Since the annual meeting

The board chose the latter option. Since Vice President Tom Woinarowicz conducted the meeting and was also up for reelection, he called on PKM counsel Brian Rokke to conduct the election. Two members were nominated from the floor for the director position in Polk County, Tim Kozel and Paul Aakre. Following the election Aakre is the new director from Polk County. Congratulations to both gentlemen and I look forward to working with them.

RON REITMEIER was first elected to the PKM board in 1986 and served as president since 2004. Cooperatives and community service have a long history in the Reitmeier family.

His father, Ed, was a PKM board member and president when I was hired. Both Ed and Ron served on the board of American Crystal and their ability to work with diverse views and personalities served them well. Selfishly several directors and I told Ron that the rest could hold things together while he was on the mend, but Ron would hear nothing of it. The PKM board has thanked Ron for his service by resolution that it will present, and I would like to extend my appreciation for the opportunity to work with such a fine cooperative person.

At the end of 2015 I said a few words about BOB KLINER as his retirement was coming up. His last day at work was Christmas Eve, and typically we close the doors at noon. I told Bob since it was his last day, I expected him to stay until 4:30. He was cleaning out his desk and about 2:30 I saw he was gone, so I figured I'd take off as well. I was uptown and he texted me to ask where I was. I said I saw you were gone so I took off. We texted back and forth for a while about his 35 years and our appreciation for all he did and reminding him of our agreement. Bob was going to do contract safety work for PKM in his retirement. Bob took on the lead role in developing our safety culture at PKM. It was through his efforts, although Bob would be the first to remind us that "safety" is everyone's business, that PKM was able to regain safety accreditation, but Bob did most of the paperwork. I texted him once in retirement just saying that I hoped he was wintering well and that we all missed him, and that actually I missed Viki's bean soup. I told him to stay safe and send the recipe. He replied they were doing well, it was quite an adjustment and he was into his second day of becoming a certified scuba diver and he was glad he wasn't older.

We received notice of his death April 24. I gathered all employees the next day and by then everyone had heard. Counseling and time off were available, but none took it. I contacted Red Lake Electric Cooperative to run trouble for us because I didn't want our line crew on the line after this loss, but our guys soldiered on. We received calls and emails from all over the state. Bob was well known and liked. The PKM family is small and the passage of time may heal the hurt, but Bob's contribution and his memory will be everlasting.

On the cover

More than 70 volunteers came out to help with Project GreenTouch at Lake Bronson and Old Mill state parks.

PKM News • May/June 2016

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May/June 2016

Office hours:
8 a.m. to 4:30 p.m., Monday through Friday
218-745-4711 or 800-552-7366

Electrical after-hours emergencies
218-745-4711 or 800-552-7366
e-mail: info@pkmcoop.com
website: www.pkmcoop.com

Next Board Meeting:
Tuesday, June 28, 2016

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.........................Deb Copp, Jeff Rustad, Chelsy Davey
PKM Electric Cooperative would like to thank everyone who came out to support PKM with Project GreenTouch at Lake Bronson and Old Mill state parks May 7. We especially want to thank those who brought out personal equipment to help speed up the cleanup process. Between the two parks we had 71 volunteers and each family received a free park sticker for participating that day. Across the state of Minnesota 11 cooperatives participated in projects at the state parks. In total 432 volunteers worked a combined 1,545 hours. Over the past 17 years, nearly 8,975 people have worked more than 32,180 hours.
PKM Electric scholarships are made possible by funding from Operation Round Up. Since the beginning of this program in 1998, we have awarded 352 scholarships valued at $1,000 each.

Louisa Bergman
Oslo
Warren-Alvarado-Oslo High School

Sarah Durand
Warren
Bemidji State University

Megan Hanson
Hallock
Kittson Central High School

Noah Jubie
Warren
Warren-Alvarado-Oslo High School

Philomena Kazmierczak
Stephen
Stephen-Argyle High School

Karissa Kraulik
Kennedy
Stephen-Argyle High School

Jalyn Larson
Drayton
Drayton High School

Samantha Larson
Euclid
Crookston High School

Benjamin Lieberg
Greenbush
Greenbush-Middle River High School

Brice Miller
Warren
Warren-Alvarado-Oslo High School

Madison Muir
Hallock
Kittson Central High School

Taylor Rux
Strandquist
Tri-County High School

PHOTO NOT AVAILABLE

Sierra Swenson
Lake Bronson
Tri-County High School

Bobby Tiedemann
Euclid
Crookston High School

Tyler Vonasek
East Grand Forks
East Grand Forks High School
### 2016 PowerSavers Residential Incentives for Members

PowerSavers incentives, criteria and guidelines for resident and business members can be found at [www.pkmcoop.com](http://www.pkmcoop.com) or by calling 218-745-4711 or 800-552-7366.

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Specifications</th>
<th>Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFL bulb</td>
<td>Replace incandescent bulb with CFL. ENERGY STAR®-recommended.</td>
<td>$2/bulb</td>
</tr>
<tr>
<td>LED Screw-In Bulb</td>
<td>40-60W equivalent incandescent. ENERGY STAR-recommended.</td>
<td>$4/bulb</td>
</tr>
<tr>
<td>LED Screw-In Bulb</td>
<td>65W or greater equivalent incandescent. ENERGY STAR-recommended.</td>
<td>$8/bulb</td>
</tr>
<tr>
<td>LED Fixture</td>
<td>Complete fixture or replacement kit. ENERGY STAR-recommended.</td>
<td>$8/install</td>
</tr>
<tr>
<td>LED Outdoor Fixture</td>
<td>LED Outdoor Fixture Wattage of &lt;40 Watts. Dusk to dawn operation required.</td>
<td>$20/fixture</td>
</tr>
<tr>
<td>LED Outdoor Fixture</td>
<td>LED Outdoor Fixture Wattage of &gt;40 Watts. Dusk to dawn operation required.</td>
<td>$40/fixture</td>
</tr>
<tr>
<td>Clothes Washer</td>
<td>Must be ENERGY STAR-approved.</td>
<td>$50/unit</td>
</tr>
<tr>
<td>Clothes Dryer</td>
<td>Must be ENERGY STAR-approved.</td>
<td>$50/unit</td>
</tr>
<tr>
<td>Refrigerator or Freezer</td>
<td>Must be ENERGY STAR-approved.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Remove &amp; Recycle Old Refrigerator or Freezer</td>
<td>Recycling receipt required. Form online in Residential Incentives Application.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Engine Block Heater Timer</td>
<td></td>
<td>$10/unit</td>
</tr>
<tr>
<td>Electric Water Heater</td>
<td>Minimum 80-gallon total capacity, EF ≥0.91. Must be controlled under the utility’s load management program.</td>
<td>$150/unit</td>
</tr>
<tr>
<td>Programmable Thermostat</td>
<td></td>
<td>$25/unit</td>
</tr>
<tr>
<td>Tune-Up for Central AC</td>
<td></td>
<td>$25/unit</td>
</tr>
<tr>
<td>Tune-Up for Air-Source Heat Pump or Mini-Split Ductless Air-Source Heat Pump</td>
<td>Checklist on form must be completed with application.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Supplemental Heating Source Air-Source Heat Pump</td>
<td>Must modulate to allow ENERGY STAR-rated Air-Source Heat Pump to operate down to 5⁰ F and be on load control.</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Air-Source Heat Pump</td>
<td>14 SEER, 8.2 HSPF</td>
<td>$400/unit</td>
</tr>
<tr>
<td>Air-Source Heat Pump</td>
<td>15 SEER, 8.5 HSPF</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Furnace (Air Handler) with ECM Blower</td>
<td>Furnace with an ECM Blower</td>
<td>$100/unit</td>
</tr>
<tr>
<td>Mini-Split/Ductless Air-Source Heat Pump</td>
<td>15 SEER</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Ground-Source Heat Pump Open Loop &lt;135,000 BTUH @ 59⁰ F</td>
<td>16.2 EER/3.6 COP Maximum incentive $2,500/home</td>
<td>$200/ton</td>
</tr>
<tr>
<td>Ground-Source Heat Pump Closed Loop &lt;135,000 BTUH @ 77⁰ F</td>
<td>14.1 EER/3.3 COP Maximum incentive $5,000/home</td>
<td>$400/ton</td>
</tr>
<tr>
<td>Air Sealing</td>
<td>Preblower and postblower test results required.</td>
<td>30% of sealing cost, max. $300</td>
</tr>
<tr>
<td>Attic Insulation &amp; Air Sealing</td>
<td>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.</td>
<td>30% of sealing cost, max. $500</td>
</tr>
<tr>
<td>Wall Insulation</td>
<td>Wall insulation improved from R-5 or less to R-11 or higher. Attic knee walls excluded.</td>
<td>30% of insulation cost, max. $500</td>
</tr>
</tbody>
</table>
One of the most dangerous jobs in the United States is farming. Among the hazards faced by farmers, farm workers, and family members is contact with electrical equipment. However, with proper planning and safety procedures, the risk of having an accident involving electricity can be greatly reduced:

- Keep a 10-foot minimum distance around power lines – above, below and to the side.
- Use a spotter when moving machinery around the farm. It can be difficult to judge how close a piece of machinery is from the driver’s seat.
- Use caution when handling long items such as irrigation pipe, ladders and rods. Coming too close to a power line can cause electricity to arc, or “jump,” to conducting material or objects.
- Be aware of increased height when loading and transporting tractors on trailer beds. Many tractors are now equipped with radios and communications systems that have very tall antennas extending from the cab that could make contact with power lines.
- Avoid raising the arms of planters, cultivators or truck beds near power lines.
- Never attempt to raise or move a power line to clear a path.
- Remember, even nonmetallic materials such as lumber, tree limbs, tires, ropes and hay will conduct electricity depending on dampness, dust and dirt contamination.

Overhead electric wires are not the only source of electrical contact that can result in a serious incident. Pole guy wires, used to stabilize utility poles, are grounded. However, when one of the guy wires is broken, it can cause an electric current disruption. This can make those neutral wires anything but harmless. If you hit a guy wire and break it, call the utility to fix it. Do not do it yourself.

If your equipment does come into contact with power lines, stay in the cab and call for help; the electric utility needs to be notified. Even if a line has landed on the ground, there is still potential for the area to be energized. Warn others who may be nearby to stay away and wait until the electric utility arrives.

If leaving the cab is necessary, as in the case of fire, the proper action is to jump – not step – with both feet hitting the ground at the same time. Do not allow any part of your body to touch the equipment and the ground at the same time. Hop to safety, keeping both feet together as you leave the area. Once you get away from the equipment, never attempt to get back on or even touch the equipment before the power has been shut off.

Have a safe planting season, and get more electrical safety information at SafeElectricity.org.
PKM Electric Cooperative launched SmartHub to our members in March of 2015. This new feature is available on your mobile device by downloading the FREE app or visiting pkmcoop.smarthub.coop online. We are excited to offer this service to our members. Please contact us at 218.745.4711 with any questions.

2016 Annual Meeting Prize Winners

**EARLY BIRD DRAWINGS – 5:35 P.M.**

<table>
<thead>
<tr>
<th>Winner</th>
<th>Prize</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marilyn Huderle</td>
<td>$25 Gift Card Birdhouse</td>
<td>Dakota Supply Group</td>
</tr>
<tr>
<td>Austin Owens</td>
<td>Booster Pack</td>
<td>PKM Electric Co-op, Inc. (North Star</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Handicapped Helpers)</td>
</tr>
<tr>
<td>Bob Engen</td>
<td>2 Twins Tickets</td>
<td>KROX</td>
</tr>
<tr>
<td>Lois Edman</td>
<td>Tackle Box</td>
<td>Utility Inspection Service</td>
</tr>
<tr>
<td>Terry Beaudry</td>
<td>Energy Certificate - $25</td>
<td>Border States Electric</td>
</tr>
<tr>
<td>Edmund Borowicz</td>
<td>Rice Cooker</td>
<td>MEI Engineering, Inc.</td>
</tr>
<tr>
<td>Bob Fagerstrom</td>
<td></td>
<td>WESCO</td>
</tr>
</tbody>
</table>

**FINAL PRIZE DRAWINGS**

<table>
<thead>
<tr>
<th>Winner</th>
<th>Prize</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lindy Schulz</td>
<td>NCBP Gift Certificate - $50</td>
<td>North Country Business Products (NCBP)</td>
</tr>
<tr>
<td>Matt Edman</td>
<td>Lock &amp; Go Grill</td>
<td>PKM Electric Co-op, Inc.</td>
</tr>
<tr>
<td>Suzie Larson</td>
<td>2 Twins Tickets</td>
<td>KROX</td>
</tr>
</tbody>
</table>

**Winner**

1. Marilyn Huderle
2. Austin Owens
3. Bob Engen
4. Lois Edman
5. Terry Beaudry
6. Edmund Borowicz
7. Bob Fagerstrom
8. Lindy Schulz
9. Matt Edman
10. Dennis Garry
11. Suzie Larson
12. Doris Erickson
13. Laures Kleinwachter
14. Debert Vonasek
15. Marge Dykhuis
16. Jon Slusar
17. Roger Loer
18. Joelle Boucher
19. John Schmidt
20. Charles Zammert
21. Dorothy Szklarski
22. Norma Koland
23. Eugene Jorgenson

**Prize**

- $25 Gift Card Birdhouse
- Booster Pack
- 2 Twins Tickets
- Energy Certificate - $25
- NCBP Gift Certificate - $50
- Lock & Go Grill
- Energy Certificate - $25
- 2 Twins Tickets
- 1-year subscription
- Energy Certificate - $25
- Kindle Fire HD 10

**Sponsor**

- Dakota Supply Group
- PKM Electric Co-op, Inc. (North Star Handicapped Helpers)
- KROX
- Utility Inspection Service
- Border States Electric
- MEI Engineering, Inc.
- WESCO

**Grand Prize:** Windows Surface 3 with Keyboard Cover

- Ilene Slusar (PKM Electric Co-op, Inc.)

PKM Electric Cooperative implements Distributed Generation (DG) fixed charge

DG is a term used by the power industry to describe localized or on-site power generation such as wind or solar. Because of legislative changes to Minnesota Statute 216.B.164, a cooperative electric association may charge an additional fee to recover the fixed costs not already paid for by the customer’s existing billing arrangement. This would apply to DG systems under 40 kW nameplate rating; the added fixed charge would be $2.65 per kW of DG system installed with a maximum additional monthly charge of $38. For DG systems 3.5 kW and smaller, this fixed charge is waived and does not apply. An example: if you installed a 5 kW DG system, the fixed charge would only apply to 1.5 kW of that system.
When an outage occurs, line crews work to pinpoint problems

In today’s world, electricity is essential. That’s why your cooperative invests so much time and infrastructure in power reliability. However, outages still can occur. When electricity does go out, most of us expect power restored within a few hours. But when a major storm causes widespread damage, longer outages may result. Co-op line crews work long, hard hours to restore service safely to the greatest number of members in the shortest time possible. Here’s what’s going on if you find yourself in the dark.

What to do if your power goes out

1. Wait a few minutes to see if the power will come on by itself.
2. If it does not, call your neighbors to see if they are off too.
3. If they are off, report that when you call PKM Electric Cooperative about the outage.
4. If your neighbors still have power, make sure to check your fuses or circuit breakers. This is important because if you call the cooperative and the problem causing the outage is on your side of the meter, you will be billed for the service call. Calls after regular business hours will be billed at the overtime service call rates.
5. If the fuses or breakers are good, report the outage by calling the 24-hour outage number 1-800-552-7366. If you have some idea of what caused the outage, please give this information also. Please be patient but check back after a couple of hours if the power hasn’t been restored.

1. High-voltage transmission lines
   Transmission towers and cables that supply power to transmission substations (and thousands of consumers) rarely fail. But when damage occurs, these facilities must be repaired before other parts of the system can operate.

2. Distribution substation
   Each substation serves hundreds or thousands of consumers. When a major outage occurs, line crews inspect substations to determine if problems stem from transmission lines feeding into the substation, the substation itself or if problems exist down the line.

3. Main distribution lines
   If the problem cannot be isolated at a distribution substation, distribution lines are checked. These lines carry power to large groups of consumers in communities or housing developments. SAFETY TIP: If a power line falls across or near your vehicle while you are in it, stay inside until help arrives!

4. Tap lines
   If local outages persist, supply lines, called tap lines, are inspected. These lines deliver power to transformers, either mounted on poles or placed on pads for underground service, outside businesses, schools and homes.

5. Individual homes
   If your home remains without power, the service line between a transformer and your residence may need to be repaired. Always call to report an outage to help line crews isolate these local issues.

Sources: Illustrations, Funnel Inc.; Text, National Rural Electric Cooperative Association
Lights out? Thirty-one percent of power outages are triggered by the weather. Line workers must battle the elements to find problem areas and restore service as quickly and safely as possible.

“We know our members want to know why the lights are out and when they’re coming back,” shares Jeff Rustad, member services manager at PKM Electric. “First we must find the problems. Then we follow a series of steps to bring the lights back on.”

Efforts are made to restore power to the largest number of members as quickly as possible. Then crews fix problems impacting smaller groups of members.

**Restoring power**

When an outage occurs, line crews work to pinpoint problems. They start with high-voltage transmission lines. Transmission towers and cables that supply power to thousands of consumers rarely fail. But when damage occurs, these facilities must be repaired before other parts of the system can operate.

Next, crews check distribution substations. Each substation serves hundreds or thousands of members. When a major outage occurs, line crews inspect substations to discover if problems stem from transmission lines feeding into the substation, the substation itself or if problems exist down the line.

If the problem cannot be isolated at a distribution substation, distribution lines are checked. These lines carry power to large groups of members in communities or housing developments.

If local outages persist, supply lines (also called tap lines) are inspected. These lines deliver power to transformers, either mounted on poles or placed on pads for underground service, outside businesses, schools and homes.

If your home remains without power, the service line between a transformer and your home may need to be repaired. Always call PKM Electric Cooperative at 218-745-4711 to report an outage. This helps crews isolate local issues.

**Outage safety tips**

Follow these safety steps at home during a power outage:

- Before calling PKM Electric to report an outage, first check to see if your home’s circuit panel or fuse box hasn’t tripped or blown a fuse. This can also cause a power failure. If tripped, reset the breaker or replace the blown fuse.
- Turn off and unplug all unnecessary appliances and electrical equipment. When power is restored, turn on items one at a time.
- Keep refrigerator and freezer doors closed. An unopened refrigerator keeps food cold for about four hours. A full freezer keeps food cool for about 48 hours.
- Individual households may receive special attention if loss of electricity affects life support systems or poses another immediate danger. If you or a family member depends on life support, call PKM Electric Cooperative at 218-745-4711 before a power outage happens.

Sources: NRECA, American Red Cross
A regular meeting of the board was held Tuesday, Jan. 26, 2016.

Ron Reitmeier, president who presided, called the meeting to order. Upon calling the roll, the secretary reported that all directors were present with the exception of Tom Woinarowicz, Blake Owens and Jerod Hanson were present.

Directors who attended and the manager reported on the MREA District 1 meeting recently held in Bemidji.

The manager of operations presented the monthly weather report indicating no accidents and no lost time. On Jan. 6 MREA held a safety meeting on “Hazard Recognition.” On Jan. 13-15 several personnel attended personnel training classes in Marshall, Minn., and on Jan. 20-22 other operating employees attended the annual linemen’s winter workshop.

The manager of operations continued his monthly report detailing activities of the line department. Other members of the management staff and the manager presented their monthly reports to the directors responding to questions from the directors concerning their reports.

The manager stated that it would be necessary for the board to consider and approve Work Order Inventory No. 236 and instructed management to get the required funds. The board approved work order inventories No. 236 and No. 237, and instructed management to get the required funds. The board approved work order inventories No. 236 and instructed management to get the required funds. The board approved work order inventories No. 236 and No. 237, and instructed management to get the required funds. The board approved work order inventories No. 236 and No. 237, and instructed management to get the required funds. The board approved work order inventories No. 236 and No. 237, and instructed management to get the required funds.

The board directed management to submit the work order inventory to RUS for approval to be voted on by the board at the annual meeting.

The manager reviewed the fourth-quarter subsidiary financials with the board of directors, reporting that the resolution does not specifically address the retirement of capital, and since this amount is small in comparison to other corporate balances, the assistant manager saw no problem. During discussion it was brought out that this resolution does not specifically address the dissolution of Kamar, only its relationship with Kittson/ Marshall.

The manager reported on his attendance to the annual reorganization meeting. Director Folland reported on recent activities of the Minnkota Power Cooperative board of directors. The secretary/treasurer had no new information on Square Butte Electric Cooperative activities.

The manager stated that it would be necessary for the board of directors to consider and approve Work Order Inventory No. 238 and instructed management to submit the work order inventory to RUS for loan reimbursement.

The manager discussed with the board of directors his attendance to the Minnesota Pollution Control Agency Clean Power Plan listening tour held last night in Bemidji, Minn. The manager stated that the personal testimony of those at the meeting were as varied as the groups who attended the meeting.

The manager stated it would be necessary for the board to write-off electric accounts that are not collectible at this time for the purpose of keeping the receivables current for the new audit. The board instructed management to write-off the 2015 list of accounts receivable electric presented to the board and for that amount to be offset by the reserve for bad debts.

The manager directed the attention of the board to the work order inspection performed by MEI Engineering, Inc., wherein he lauded the work of the line department and reminded the board that no deficiencies were found during the work order inspection, another testament to the work ethic and efficiency of the operating employees.

The manager reminded the board that labor negotiations for wages only will have to take place during the month of March for new wages to be effective April 1, 2016.

The assistant manager brought to the attention of the board a resolution from Kamar apparently dissolving the corporation. The board of directors, with the dissolution of corporations, has a final decision with regard to advance retirement of capital, and since this amount is small in comparison to other corporate balances, the assistant manager saw no problem. During discussion it was brought out that this resolution does not specifically address the dissolution of Kamar, only its relationship with Kittson/ Marshall.

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

Vice President Tom Woinarowicz, acting president, presided, called the meeting to order. Upon calling the roll, the secretary reported that all directors were present with the exception of Ron Reitmeier and Jerod Hanson.

Vice President Woinarowicz presented the results of the MREA reorganization meeting. Director Folland reported on recent activities of the Minnkota Power Cooperative board of directors. The secretary/treasurer had no new information on Square Butte Electric Cooperative activities.

Directors who attended the MREA annual meeting and the manager reported on their attendance thereat.

The secretary/treasurer reported on his attendance to the Co-op Network meeting.

The manager of operations presented the monthly weather report, indicating no accidents and no lost time. He reported that on March 3, 2016, Minnesota Safety Updated CFR and MREA held a safety meeting on rubber glazing, also maintenance and repair on equipment and tree trimming are taking place.

The manager of operations continued his monthly report, outlining reduced outages and connected members for the month of March for new wages to be effective April 1, 2016. The manager reminded the board that labor negotiations for wages only will have to take place during the month of March for new wages to be effective April 1, 2016.

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Management staff and the manager presented their monthly reports and responded to questions from the directors concerning their reports.

The manager directed the attention of the board to a letter from the cooperative’s insurance carrier, indicating that no remedial action is due and heaping praise on the cooperative’s Safety and Loss Prevention Program. The manager wished to thank all employees and the board of directors for which the involvement at all levels of the organization is contributing to a Safety and Loss Prevention Program that is working for the employees and members-owners of PKM.

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The assistant manager brought to the attention of the board a resolution from Kamar apparently dissolving the corporation. The board of directors, with the dissolution of corporations, has a final decision with regard to advance retirement of capital, and since this amount is small in comparison to other corporate balances, the assistant manager saw no problem. During discussion it was brought out that this resolution does not specifically address the dissolution of Kamar, only its relationship with Kittson/ Marshall.

Management staff and the manager presented their monthly reports and responded to questions from the directors concerning their reports.

The manager directed the attention of the board to a letter from the cooperative’s insurance carrier, indicating that no remedial action is due and heaping praise on the cooperative’s Safety and Loss Prevention Program. The manager wished to thank all employees and the board of directors for which the involvement at all levels of the organization is contributing to a Safety and Loss Prevention Program that is working for the employees and members-owners of PKM.

The acting president stated that it would be necessary for the board of directors to consider and approve Work Order Inventory No. 238 and instructed management to submit the work order inventory to RUS for loan reimbursement.

The manager discussed with the board of directors his attendance to the Minnesota Pollution Control Agency Clean Power Plan listening tour held last night in Bemidji, Minn. The manager stated that the personal testimony of those at the meeting were as varied as the groups who attended the meeting.

The manager stated it would be necessary for the board to write-off electric accounts that are not collectible at this time for the purpose of keeping the receivables current for the new audit. The board instructed management to write-off the 2015 list of accounts receivable electric presented to the board and for that amount to be offset by the reserve for bad debts.

The manager directed the attention of the board to the work order inspection performed by MEI Engineering, Inc., wherein he lauded the work of the line department and reminded the board that no deficiencies were found during the work order inspection, another testament to the work ethic and efficiency of the operating employees.

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Management staff and the manager presented their
Statistical and financial report

Year-to-date: April 2016

<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>$4,844,366</td>
<td>$5,018,393</td>
<td>$5,206,000</td>
</tr>
<tr>
<td>Total expense</td>
<td>$4,721,167</td>
<td>$4,699,051</td>
<td>$4,722,100</td>
</tr>
<tr>
<td>Net margins</td>
<td>$123,199</td>
<td>$319,342</td>
<td>$483,900</td>
</tr>
<tr>
<td>Total kWh sold</td>
<td>46,931,405</td>
<td>44,938,396</td>
<td>46,200,000</td>
</tr>
<tr>
<td>Avg. kWh sold per member</td>
<td>3,120</td>
<td>2,974</td>
<td></td>
</tr>
<tr>
<td>Delivery cost per kWh</td>
<td>7.29¢</td>
<td>7.44¢</td>
<td></td>
</tr>
<tr>
<td>Avg. sale price per kWh</td>
<td>10.3¢</td>
<td>11.2¢</td>
<td></td>
</tr>
<tr>
<td>Percent kWh sales increase</td>
<td>(14.4%)</td>
<td>(4.2%)</td>
<td></td>
</tr>
<tr>
<td>Members billed</td>
<td>3,761</td>
<td>3,776</td>
<td></td>
</tr>
<tr>
<td>Miles of line in service</td>
<td>2,261</td>
<td>2,261</td>
<td></td>
</tr>
<tr>
<td>175 watt MV lights</td>
<td>1,469</td>
<td>1,448</td>
<td></td>
</tr>
<tr>
<td>400 watt MV lights</td>
<td>93</td>
<td>90</td>
<td></td>
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<tr>
<td>100 watt H.P.S.</td>
<td>883</td>
<td>873</td>
<td></td>
</tr>
<tr>
<td>250 watt H.P.S.</td>
<td>87</td>
<td>87</td>
<td></td>
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<tr>
<td>Outage charged to:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Minnkota operations</td>
<td>441.34</td>
<td>445.92</td>
<td>2,258.71</td>
</tr>
<tr>
<td>PKM operations</td>
<td>154.18</td>
<td>603.75</td>
<td>1,261.09</td>
</tr>
<tr>
<td>Total</td>
<td>595.52</td>
<td>1,049.67</td>
<td>3,519.80</td>
</tr>
</tbody>
</table>

Minutes per member PKM operations year to date: 2.45
Minutes per member Minnkota operations year to date: 7.01

$2.65 per kW for any distributed generation exceeding 3.5 kW of installed capacity. The revised policy is No. 21-2.4 and is recommended that the board approves this policy. The board approved Policy Bulletin No. 21-2.4 and instructed that a copy of this policy be appended to the minutes of this meeting. Cooperative legal counsel Brian Rokie appeared before the board of directors for official approval of the RUS loan in the amount of $6,250,000. The board will recall that this loan has been previously approved from the construction work plan and consultation with the RUS general field representative. The board authorized its officers and manager to sign loan documents when they become available.

With the cooperative's legal counsel present they reviewed the email from President Ron Reitmeier describing his illness and his feeling that he could no longer carry on his duties to the level of requirements he has set for himself and therefore would not be seeking re-election. The directors, in consultation with their legal counsel and referencing the cooperative's articles and bylaws, determined no action was necessary at this time since the cooperative provides for nominations from the floor at the annual meeting.
Enjoy reliable hot water and save money at the same time with PKM Electric Cooperative's electric water heating rebate program.

Water heating is one of your home’s largest energy expenses in most households, making it a smart area to try to improve efficiency. New electric water heaters are among the most efficient and durable products in the market today. With great new incentives from your cooperative, it has never been more affordable to upgrade.

All rebate-qualifying water heaters must be on the off-peak program, which allows your water heater to draw electricity during times of low demand, such as late at night, when it’s less expensive. The water heater is temporarily turned off during high demand periods. For 80-gallon or larger, members participating in the off-peak program also receive a lower monthly rate for the electricity their water heater uses.

PKM Electric will work with your contractor to ensure proper installation and documentation.

### Electric Water Heaters (must be on off-peak) | Incentive Per Unit
--- | ---
55 gallon or less | $100
56-99 gallon | $150
100 gallon or greater | $200
Additional rebate for new building construction | $100
Additional rebate for conversion from existing natural gas or propane | $250
Additional PowerSavers rebate for 80-gallon or greater (with Energy Factor (EF) equal to or greater than 0.91) | $150

**Rebate requirements:**
- Must be a new purchased electric water heater installed on PKM Electric’s system.
- Must be on off-peak/load control.
- Must be 240 volts and hard-wired.
- Tankless water heaters do not qualify for rebate.
- Hybrid heat pump water heaters do not qualify for rebate.
- Rebate limit of $500 per member-account.
- Maximum $300 rebate for coupling of two water heaters in parallel or series.
- Multifamily dwellings do not qualify for rebate; exceptions considered on case-by-case basis.

Contact PKM Electric Cooperative today to find out more about the water heater rebate program and the many other great programs available to you!