61,212,469</td>
<td>60,871,450</td>
<td>60,063,417</td>
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<tr>
<td>Avg. kWh sold per member</td>
<td>2,659</td>
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<tr>
<td>Line loss</td>
<td>3.4%</td>
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<td>Del. cost per kWh purchased</td>
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<tr>
<td>Average sale price per kWh</td>
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<td>12.04¢</td>
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<tr>
<td>Percent kWh sales increase</td>
<td>5.87%</td>
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<td>Members billed</td>
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<td>3,873</td>
<td></td>
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<tr>
<td>Miles of line in service</td>
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**Net operating margins**

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**Financial Report for the cooperative.** May revenue sales were slightly higher than budgeted and 2018 reported sales; however, expenses exceeded budget which reflects in the reported margins. Key three-year historically graphed data was discussed in detail, noting weather heavily impacts financial outcomes. There was a request made for further expense-detail elaboration to be brought forth to the next meeting.

**PKM News • July/August 2019**
When the cows are looking for extra feed, Mike and Linda’s robots get rolling. When the milking process needs to be safe and reliable, they have the technology. When the supply data is flowing fast, they’re connected.

They have the passion. They have the purpose. They have the power.

Electricity makes these dairy farmers COMMUNITY PROVIDERS.