

# REMEMBERING Jason Johnston



Jason Johnston, who was killed Nov. 20, 2016, and his children Callie and Andrew.

## Friends haul grain for family of Minnesota farmer killed in crash

By Jonathan Knutson - Agweek staff writer

**SHERACK, Minn.** – Jason Johnston loved farming and his family. And he didn't hesitate to help others when they needed it, says Gretchen Schmaltz, his sister.

Earlier this month, over three bitterly cold days, more than two dozen of his friends and relatives did the same for Johnston, 42, who was killed Nov. 20, 2016, in a pickup-deer accident. Before his death, Johnston had committed to hauling more than 100 truckloads from his farm at Sherack, Minn., to the ethanol plant in Casselton, N.D., a one-way trip of more than 100 miles.

"We (several family members) were wondering, how are we going to haul all this corn to Casselton? Then his friends said, 'We'll help,'" Schmaltz says.

And they did. On Jan. 5, 6 and 9, with temperatures falling to more than 20 below, they hauled 90 loads of corn to Casselton. "Seriously, it was 90 loads in just three days," Schmaltz says.

"It went fairly smoothly," she says. "A couple trucks jelled up. There were some auger issues. But they were all there helping each other, and helping to get it done for Jason, too. It was pretty phenomenal."

Schmaltz provides this list, which she says may not be complete, of those who helped with the corn: Dave Garry (multiple trucks), Gary Johnston, Lane Johnston, Jay Johnston, Glenn Barrett, Goodwin Farms (multiple trucks), Stroble Farms (multiple trucks), Pulkrabek Farms (multiple trucks), Tony Pulkrabek, Jordan Pulkrabek, Justin Halverson, Jason Kazmierczak, Kevin Jeuch, Danny Jeuch, Steve Dahlin, Nathan Wesolowski, Bob Wimpfheimer, Ben Weiland, Kenny Nultemeier, Timmy Seydel, Paul Novacek, Derek Peterson and John Rudnik.



**Callie and Andrew Johnston Education Benefit**  
**Saturday, April 1 – 5:30 to 8:30 p.m.**  
**American Legion, East Grand Forks, Minn.**



(article continued on page 7)





# Clean Power Plan redux

**CHARLES RIESEN**  
Manager

*PKM Electric Cooperative*

Last year at this time we talked about EPA's Clean Power Plan (CPP). The federal rule was fresh off a decision from the Supreme Court that stayed the implementation and sent it back to the appeals court (where it is today). We had a Supreme Court justice die in office, a new administration and a nomination for a new associate justice to the Supreme Court.

What will come of all of this? At this point people smarter than myself can only speculate. Some are saying we have only "bought time." I'm waiting for someone, anyone, to say we have a chance to drive a stake in the heart of the CPP.

It wasn't that long ago that 50 percent of the nation's electricity came from coal generation. Today it is hovering near 30 percent. I remember the first slide at the Minnesota Pollution Control Agency meeting in Bemidji (nearly a year ago today) saying "Coal is the largest contributor to climate change." Let us set that aside. That statement is "fake news." The media have never distinguished between naturally occurring CO<sub>2</sub> and anthropogenic CO<sub>2</sub>. Well, they have another problem on their hands, coal is no longer the biggest contributor to "anthropogenic" CO<sub>2</sub>; it is transportation.

My big project is to see that the Minnesota PCA doesn't get to start up its compliance plan for the Clean Power Plan. Failing at that, I will at least make sure they change their leadoff slide.

## Nomination committee

As with each annual meeting of your cooperative, three directors (one from each county served by the cooperative) will be elected at the annual meeting. The nominating committee will meet during the first week in March and their names are listed in this issue of the *News*. The bylaws provide for two additional methods to become a candidate other than the nominating committee, and that is by

petition of 15 member-owners 20 days prior to the meeting and by nominations from the floor at the meeting.

## Former PKM employee dies in vehicle accident

Steve Kotts, PKM lineman from 1969-73, died in a vehicle accident. Over his brief employment at PKM, Steve worked with former classmates Ron Abrahamson and Robert Baird. Steve continued in line work, working for contractors, cooperatives in Colorado and a utility in Washington state. I'm one of the remaining employees who remembers Steve, but all who knew him are saddened by his passing.

**4 WAYS TO PAY**

- 1 IN PERSON**  
Located in Warren, Minn., at 406 North Minnesota St. or utilize our drop box outside the building during nonbusiness hours.
- 2 ACH (Automated Clearing House)**  
A monthly bank draft directly from your checking account taken on the 10<sup>th</sup> of every month.
- 3 SMARTHUB**  
Convenient account access where you can manage payments, check your usage and receive emails from PKM when your bill has been calculated.
- 4 BY MAIL**  
Send the payment in the envelope provided with your monthly statement to PKM Electric, Inc., P.O. Box 108, Warren, MN 56762.

**Electrical Inspectors**

**Marshall County**  
Scott Stenvik  
16409 State Hwy 1 N.W.  
Thief River Falls, MN 56701  
218-689-5406

**Kittson County**  
Wayne Bergstrom  
701-520-9771

**Polk County**  
Bryan Holmes  
218-686-1413

**January/February 2017**

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**Electrical after-hours emergencies**  
218-745-4711 or 800-552-7366  
e-mail: infopkm@minnkota.com  
website: [www.pkmcoop.com](http://www.pkmcoop.com)

**Next Board Meeting:**  
Tuesday, February 28, 2017

**Officers and Directors**

President ..... Tom Woinarowicz  
Vice President ..... Michael Beaudry  
Secretary-Treasurer ..... Gordon Bernstrom  
Directors ..... Paul Aakre, Jeffrey Folland, Steve Goodwin, Mark Hatton, Wayne Malm and Blake Owens  
Manager ..... Charles Riesen  
Editors ..... Jeff Rustad, Chelsy Davey





# Legislature back in session

## MINNKOTA ADVOCATING FOR RURAL ELECTRIC MEMBERS

Lawmakers returned to St. Paul and Bismarck in early January for a pivotal legislative year packed with issues important to electric cooperatives.

Minnkota Power Cooperative, PKM Electric's wholesale power provider, is keeping an eye on industry-related legislation and advocating for a balanced approach to meeting reliability, affordability and environmental goals in Minnesota and North Dakota. Ensuring the voice of the membership is heard on these issues starts well before each session, according to Stacey Dahl, Minnkota external affairs and communications manager.

"Our engagement in the political process doesn't take place every two or four years during election cycles," Dahl said. "It is a critical part of everything we do – both at the state and federal levels. Telling and retelling our story is a year-round effort."

The 2017 sessions feature many new faces following the November elections. In Minnesota, Republicans now control both houses. The GOP gained a 34-33 seat advantage in the Senate and an expanded 76-57 majority in the House. In North Dakota, Republicans bolstered their House and Senate majorities, reducing the number of Democrats in the 141-member Legislature to 22.

Minnkota remains committed to working with lawmakers on both sides of the aisle for the betterment of the cooperatives it serves in eastern North Dakota and northwestern Minnesota.

The Minnesota Legislature has a lot

of unfinished business from last year's session, including a tax bill, bonding bill and transportation bill. In addition to these bills, Gov. Mark Dayton and the Legislature must also pass a two-year budget.

For Minnkota, a significant focus is on Local Democracy legislation. Currently Minnesota Statute allows the state's Public Utilities Commission (PUC) to re-regulate decisions made by member-elected cooperative boards. This overregulation is unnecessary and provides no benefit to the member-owners of the electric cooperative.

Recent regulatory action at the PUC involving cooperatives could have been resolved locally without the cost and time of PUC proceedings. Several PUC commissioners have noted that these issues should be handled locally working directly with cooperative boards.

"The current regulatory process is stopping innovation and increasing costs for member-owners of electric cooperatives," Dahl said. "As member-owned electric cooperatives, each member elects a local regulator to serve on the board. These governing boards are responsible for setting rates, fees and charges that reflect the unique needs of the communities the cooperative serves."

Minnkota is also monitoring proposed changes to Minnesota's Stray Voltage Guide and the transmission tax calculation.

"In the current political climate, public policy continues to play a critical role in our industry," Dahl said. "It's more important than ever that we find ways to

participate in the political process. We must do all we can as cooperatives to preserve and protect the vital service we provide to our membership."

With all of its electric generation resources located in North Dakota, Minnkota is active in that state's legislative session, too. The cooperative is working with newly elected Gov. Doug Burgum and the Legislature on advanced energy research and development funding to preserve the state's existing coal power plants, as well as provide options to build the next generation of power facilities.

Minnkota continues to evaluate the feasibility of Project Tundra, which proposes to retrofit Unit 2 at the coal-based Milton R. Young Station with postcombustion carbon capture and sequestration technology. The proposed \$1.1 billion project aims to transport the captured CO<sub>2</sub> by pipeline and use it for enhanced oil recovery.

"We continue to explore technological solutions, like Project Tundra, to help us find a path forward in a carbon-constrained future," Dahl said. "We've been pressing hard in meeting with legislators to urge the state to assist utilities with those R&D efforts and preserve what is a critically important industry to the region."

Outside of R&D funding, Minnkota is supporting an act separating transmission lines from natural gas lines in the regulatory process, and another effort to preserve the current property tax structure for cooperatives.



# New year. Same great rebates.

**Add home comfort and energy efficiency to your New Year's resolutions with help from PKM Electric Cooperative and PowerSavers**

Millions of Americans start each January with New Year's resolutions that may make it to the end of the month. This year, set a resolution that's easy to keep. Make your home more comfortable and energy efficient with help from PKM Electric Cooperative. Great rebates and incentives have been extended through 2017 to help you upgrade your heating and cooling system, water heater, lighting and other electric appliances.

(Offers may require inspection and are subject to change at any time.)

Not sure where to start? Contact PKM Electric Cooperative for expert advice on improving your home's energy performance.

Take a look at our rebate list below to see which resolution you'll check off your list this year.



## Heating and cooling system rebate checklist

*Must be on off-peak.  
Combined heating and cooling rebate maximum of \$600.*

### Electric plenum heaters

Easily converts your existing fossil fuel furnace into a dual-fuel heating system. You are able to use the most efficient, cost-effective heating source – fossil fuel or electricity – at any time.

**Electric Heat rebate:** \$20 per kilowatt (kW), maximum of \$600

**PowerSavers rebate:** \$500 if installed with ENERGY STAR®-rated air-source heat pump. Must modulate to allow ASHP to operate down to 5 degrees F, and be on off-peak.



### Electric thermal storage heaters

Draws electricity during off-peak hours when it is cheaper. Heat is stored in specially designed bricks to provide comfort 24 hours a day.

**Electric Heat rebate:** \$20 per kW, maximum of \$600

**Steffes ETS rebate:** \$20 per kW, maximum of \$500

**PowerSavers rebate:** \$500 if installed with ENERGY STAR®-rated air-source heat pump. Must modulate to allow ASHP to operate down to 5 degrees F, and be on off-peak.



### Air-source heat pumps (including mini-split ductless option)

Works just like a central air conditioner in the summer. In the fall and winter, they provide super-efficient supplemental heat.

**Electric Heat rebate:** \$100 per ton, maximum of \$600

**PowerSavers rebate:** \$400-500 depending on efficiency ratings



### Geothermal heat pumps

Provides the highest efficiency for space heating and cooling available today. The system transfers heat to and from the earth using only small amounts of electricity.

**Electric Heat rebate:** \$200 per ton, maximum of \$600

**PowerSavers rebate:** Open loop, \$200 per ton, maximum of \$2,500. Closed loop, \$400 per ton, maximum of \$5,000. Must meet program efficiency requirements.



### Underfloor electric heating

A popular off-peak option because the system transfers consistently across the floor to reach people and objects, providing both comfort and efficiency. Applications include electric boiler with hydronic tubing or electric cables or mats.

**Electric Heat rebate:** \$20 per kW, maximum of \$600



### Other electric heating systems

Options include electric baseboard, cove heaters and more.

**Electric Heat rebate:** \$20 per kW, maximum of \$600



## Electric water heater rebate checklist

*Must be on off-peak (85 gallon or larger)*

### New building construction

#### Free 85 gallon

100 gallons or greater

*See PKM for details.*

55 gallon or less

**Water heater rebate:** \$100



### Existing building

100 gallons or greater

**Water heater rebate:** \$200

**PowerSavers rebate:** \$150

85 gallon

**Water heater rebate:** \$150

**PowerSavers rebate:** \$150

55 gallon or less

**Water heater rebate:** \$100

**Bonus rebate:**  
Add \$250 if converting from natural gas or propane



## Other ways to save on heating and cooling:

- Install a programmable thermostat. **PowerSavers rebate: \$25 per unit**
- Tune up your central air conditioner or air-source heat pump. **PowerSavers rebate: \$25 per unit**
- Install a furnace air handler with ECM blower. **PowerSavers rebate: \$100 per unit**

### Existing homes only:

- Seal air leaks. **PowerSavers rebate: 30% of sealing cost, maximum incentive \$300 (Preblower and postblower tests required)**
- Insulate and air seal your attic. **PowerSavers rebate: 30% of sealing cost, max. \$500. (Must include air sealing. Improved from R-30 or less to R-50. Attic knee walls insulated to a minimum of R-25 up to R-30.)**
- Add wall insulation. **PowerSavers rebate: 30% of insulation cost, max. \$500. (Wall insulation improved from R-5 or less to R-11 or higher. Attic knee walls excluded.)**



## Apply now for a PKM scholarship!

Individuals in PKM's service area who are members of the cooperative, their spouses or children.

• Applicants planning to attend an accredited postsecondary educational institution in pursuit of their initial postsecondary degree. These institutions could include technical colleges, universities or colleges.

• Eligible applicants include high school seniors, active college students enrolled in an accredited institution in pursuit of their initial degree and nontraditional students who are initiating or resuming their initial postsecondary degree. Nontraditional students include "older than average students" or individuals who did not begin a program after high school. This could also include students whose first postsecondary degree was interrupted.

**Deadline:  
April 15, 2017**

*Applications available at local schools, PKM office or online at [www.pkmcoop.com](http://www.pkmcoop.com)*

### **Appliance rebate checklist** *Must be ENERGY STAR®-approved*

- Clothes washer

**PowerSavers rebate:** \$50 per unit

- Clothes dryer

**PowerSavers rebate:** \$50 per unit

- Refrigerator or freezer

**PowerSavers rebate:** \$25 per unit  
**Additional rebate** for recycling/disposal of old unit: \$25



### **CFL and LED light bulb rebate checklist**

*ENERGY STAR®-recommended.  
Rebate up to dollar amount listed per bulb or 75% of the purchase price.*



- Replace incandescent bulb with screw-in CFL

**PowerSavers rebate:** \$2 per bulb

- Replace incandescent bulb with screw-in LEDs

**PowerSavers rebate:** \$4 per bulb (40-60 watts)

**PowerSavers rebate:** \$8 per bulb (65 watts or greater)

**PowerSavers rebate:** \$8 per install of fixture/replacement kit

- Install LED outdoor fixtures (dusk-to-dawn operation required)

**PowerSavers rebate:** \$20 per fixture (40 watts and under)

**PowerSavers rebate:** \$40 per fixture (greater than 40 watts)



### Energy Efficiency Tip of the Month



replacing incandescent bulbs with LEDs and washing clothes in cold water can help control energy costs. — Source: *TogetherWeSave.com*

Electric bills increase during the winter for a variety of reasons – holiday gatherings, houseguests and shorter days and longer nights. Small measures, like turning down your thermostat,

## DIGGING SOON?



Visit [www.call811.com](http://www.call811.com) for more information.

## Marathon®

*Hot water and savings for life!*

PKM Electric Cooperative members can save on their electric bills when they purchase an 85- or a 105-gallon Marathon water heater and hook it up to the off-peak cycled water heater program. Not only will you receive up to a \$450 rebate, but you'll also save a minimum of \$132 per year off your electric bill with our off-peak cycled program.

**For information and pricing, call PKM Electric Cooperative  
218-745-4711**



# Ensuring reliability

## Young 2 major outage completed

(Large photo) To address a boiler tube thinning issue, a worker uses a grinder to provide an acceptable surface for the weld overlay.

**P**roactive maintenance strategies at the Minnkota Power Cooperative-operated Milton R. Young Station helped identify a potential equipment failure before it could occur.

A large section of waterwall tube thinning was detected during one of the most extensive boiler condition assessments in the 40-year history of Unit 2. The inspection was conducted during a major scheduled maintenance outage that began Sept. 10. Addressing the thinning tube issue, which was caused by corrosion, required an additional nine weeks of outage time beyond the original project schedule.



Paul Koedam, maintenance supervisor, inspects the HP-IP turbine blades during the Unit 2 major outage.

The 455-megawatt (MW) coal-based plant, located near Center, N.D., returned to full service Dec. 24 – just in time for the winter season when Minnkota, PKM's wholesale power provider, experiences a high demand for electricity.

“Even with all of the negatives associated with such an event, we’re still thankful the corrosion was identified and that we can manage it on our own terms,” said Craig Bleth, environmental manager. “We’re grateful to have the support of management and our members to make these repairs; to have capable staff members to manage the repairs and that we were able to mobilize a highly-qualified weld overlay contractor very quickly.”

The repair process included sandblasting and grinding to remove sulfide contamination and provide an acceptable weld surface for the overlay. At its peak, about 40 weld overlay machines were working in the boiler with multiple activities progressing concurrently. Following completion of the work, ultrasonic scans were conducted to verify that the tubes were reestablished to appropriate thickness.

Gerry Pfau, senior manager of power production, said that extensive outage preplanning has helped plant staff respond to unforeseen circumstances that can occur during major outages.

“Many hours of hard work went into planning this major outage,” Pfau said. “To guide our outage activities, we have developed a schedule possibly more detailed than ever, and we’re leaps and bounds ahead of recent outage planning. This preplanning has paid off in identifying area conflicts, where work scopes and manpower needs have required adjustment. By finding these problems now, and resolving them, we’re ensuring greater cost savings, efficiency and safety.”

Specialty contractors worked alongside Minnkota employees during the outage. At its peak, there were an additional 400 people on site. Even with the extended outage time, no major safety issues were experienced by Minnkota staff.

Minnkota owns Unit 1 and operates Unit 2 on behalf of owner Square Butte Electric Cooperative. Square Butte is governed by PKM Electric and the 10 other cooperatives that own Minnkota. Unit 2 energy is sold to Minnkota and Minnesota Power of Duluth, Minn.

### Turbine inspection

Inspections of other important plant equipment were completed with positive results during the outage. The boiler feed pump turbine and the high pressure-intermediate pressure (HP-IP) turbine were both examined for the first time since being upgraded in 2007. No major issues were identified during thorough review of this equipment.

Other significant projects include replacement of several thousand hot-side air heater tubes and repairs on various station fans, coal handling equipment and the scrubber.

Major outages are typically scheduled every three years on each unit at the Young Station to make repairs and conduct routine maintenance.

### Transmission crews use downtime

With Young 2 offline, Minnkota's transmission crews used the additional downtime to install a new generator step-up (GSU) unit to replace the existing unit that had been in service for 40 years. This transformer “steps up” the voltage from 20-kV (generator voltage) to 230-kV (transmission voltage). All of the net power produced by the Young 2 generator flows through the GSU.

The unit was manufactured in the Netherlands and shipped by cargo vessel into the port of Houston, Texas. It was then delivered by rail to Hensler, N.D., and by truck to the Young Station.

The shipping weight of the transformer was approximately 474,000 pounds. Fully assembled, the transformer weighs approximately 657,000 pounds and will hold approximately 17,700 gallons of oil. The old GSU will be stored at the plant as an emergency backup.

Grant Gunderson, senior manager of power delivery engineering, said the project required significant coordination between multiple departments and contractors.

“The new Young 2 GSU project was completed on time, under

budget, and was successful due to the collaborative efforts of Minnkota engineering and field personnel from Generation and Transmission divisions, the manufacturer, and some very competent contractors,” Gunderson said.



From their bucket trucks, Minnkota transmission crew members help position the new generator step-up (GSU) unit at the Young Station.



# AUTHORIZATION FOR ACH (AUTOMATED DIRECT PAYMENT)

STAPLE VOIDED CHECK HERE

I authorize \_\_\_\_\_ and the financial institution named \_\_\_\_\_  
(COMPANY NAME)  
 below to initiate electronic entries from my checking/savings account. This authority will remain in effect until I notify you in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on it. I can stop payment of any entry by notifying my financial institution 3 days before my account is charged.

(NAME OF FINANCIAL INSTITUTION)		(BRANCH)
(CITY)	(STATE)	(ZIP CODE)
(SIGNATURE)		(DATE)
(NAME- PLEASE PRINT)		
(ADDRESS- PLEASE PRINT)		

Account Number \_\_\_\_\_ Checking  Savings

Financial Institution Routing Number \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_

## REMEMBERING Jason Johnston

(article continued from page 1)

Gary Johnston, Jason's father, has an off-farm job but often helped Jason on the farm, Schmaltz says.

Lane Johnston, Jason's younger brother, farms, too. So do Jay Johnston and Todd Johnston, Jason's uncles.

Schmaltz thanks Bremer Bank for providing lunch one day and Marshall County Co-op for providing fuel.

She also credits West Central Ag of Beltrami, Minn., for picking up and hauling six loads of Johnston's soybeans.

"That was very nice of them," she says.

Dave Garry also will be hauling some of Jason's sunflowers.

It's uncertain what will happen with Jason's farming operation.

**A fundraiser for the education of Jason's two children, the Callie and Andrew Johnston Education Benefit, will be held from 5:30 to 8:30 p.m. April 1 at the American Legion in East Grand Forks, Minn. There will be a silent auction, cash raffle and free-will baked potato bar.**

For those unable to attend, Frandsen Bank & Trust, East Grand Forks, is accepting donations.

"Our family greatly appreciated all those who have helped," Schmaltz says. "Jason had wonderful friends, he was there to help them at the drop of a hat, and they now have done the same for him."

*Serving Kittson, Lake of the Woods, East Marshall and Roseau Counties*

# *Northwest Community Action Inc.* **Energy Assistance Program**

**Oct. 1, 2016—May 31, 2017**

**To request an application form:**

**Write**

Northwest Community Action, Inc.  
312 North Main Street  
PO Box 67  
Badger, MN 56714

**Call**

Phone: 218-528-3258  
Toll-Free: 800-568-5329

**Visit our Website**

[www.northwestcap.org](http://www.northwestcap.org)

**INCOME GUIDELINES**

<b>Family Size</b>	<b>3-Month Gross Income</b>	<b>Yearly Gross Income</b>
1	\$6,135	\$24,541
2	\$8,023	\$32,092
3	\$9,910	\$39,643
4	\$11,798	\$47,194
5	\$13,686	\$54,745
6	\$15,574	\$62,296

- Households may apply only once during our program year (Oct. 1, 2016—May 31, 2017).
- Both homeowners and renters may be eligible.
- Home visits are available for homebound applicants, upon request.
- Households requesting assistance in completing the application are encouraged to phone our office to set up an appointment.
- Households who received assistance under last year's program will automatically receive a new application form in the mail in September 2016.
- **You are responsible for your heating and electric bills until you hear from NWCA.**

***The Energy Assistance Program is funded by the Minnesota Department of Commerce and the U.S. Department of Health & Human Services.***



# RURAL ELECTRIC YOUTH TOUR

## Write an essay

*for an opportunity at an all-expense-paid trip of a lifetime to*

**WASHINGTON, D.C. JUNE 10-15, 2017**

### Essay Contest Details

- To enter the essay-writing contest, you must be a junior or senior in high school.
- You and your parents or guardian must be served by PKM Electric Cooperative.
- The essay is not to exceed two standard 8.5- by 11-inch, typewritten and double-spaced pages. Please choose one of the topics below:

*“What are the biggest challenges facing electric cooperatives today? How can cooperatives effectively meet those challenges?”*

*“How does energy efficiency affect you as an individual member and the cooperative as a whole?”*

- A cover page must be included with the essay submission. The cover page should include: 1) your full name and date of birth, 2) name of your high school and what grade you're currently enrolled in, 3) parents' or guardian's names, physical mailing address and phone number.

- **Deadline is March 1, 2017.** Emailed entries should be directed to [cdavey@minnkota.com](mailto:cdavey@minnkota.com), and hard-copy entries mailed to: Youth Tour Essay Contest, PKM Electric Cooperative, P.O. Box 108, Warren, MN 56762.
- If you have a question, please contact Chelsy Davey, PKM Electric, at the email address listed above, or call **218-745-4711** during regular business hours.

## Statement of Nondiscrimination

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**(1) mail:** U.S. Department of Agriculture  
Office of the Assistant Secretary for Civil Rights  
1400 Independence Avenue, SW  
Washington, D.C. 20250-9410;

**(2) fax:** (202) 690-7442; or

**(3) email:** [program.intake@usda.gov](mailto:program.intake@usda.gov)

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# Board meeting highlights

November and December

## A regular meeting of the board was held Tuesday, Nov. 29, 2016.

Tom Woinarowicz, president who presided, called the meeting to order. Upon calling the roll, the secretary reported that all directors, with the exception of Jeff Folland were present and Steve Goodwin was present by videoconference.

The president reported on recent MREA activities, indicating the change in the Minnesota Legislature and reminding directors of a legislative meeting in Bemidji with District 1 and 2 legislators.

Director Hatton reported on his attendance to a series of director training courses, mentioning excellent training and the suggestion of some that an executive session for each board meeting is often appropriate.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time.

The operations manager continued his monthly report detailing field activities. Other members of the management staff and the manager presented their monthly reports to the board of directors and responded to questions concerning their reports.

The manager discussed with the board work order inventory No. 239. The manager stated that work order inventory represented retirements, service improvements and miscellaneous construction. It would be necessary for the board to approve the work order inventory No. 239. The work order inventory was approved and management was instructed to obtain the required signatures and submit this inventory to RUS for future reimbursement from loan funds.

The manager presented the 2017 operating budget to the board of directors, reminding them that the budget incorporates the increased cost of wholesale power, employee retirements, the addition of a technical staff member and a small rate increase to be effective April 1, 2017. The board reviewed the annual and monthly breakdown of the budget and asked the manager his estimation for energy purchases and sales for 2017. The manager responded that purchase of 125 million kilowatt-hours and sales of slightly

more than 120 million was the foundation of the revenue. The budget was approved.

The manager presented the 2017 capital budget, indicating that construction to be of a routine nature and possibly the only unusual item to be anticipated would be replacement of truck #65. A complete replacement of the truck would be approximately \$250,000; however, other options may be explored by the committee. Total cost of capital improvements is \$1,448,700 utilizing approximately \$150,000 of material already on hand and contributions in aid to construction of \$350,000, leaving resources required to fund the budget of \$948,700. The capital budget was approved with the proviso that any significant deviation from the capital budget be reported to the board of directors for further approval as soon as possible.

At this time in the meeting the board of directors participated in a conference call with their consultant on the recently performed Cost of Service Study. The consultant reviewed with the board the various revenue classes highlighting their anticipated rate of return and his recommendation that the fixed charge now exceed \$36 per month. The conference call determined that there were outstanding issues that still need to be addressed and the assistant manager and the consultant were going to discuss these matters and report back at another meeting.

Directors who attended the joint meeting with Cavalier Rural Electric Cooperative and directors discussed what took place at that meeting.

The manager stated that CoBank is requesting a proxy for a special meeting that will detail changes to the bylaws. It was the decision of the board of directors to not offer their proxy.

The manager stated that their auditor is requesting an engagement letter with the board questioning why the three-year agreement requires an annual engagement.

The directors wished a resolution of appreciation for Deb Copp's service as executive assistant of PKM Electric.

The president stated that he has been informed that the regular meeting will cause a conflict for those directors traveling over the

holidays and suggested that the next meeting of the board of directors will be a special meeting to be held Dec. 22, 2016, at 8 a.m.

## A special meeting of the board was held Thursday, Dec. 22, 2016.

Upon motion duly made, seconded and unanimously carried an executive session was called.

The president returned the meeting to regular order concluding the executive session at 8:16 a.m.

Tom Woinarowicz, president who presided, asked for roll call. Upon calling the roll, the secretary reported that all directors, with the exception of Jeff Folland and Gordon Bernstrom, were present.

The president reported on a recent MREA directors meeting wherein a new net metering policy was discussed and proposed legislation designed to remove the cooperative from the PUC jurisdiction for net metering.

In the absence of director Folland, the manager made the report on the recent Minnkota meeting of the board of directors, where reports on the Basin discussion, Grand Forks infrastructure and NextEra were presented to the directors. The board of directors also reviewed long-range economic forecasts, RUS Cushion of Credit strategy and CFC Key Performance Indicators. Legislative updates for North Dakota and Minnesota were provided by Stacey Dahl.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time. On Dec. 1-2, Scott Slusar attended a MREA Loss Control workshop and on Dec. 7, MREA held a safety meeting on tree trimming safety.

The operations manager continued his monthly report detailing field activities. Other members of the management staff and the manager presented their monthly reports to the board of directors and responded to questions concerning their reports.

The manager informed the directors that the terms will expire for directors Beaudry, Goodwin and Folland on April 4, 2017, and it will be necessary to appoint a committee on nominations. Those members appointed will receive mileage

## PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal legislators

#### President Donald Trump

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

#### Senator Al Franken

309 Hart Senate Office Building  
Washington, D.C. 20510  
www.alfranken.com

202-224-5641  
Fax: 202-224-0044

#### Senator Amy Klobuchar

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

**Congressman Collin Peterson**  
2204 Rayburn House Office Building  
Washington, D.C. 20515

www.collinpeterson.house.gov  
202-225-2165  
Fax: 202-225-1593

### State of Minnesota legislators

#### Governor Mark Dayton

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

**Senator Mark Johnson**  
Minnesota Senate Building,  
Room 2105  
95 University Avenue W.  
St. Paul, MN 55155

#### Representative Dan Fabian

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

#### Representative Deb Kiel

537 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
651-296-5091  
800-339-9041  
rep.deb.kiel@house.mn



# Statistical and financial report

Year-to-date: December 2016

	Last Year	This Year	Budget
Total income	\$ 13,420,820	\$ 14,814,221	\$ 14,164,000
Total expense	\$ 13,407,927	\$ 13,740,399	\$ 13,282,000
Net margins	\$ 12,893	\$ 1,073,822	\$ 882,000
Total kWh sold	120,477,339	123,213,640	117,700,000
Avg. kWh sold per member	2,663	2,728	
Line loss	7.0%	5.8%	
Del. cost per kWh purchased	7.80¢	7.98¢	
Average sale price per kWh	11.14¢	12.02¢	
Percent kWh sales increase	(12.7%)	2.3%	
Members billed	3,769	3,783	
Miles of line in service	2,261	2,261	

and a fee for their attendance. The board selected the following members to act as the committee on nominations prior to the 2017 annual meeting: James Folz, Warren; David Jadeke, Warren; Brian Kasprick, Angus; Jim Sollund, Karlstad; David Spilde, Halma; Ron Iverson, Alvarado; Tony Johnson, Warren; Pat Osowski, Alvarado.

The manager reminded directors that the ACRE and REPAC contributions for 2017 are now being accepted and that traditionally the board has had 100 percent board participation in both of these political action committees.

The board committee that reviewed personnel policies, with staff assistance, reported on their review and found minor wording changes to update policies to include social media where applicable. The manager stated that new approval dates reflecting this board meeting will be attached to the policies and requested a resolution approving the update. The updated policies were approved.

The manager reviewed with the directors the final accounting of the sale of NSS. The manager stated that with the absence of the manager of member services, he was not familiar with all the particulars but the cooperative was financially favored by the sale. The directors requested a full accounting for the January 2017 meeting.

The board of directors discussed a management agreement with CREC. The manager stated that he has visited several times at CREC and would like to hear from their board what their expectations were. The board proposed to CREC an agreement for management services for ½ time at ½ the total cost of the PKM manager and that upon execution, the agreement will be appended to the minutes of this meeting.

The board again discussed the recent Cost of Service Study, specifically as it refers to off-peak rates. The board discussed with the manager investigating methods to make the boardroom and some cubicals more private. The manager stated he would provide options for their consideration.

## Trading Post

### For Sale

Dimplex Featherston electric fireplace with 26" log-set insert. Brick surround, one floor model \$500 and one in box \$700. Call Jeff at PKM 218-745-4711.

Dimplex Brookings media electric fireplace-floor model with Espresso finish, 26" glass ember insert \$600. Call Jeff at PKM 218-745-4711.

Dimplex Bailey media electric fireplace-floor model with Espresso finish, 26" log insert \$700. Call Jeff at PKM 218-745-4711.

Dimplex Debenham media electric fireplace-floor model with Espresso finish, Opti-myst cassette insert \$800. Call Jeff at PKM 218-745-4711.

Dimplex Convex electric wall fireplace, floor model \$150. Call Jeff at PKM 218-745-4711.

Dimplex Tessa 20" electric fireplace and surround. Have one in box for \$200 or floor model for \$100. Call Jeff at PKM 218-745-4711.

Antique dining set with table, 6 chairs and one large and one smaller buffets. I think it is from the late 1930s or early 40s. Table has a custom pad for the top. Looks like it is mahogany but not exactly sure. It is fair condition for its age, \$1,500 or best offer. Also have solid oak shaker style mantel and surround that can be used for wood or gas fireplace, lighter stain but could be painted, \$20. Can send pictures if interested, call or text Jeff Rustad at 218-686-9858.

### Rules

Ads for PKM members only. Limit your ads to two items. No commercial ads. Submit ads by the 18<sup>th</sup> of Jan., March, May, July, Sept. and Nov.

## Nominating committee APPOINTED

At their December meeting, the board of directors of PKM appointed a nominating committee to nominate candidates for the board of directors, to be voted on by the members at the annual meeting on April 4, 2017.

The nominating committee will meet on Monday, March 6, 2017. Members who may have an interest in being a candidate for the board of directors should inform the committee of your interest.

The bylaws of the cooperative provide for two additional methods to become a candidate for the board of directors. If it is felt a potential candidate was not given due consideration by the committee, or did not contact the committee prior to its meeting, a member can become a candidate by having 15 or more members place his/her name in nomination by petition and delivering same to the cooperative 20 days prior to the annual meeting. The bylaws provide further for nominations to be made from the floor at the annual meeting.

**Members appointed to the committee are:**

*James Folz, Warren*

*David Jadeke, Warren*

*Brian Kasprick, Angus*

*Jim Sollund, Karlstad*

*David Spilde, Halma*

*Ron Iverson, Alvarado*

*Tony Johnson, Warren*

*Pat Osowski, Alvarado*

# Infinity Renewable Energy *Your energy. Your choice.*



With a focus on member-owners like you, PKM Electric Cooperative works to help families, farms and businesses enjoy a more rewarding relationship with their energy use. A wide array of programs and services are available that empower you to choose how your energy is produced and the best ways to use it wisely.

Through the Infinity Renewable Energy program, you can decide how much of the electricity you purchase is generated by renewable resources. With about 650 individual consumers participating, the program ensures your energy dollar is advancing renewable energy efforts in the local communities where you live, work and play.

The Infinity program was originally started in 2002 to support the development of the first two commercial-scale wind turbines in North Dakota history. The sustained success of those turbines, located near the towns of Petersburg and Valley City, jump-started efforts to harness the area's abundant wind energy potential.

With the Infinity Renewable Energy program, you can increase the amount of renewable electricity you use, without sacrificing your lifestyle or the comfort of your home. **Contact PKM Electric Cooperative today to learn more about how you can participate in the program.**



## How does the Infinity Renewable Energy program work?

By enrolling in the program through PKM Electric Cooperative, you choose a designated number of kilowatt-hours (kWh) or percentage of the electricity used that you would like to come from renewable resources. PKM Electric will allocate the appropriate amount of renewable energy through the program and indicate your purchases on your monthly bill.

## Will the renewable energy be delivered directly to my home?

While it is not possible to direct where electrons are specifically delivered on the electric grid, it is possible to ensure that the renewable energy you have purchased is from a resource connected to PKM's electric system. The record of that purchase and the proof that it was reserved for you is done through a renewable energy credit (REC).



ensures that RECs are only used once. When you determine the amount of renewable energy you would like to purchase, an equivalent number of RECs will be retired on your behalf.

## What is a REC?

A REC is verification that electricity was generated from an eligible renewable energy resource and was integrated into the electric grid. All wind RECs purchased through the Infinity program are certified by the Midwest Renewable Energy Tracking System (M-RETS). This certification

## Do I need to install any equipment to participate?

No additional equipment is required. Energy will still be transmitted on PKM's distribution system and delivered to your meter.

## What types of energy can I choose from?



Currently, the program focuses on wind energy, but options may be available to purchase from other renewable resources, including solar. Contact PKM Electric at **218-745-4711** or email [infopkm@minnkota.com](mailto:infopkm@minnkota.com) for more information.

## Can I receive the equivalent of 100% of my electricity through the Infinity Renewable Energy program?

Yes. You can decide how much renewable energy you want to buy up to your monthly consumption.

## Are there additional costs for participation in the Infinity program?

Yes. Additional costs are incurred to purchase renewable energy and to specifically designate how this energy is credited and used.

## Do I need to sign a contract? How will I be billed?

You do not need to commit to a contract. The only requirement is that you must be a member of PKM Electric. The Infinity program has a designated electric rate that will be included on your monthly bill. You will be able to pay your bill as usual. Your energy. Your choice.

