



PKM NEWS

Electric Cooperative

May/June 2018

Inside:

**Watch for poles
when burning ditches**

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MIKE SCHMIDT
CEO

PKM Electric Cooperative

Be careful out there!

if a power line is on the ground, there is still the potential for the area nearby to be energized. Stay put unless there's fire or imminent risk of fire.

If you must exit the vehicle, the appropriate action is to jump – not step – with both feet hitting the ground at the same time. Jump clear, without touching the vehicle and ground at the same time, and continue to shuffle to safety, keeping both feet together as you leave the area.

Reviewing this information with younger equipment operators can change a power line accident from a serious incident to one of minor property damage. If you have any areas with clearance issues, please contact us.

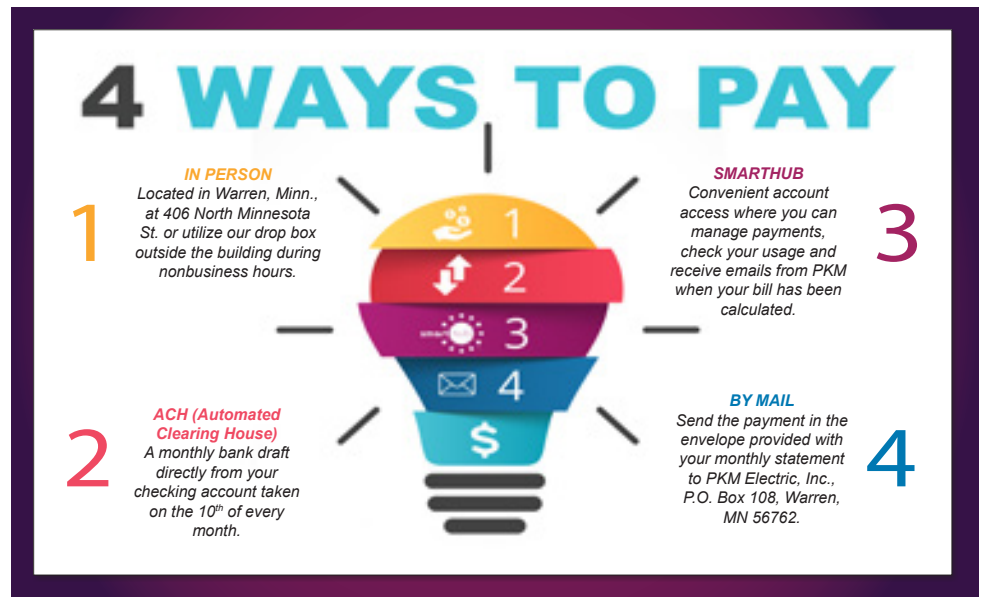
In addition to the safety of our member-owners, we strive to educate and promote the safety of our line workers. Minnesota has a Move Over law which states: When traveling on a road with two or more lanes, drivers must keep over one full lane away from stopped emergency vehicles with flashing lights activated — ambulance, fire, law enforcement, maintenance, construction vehicles and tow trucks. Reduce speed if unable to safely move over a lane.

The law was expanded this year to include utility vehicles. If you come across our line crews working, please take the extra time to safely pass by them.

Be careful out there! Every year we experience incidents with farm equipment striking power lines, and this year is no different. The equipment seems to get larger every year, which can cause clearance issues. If you do break a pole or hook a guy wire, immediately call the PKM office to report the township, section and quarter section of the line damage. Offer any information you can regarding the damage and leave your name, address and phone number for us.

Headlands are a likely area where farm equipment can accidentally become entangled in the power lines. Remaining inside the equipment until help arrives is critical to everyone's safety. Those involved should understand any contact with power lines carries the potential of a serious or fatal accident. Electricity can arc to the equipment if it comes close to the line.

It's always best to call for help and wait until the PKM line crew arrives to make sure the line is de-energized. If the power line is energized and you step outside, your body becomes the path and electrocution could happen. Even



Electrical Inspectors

Marshall and Polk Counties

Bryan Holmes
218-686-1413

Wayne Bergstrom
701-520-9771

Kittson County

Wayne Bergstrom
701-520-9771

May/June 2018

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Electrical after-hours emergencies

800-552-7366
e-mail: info@pkmcoop.com
website: www.pkmcoop.com

Next Board Meeting:

Tuesday, June 26, 2018

Officers and Directors

President Tom Woinarowicz
Vice President Michael Beaudry
Secretary-Treasurer Wayne Malm
Directors Paul Aakre, Jeffrey Folland, Steve Goodwin,
Mark Hatton, Chris Mortenson and Blake Owens
CEO Mike Schmidt
Editors Jeff Rustad, Chelsy Davey

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Overhead power lines are necessary to deliver electricity to hardworking farmers and ranchers, but those same power lines can also be deadly if not treated with respect. While you need to focus on the field and your machinery, your local electric cooperative urges you to also watch for electrical hazards around the farm or ranch.

BE AWARE

Farmers and their equipment should always be 10 feet away from power lines on all sides. Field cultivators and sprayers can often reach as high as 12 feet in the air. Practice extreme caution and use a spotter to make sure you stay far away from power lines when you use tall equipment.

If you have purchased new equipment, be aware of antennas or other attachments that may pose new hazards. A newer, bigger piece of equipment may no longer clear a line. In addition, shifting soil may also affect whether machinery avoids power lines from year to year.

Power lines also may sag over the years. If power lines on your property are sagging, contact your electric cooperative to repair the lines. Never try to move a power line on your own.

Overhead power lines are not the only electric hazard on the farm. Pole guy wires, used to stabilize utility poles, are grounded. However, when one of the guy wires is broken, it can become charged with electricity. If you break a guy wire, call the cooperative to fix it. Don't do it yourself.

FOLLOW THESE OTHER TIPS:

- Look over work areas carefully for overhead power lines and utility poles. Make sure you, your family and employees know the location of overhead power lines, and use routes to avoid the lines when moving equipment. Do this every year, as equipment sizes and soil conditions may change.
- Be aware of increased heights of equipment, especially new equipment with higher antennas.
- Avoid moving large equipment alone. Have someone watch as you move equipment to ensure you are clear of power lines.
- Be extra careful when working around trees and brush; they often make it difficult to see power lines.

WHAT IF YOU CONTACT A POWER LINE?

Imagine that you are driving a tractor to the field when things come to a screeching halt. You look back to see what's stopping you, only to discover that you're tangled in an overhead power line! What do you do?

- First, DON'T climb out. If your equipment does contact a power line, stay in the cab and call for help. Warn others to stay away and wait until the electric cooperative arrives. Most utility lines are uninsulated, bare wires. Do not let your body become a direct link between the power line and the ground.
- If you must leave the tractor due to immediate danger, such as a fire, jump as far away as you can, making sure that no part of your body touches the tractor and the ground at the same time. Land with both feet together and hop or shuffle your feet a few inches at a time, making sure to never break contact with the ground or cause separation between your feet.
- Once you're off the tractor, do not go back until your local electric co-op disconnects the power line.



Scholarship Recipients

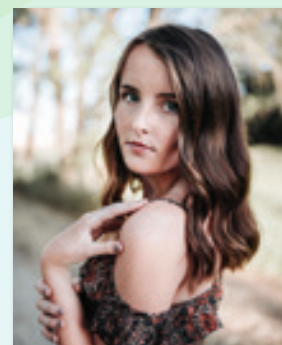
PKM Electric scholarships are made possible by funding from Operation Round Up. Since the beginning of this program in 1998, we have awarded 378 scholarships valued at \$1,000 each.



Kiersti Johnson
*Kennedy
Johnson Home School*



Katelyn Wagner
*Crookston
Crookston High School*



Allison Tiedemann
*Crookston
Crookston High School*



Keaton Lindgren
*Crookston
Crookston High School*



Brad Stewart
*Hallock
Kittson Central High School*



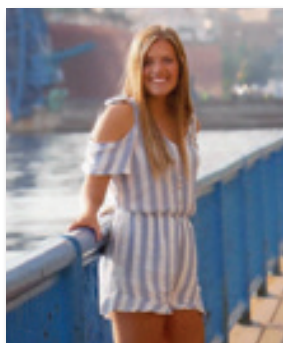
Nicholas Johnson
*Hallock
Kittson Central High School*



Zachary Johnson
*Hallock
Kittson Central High School*



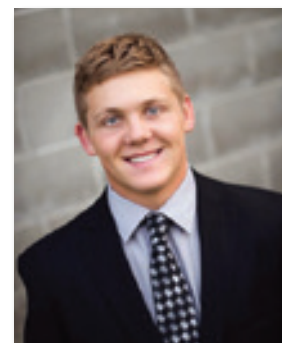
Karin Dahl
*Drayton
Kittson Central High School*



Alexa Kovar
*East Grand Forks
East Grand Forks Senior
High School*



Seth McGregor
*Stephen
Stephen-Argyle High School*



Kyler Szczepanski
*Stephen
Stephen-Argyle High
School*



Sarah Budziszewski
*Strandquist
Tri-County High School*

(Not Pictured)
Madlyn Anderson
*Lancaster
Lancaster High School*



Congratulations!

**CLASS OF 2018
SCHOLARSHIP RECIPIENTS**

Watch for poles when burning ditches



If you plan to initiate a controlled burn of ditches or other areas, please be aware of poles when doing so. Controlled burns can easily and quickly burn out of control, and the result could be a damaged electric pole. Poles that burn through must be replaced, but even poles that are blackened may not be worth keeping, and this comes at a cost. During the intense heat of a grass fire, preservatives in the pole may boil and seep out. This can leave the pole more brittle and prone to wind, ice or lightning damage that could cause widespread outages. If the pole is damaged to the point of replacement, the member will be charged the cost of equipment plus labor to replace it. Please exercise caution when doing a controlled burn in the vicinity of a utility pole.

Energy Efficiency Tip of the Month



Look for LED products and fixtures for outdoor use, such as pathway, step and porch lights. Many include features like automatic daylight shut-off and motion sensors. You can also find solar-powered lighting for outdoor spaces.

— Source: energy.gov

Blink outage work continues

Minnkota Power Cooperative, PKM Electric's wholesale power provider, is continuing to pursue project work in 2018 to address blink outage issues on its 69-kilovolt power delivery system. A significant portion of this 2,100-mile system has aged beyond its 50th year of service and was not built to meet the heightened expectations of today's consumers. While it is not practical or cost effective to reconstruct all of these lines in the near term, modifications can be made to help limit their exposure to blinks caused by lightning strikes or other line contacts.

More than 565 miles of line has been treated since the start of the project in 2015. About 250 miles are planned for 2018. Minnkota has begun monitoring these stretches of line and reviewing the effectiveness of the blink mitigation efforts. Early results show notable improvement in the performance of each treated line section.

The basics of blink outage mitigation

To help reduce the frequency of blink outages, crews are installing four pieces of equipment:

A. New post-top insulators

Polymer post-top insulators are installed to replace the aging porcelain insulators. The post-top insulator is attached to the top phase wire at each structure, helping prevent the undesired flow of electricity to the ground.

B. Hanging lightning arresters

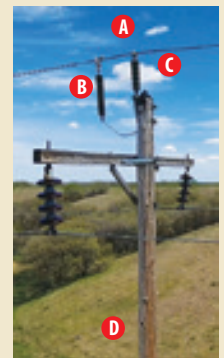
Hanging lightning arresters attach to the top phase wire and connect to the structure ground. This device routes a lightning strike around the electrical system and safely sends the current to ground.

C. Poletop helmet

A poletop helmet is a plastic cone-shaped device that deters birds and other animals from sitting on the structure, protecting them from the energized line.

D. Pole wrap

A pole wrap is a sheet of plastic that attaches around the base of the pole, creating a slippery surface that deters wildlife from attempting to climb the pole.



SAFETY GEAR

THROUGH THE YEARS

Modern bucket trucks rumbled into the electric utility industry starting in the 1950s, but it wasn't until the late 1970s that McCullough Electric Cooperative in Brady, Texas, saw its first such vehicle.

Danny Williams, now the manager of loss control at Texas Electric Cooperatives (statewide) in Austin, was a young McCullough Electric groundman back then.

"We might have been one of the last co-ops in the state to get a bucket truck," he recalls. "Everything we did was off the wood."

Delayed adoption of such industry advancements is not unique to McCullough Electric. Common use of key safety- and productivity-enhancing equipment, like rubber gloves, grounding and hard hats, often took decades.

Experts say many factors were at play. Humid southern summers discouraged rubber sleeves. Difficulty climbing up and over pole structures made harnesses hard to sell.

"Probably a lot of why they didn't embrace it is because they weren't trained," says Don Harbuck, senior vice president of customer success at Northwest Lineman College. "Think about it. I'm out there, and I've been working, putting poles in the ground and stringing wire for 10, 15 years, and I still got all my fingers and toes. Then somebody comes along and says, 'Wait a minute now. We can't do that the way we used to. We have to do it this way.' Yet nobody's trained them in why we have to go to the new method."

Dwight Miller, director of safety and loss control at Ohio's Electric Cooperatives (statewide/G&T) in Columbus, says, "Safety really was and still is an evolution. As principles and equipment were introduced and developed, you might see one utility adopt [them], but another 15 or 20 years pass before becoming widely used in the industry."

Take fall protection equipment. The Occupational Safety and Health Administration (OSHA) now requires employees working at heights of more than 4 feet on a pole, tower or similar structure to wear a body belt or body harness system that attaches to a pole.

But 100 years before the OSHA ruling, someone thought high-climbing linemen needed extra protection. While writing *The American Lineman*, an exhaustively researched look at the history of linework in the United States, Alan Drew discovered a patent drawing showing the same fall-restraint concept.

"We could not confirm they were ever produced, but it shows that they were thinking about mitigating pole falls way back in 1914," Drew says.

As daily demands and common voltages grew in the electric industry, job site dangers did as well. In the industry's infancy, employers expected workers to take risks. As a result, about one in three linemen – called "boomers" back then – died on the job, Drew notes. But companies eventually came around and "began creating safety rules and work procedures that began to save lives."

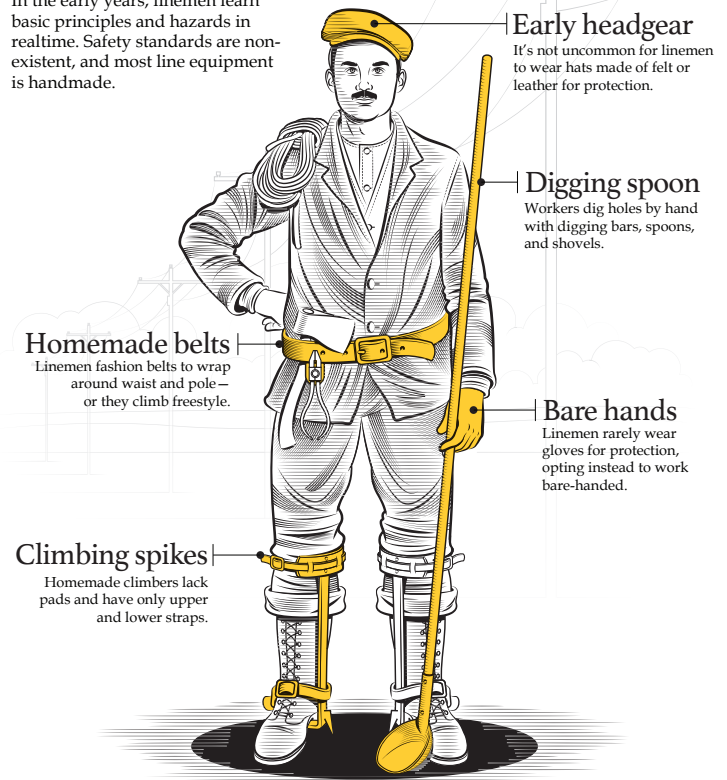
The creation of OSHA in 1971 had a big impact. But, as co-op safety experts point out, so did access to training, with a proliferation of lineman schools and programs.

As the head of training for Texas cooperatives, Williams oversees 52 training schools for 100 co-ops, municipal utilities and contractors. "You can have all the equipment in the world, but if they're not trained to operate it and operate it safely, you're back to square one."

1875-1900

Electrification begins

In the early years, linemen learn basic principles and hazards in realtime. Safety standards are non-existent, and most line equipment is handmade.



1951-1970

New heights and faster communication

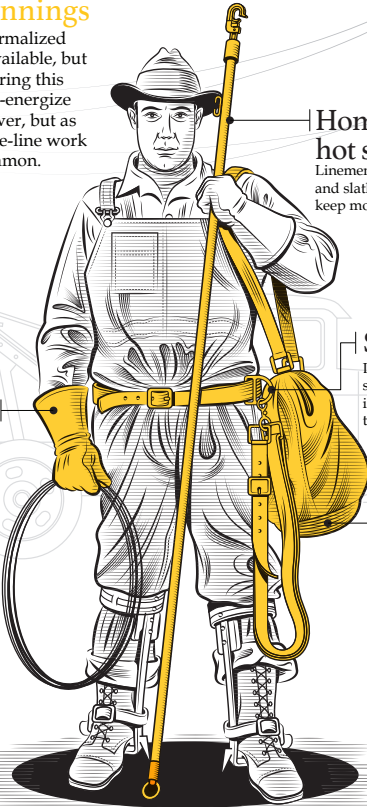
Fiberglass sticks evolve to "rubber gloving," with more formalized rules and training. The advent of the bucket truck, utility undergrounding, and improved communications are major steps.



1901-1925

Safety beginnings

Safety rules and formalized training become available, but they're limited. During this period, linemen de-energize lines to restore power, but as demand grows, live-line work becomes more common.



Homemade hot sticks

Linemen make their own hot sticks and slather them with varnish to keep moisture out.

Standardization

Linemen belts and safety straps are more standardized, adjustable, and attach to D-rings.

Rubber gloves

Safer rubber gloves are introduced around 1915 along with other rubberized equipment, such as line hoses and blankets.

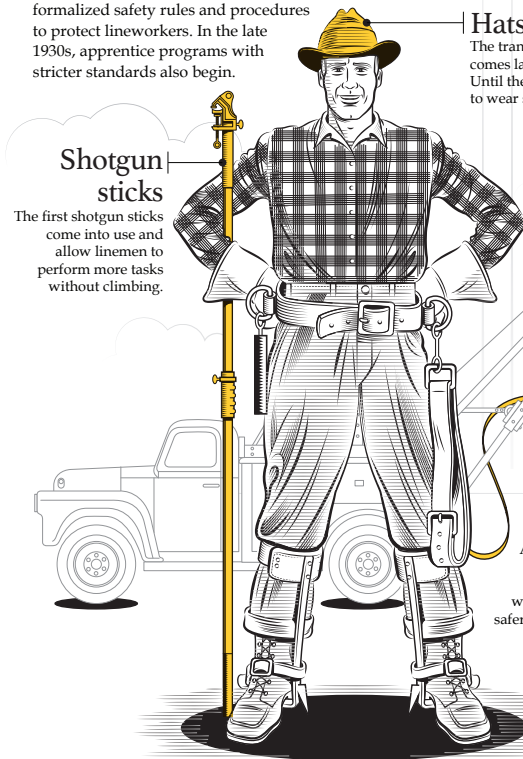
Leather tool bags

Leather bags store and carry climbing and work tools.

1926-1950

Safety training improves

The electric industry develops more formalized safety rules and procedures to protect lineworkers. In the late 1930s, apprentices programs with stricter standards also begin.



Shotgun sticks

The first shotgun sticks come into use and allow linemen to perform more tasks without climbing.

Hats

The transition to hard hats comes later in this period. Until then, most linemen elect to wear soft, Stetson-style hats.

Hydraulics

A-frame digger trucks evolve into hydraulic digger derrick trucks with auger, resulting in safer, more efficient work.

1971-1990

New law of the land

President Nixon signs the Occupational Safety and Health Administration (OSHA) law. Underground line installation gains widespread use. Material-handling bucket trucks and hydraulic and mechanical compression tools also improve work conditions.



Hard hats

Head protection made from thermoplastics gains widespread use.

Rubber sleeve improvements

New sleeves extend to the shoulders for extra protection.

Telescoping or extendo stick

Made of fiberglass, the extendo stick lets workers perform tasks like opening and closing switches or removing tree limbs while staying on or near the ground.

1991-present

Watching out for workers

OSHA begins requiring utilities to provide lineworker clothing to protect from arc flashes and "fall protection" devices like body harnesses and fall-arrest lanyards.



Harnesses

Linemen aren't climbing as much, so body harnesses and lanyards are valuable backup support.

Insulated hard hats

Linemen now wear hard hats insulated with a special polyethylene that protects against blows to the head.

Clothing

Arc-rated clothing is written into OSHA-required Personal Protective Equipment.

Battery-operated crimper

Lightweight mechanical crimpers mean no more squeezing connectors by hand.

Tablets

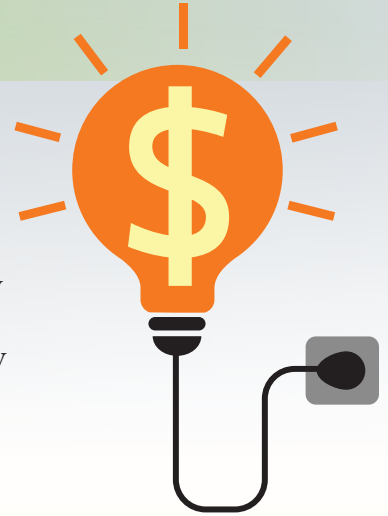
Mobile devices help lineworkers troubleshoot problems using SCADA and meter data instead of climbing a pole or going up in a bucket.

More value for your energy dollar

Add home comfort and energy efficiency to your home with help from PKM Electric Cooperative

Make your home more comfortable and energy efficient with help from the trusted energy advisors at PKM Electric Cooperative. Great incentives and rebate programs are available to assist you in the purchase and installation of qualifying heating and cooling systems and water heaters.

Not sure where to start? Check out the options below to see which rebates you qualify for and the appliances and equipment that best fit your lifestyle. Contact PKM Electric Cooperative today to learn more about how you can get the most value out of your energy dollar. *Some restrictions apply. Offers may require inspection and are subject to change at any time.*



Electric heating



Electric Heating Rebate Checklist

Must be on off-peak

☐ 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.

Rebate of \$40 per kilowatt (kW)



☐ 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.

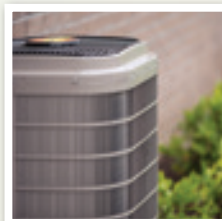
Rebate of \$40 per kW



☐ 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.

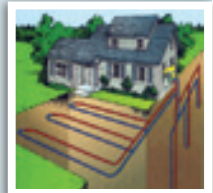
Up to 16 SEER: Rebate of \$300 per ton
17 SEER or greater: Rebate of \$500 per ton



☐ 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.

Closed loop: Rebate of \$400 per ton
Open loop: Rebate of \$200 per ton



☐ Electric underfloor boiler

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

Rebate of \$40 per kW



☐ Other electric heating systems

Options include electric baseboards, cove heaters, electric floor cable, mats and more.

Rebate of \$40 per kW



Water heaters



Electric Water Heater Rebate Checklist

Must be on off-peak

- ☐ 100 gallon or greater

\$350 rebate

- ☐ 56-99 gallon

\$300 rebate

- ☐ 55 gallon or less

\$150 rebate

- ☐ **Bonus rebates:**

Add \$250 if converting from natural gas or propane.

Free 50 or 85 gallon for new home construction - must be a residence.

All equipment must be new and installed on PKM Electric Cooperative's system

Equipment must be installed on PKM's off-peak program

Contact Member Services for more details!

218-745-4711

Appliance energy usage

The average monthly kilowatt-hour consumption figures in this chart are based on normal use. Your electrical consumption may be higher or lower, depending on how you and other people in your home and on your farm use the various appliances and equipment.

| | Approx. average wattage | Estimated hrs. used per month | Estimated monthly kWh | Cost per month at \$.12/kWh |
|---|-------------------------|-------------------------------|-----------------------|-----------------------------|
| KITCHEN | | | | |
| Coffee maker | 1,000 | 15 | 15 | \$1.80 |
| Dishwasher - ENERGY STAR® qualified | 330 | 31 | 10 | 1.23 |
| Freezer - ENERGY STAR® qualified | 200 | 744 | 149 | 17.86 |
| Microwave | 1,500 | 15 | 23 | 2.70 |
| Oven | 2,400 | 31 | 74 | 8.93 |
| Refrigerator - ENERGY STAR® qualified | 225 | 744 | 167 | 20.09 |
| Toaster | 1,100 | 3 | 3 | 0.40 |
| ENTERTAINMENT | | | | |
| Cable box with DVR (not turned off) | 140 | 744 | 104 | 12.50 |
| Computer with desktop | 100 | 186 | 19 | 2.23 |
| Nintendo Wii | 40 | 31 | 1 | 0.15 |
| Sony PlayStation 4 | 150 | 31 | 5 | 0.56 |
| Television (LED) < 40" | 80 | 155 | 12 | 1.49 |
| Television (LED) > 40" | 100 | 155 | 16 | 1.86 |
| Xbox One | 120 | 31 | 4 | 0.45 |
| LAUNDRY | | | | |
| Clothes washer | 255 | 15 | 4 | 0.46 |
| Clothes dryer | 2,790 | 15 | 42 | 5.02 |
| Iron | 1,100 | 8 | 9 | 1.06 |
| LIGHTING | | | | |
| 9-watt LED lamp 9 (based on 6 hrs/day) | 9 | 186 | 2 | 0.20 |
| 60-watt incandescent lamp | 60 | 186 | 11 | 1.34 |
| 100-watt incandescent lamp | 100 | 186 | 19 | 2.23 |
| Incandescent mini holiday lights (100-count string) | 40 | 155 | 6 | 0.74 |
| LED mini holiday lights (100-count string) | 5 | 155 | 1 | 0.09 |
| MISCELLANEOUS | | | | |
| Electric blanket (5 hrs/day x 2 months) | 400 | 70 | 28 | 3.36 |
| Hair dryer | 1,500 | 5 | 8 | 0.90 |
| Vacuum | 1,400 | 5 | 7 | 0.84 |
| Water heater | 4,500 | 90 | 405 | 48.60 |
| HEATING | | | | |
| Air conditioner - room (4 hrs/day) | 1,000 | 124 | 124 | 14.88 |
| Air conditioner - 3 ton (4 hrs/day) | 3,500 | 124 | 434 | 52.08 |
| Furnace fan - variable speed motor (24 hrs/day) | 75 | 744 | 56 | 6.70 |
| Furnace fan - conventional blower (24 hrs/day) | 400 | 744 | 298 | 35.71 |
| Space heater (8 hrs/day) | 1,500 | 248 | 372 | 44.64 |

Board meeting highlights

February and March

A special meeting of the board was held Monday, Feb. 19, 2018.

Tom Woinarowicz, president who presided, asked for roll call. Upon calling the roll, the secretary reported that all directors were present with the exception of Directors Goodwin and Owens.

The president reported on recent MREA activities, including the upcoming MREA annual meeting on March 14-15, with a legislative visit scheduled with our district Representatives Fabian and Kiel. The president also suggested attendance to the MREA information sessions available prior to the annual meeting.

Director Folland reported on recent Minnkota activities, indicating no meeting has been held since the last PKM board meeting. Upcoming Minnkota meetings, including a ribbon-cutting ceremony and the COSS, were discussed.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time. MREA held a "HOT Lab - Hands on Training" on Feb. 7, as a response to increased contacts in the industry. MN Safety held an all-employee update on Emergency Action Planning on Feb. 15. Connected members for the end of January stood at 3,864, representing a net gain of 43 from the same period last year.

The manager of operations continued his monthly report on activities in the line department. Inventory will be priority, and pole change outs will occur as weather allows.

The manager of member services reported on his attendance at the Contractor Classes held at Minnkota Power and commented that many were in attendance and the classes ran well. Discussion of a repeat student-attended power plant tour tentatively in April was held and approved.

The CEO presented the Operating and Financial report for the cooperative. Discussion of the Minnkota Power Cooperative Cost of Service Study was held. Also, an update on the recent RUS O & M Review was presented with a final letter from GFR Brad Schmidt to be distributed at the March meeting.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed. The discussion turned to the desirability of making a general retirement.

The financial policy sets a goal of a twenty-year rotation. Due to the weather, maintaining a steady margin is challenging. The capital credit payout method was explained, and alternatives will be addressed later in the year by having a CFC and equity management meeting. Following discussion, upon motion duly made by Director Malm and seconded by Director Hatton, a resolution was offered to retire the remaining balance of 1993, 1994-member capital and DSS interest totaling \$525,000.

There was a motion to amend by Director Aakre,

which was made and seconded by Director Malm to retire a total capital of \$400,000. Following discussion, that motion passed on a divided vote of 4:2. The motion carried.

A proposal for replacement of director iPads was presented. Upon discussion, a decision was made to purchase iPads for those who need replacement. In addition, email addresses will be assigned to each director during the iPad setup process.

Per the request of Director Owens, information was distributed to the directors regarding the acceptance of credit cards as a form of payment for electric billing. Costs from NISC, as well as feedback from our neighboring cooperatives, was included. The implementation of accepting credit cards as a form of payment will continue to be evaluated.

The president informed the directors it is necessary to designate a delegate to represent PKM Electric Cooperative, Inc., as a CRC delegate for 2018. Director Malm was selected.

The CEO and Directors Beaudry and Hatton provided an update to fellow directors regarding a meeting that was held with legal counsel for changes to the bylaws that will be voted on by the membership at the upcoming annual meeting.

Following discussion, upon motion duly made by Director Beaudry and seconded by Director Hatton, a resolution was unanimously adopted that there will be three (3) changes to the PKM Electric Cooperative, Inc. Articles of Incorporation and Bylaws to be presented to the membership in the 2017 annual report edition of the PKM News, and that the changes will be voted on by the members at the upcoming annual meeting April 3, 2018.

The CEO presented the board with some office updates including succession planning discussion and potential remodeling due to door clearance issues.

The CEO presented the listing of Accounts Receivable - Electric to be written off with a total of \$7,734.29. The CEO reminded the board that this does not end the collection process and that these accounts

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.



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

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 Tina Smith

309 Hart Senate Office Building
Washington, DC 20510
Phone: 202-224-5641

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

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

Senator Mark Johnson

2105 Minnesota Senate Bldg.,
95 University Avenue W.

St. Paul, MN 55155

651-296-5782

sen.mark.johnson@senate.mn

Representative Dan Fabian

359 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155
651-296-9635
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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

are turned over to a collection agency. The recovery process has been successful over the years. A resolution was unanimously adopted to write off bad debts – electrical in the amount of \$7,734.29 and apply this against the reserve for uncollected revenue.

The discussion turned to the status of the Redleg loan as it has been paid in full. The CEO inquired if there were any known opportunities for relending in our service area and asked the directors to continue researching any possibilities.

At the recent District 1 meeting, the distance construction and maintenance employees must live within location to the cooperative to perform work asked of them was discussed. PKM currently has an unwritten policy; the CEO suggested to implement one formally. Following discussion, upon motion duly made by Director Aakre and seconded by Director Hatton, a resolution was unanimously adopted that the board of directors approve Policy Bulletin No. 2-7, titled “Employee Location,” and that a copy of this policy be appended to the official minutes of this meeting.

The president mentioned Attorney Brian K. Rokke is retiring. It is the responsibility of the board of directors to select replacement legal counsel. The directors requested a meeting with Robb E. Leach to be scheduled.

Discussion turned to the nomination of the PKM Electric Cooperative, Inc. directors to serve on the Minnkota Power Cooperative, Inc. and Square Butte Electric Cooperative board of directors, respectively. A resolution was unanimously adopted to nominate Jeff Folland to serve as a director of Minnkota Power Cooperative, Inc., and that Paul Aakre is nominated to serve as a director for Square Butte Electric Cooperative.

A regular meeting of the board was held Tuesday, March 27, 2018.

Tom Woinarowicz, 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.

At this time, Attorney Robb Leach introduced himself and responded to questions from the directors. Discussion of his current and previous law experiences took place. The president expressed thanks to Robb on behalf of the board of directors for taking time to visit during the meeting.

The president discussed recent MREA activities, including a clean audit report and a legislative push for a better understanding of CIP requirements. The president also included a recap of the recent MREA annual meeting held earlier this month. During the meeting, gubernatorial candidates, including three democrats and three republicans, addressed the attendees and were also interviewed.

Director Bernstrom also reported on his attendance of the MREA annual meeting. He attended the Cooperative Network meeting, mentioning large attendance. Health insurance and the Stearns County solar array were also highlighted.

In addition to Director Bernstrom's MREA annual meeting information, he provided an update to the directors on recent Square Butte activities. The annual meeting will be held on April 6 at the Minnkota Power Cooperative headquarters in Grand Forks, N.D. Discussion of Project Tundra is underway and the bitcoin sale of the old MPC headquarters was highlighted.

In the absence of Director Folland, CEO Mike Schmidt provided an update of recent Minnkota Power Cooperative business. The Cost of Service Study was discussed; when more information is available, Schmidt and Folland will continue to inform and advise the directors.

Director Owens reported on his recent attendance of the NRECA annual meeting held in Nashville, Tenn. Director Folland, CEO Mike Schmidt and Line Foreman Scott Slusar were also in attendance. Speakers from general and breakout sessions included Jim Matheson, NRECA CEO; Trish Regan, Fox TV host; and Lesley Stahl, CBS journalist.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time. Recent snow and ice storms caused 20+ line outages; power was fully restored in approximately 24 hours.

Statistical and financial report

Year-to-date: April 2018

| | Last Year | This Year | Budget |
|-----------------------------|--------------|--------------|--------------|
| Total income | \$ 5,093,355 | \$ 5,302,801 | \$ 5,601,553 |
| Total expense | \$ 4,266,662 | \$ 4,332,735 | \$ 4,706,300 |
| Net operating margins | \$ 364,239 | \$ 483,254 | \$ 397,815 |
| Total kWh sold | 44,128,391 | 47,375,998 | 42,577,589 |
| Avg. kWh sold per member | 2,901 | 3,089 | |
| Line loss | 3.61% | 1.07% | |
| Del. cost per kWh purchased | 7.62¢ | 7.30¢ | |
| Average sale price per kWh | 11.5¢ | 11.2¢ | |
| Percent kWh sales increase | (1.8%) | 7.4% | |
| Members billed | 3,803 | 3,834 | |
| Miles of line in service | 2,261 | 2,268 | |

MREA held a safety meeting focusing on driving and traffic safety on March 9. Continued engine issues are causing troubles for a couple trucks. Neighboring co-ops are also having issues with expenses related to trucks. Discussion will continue with a plan to be brought forward at a future meeting.

The manager of operations continued his monthly report on activities in the line department. The lineman position has been posted on the MREA website and advertised in the local service area newspapers. Connected members for the end of February stood at 3,860, representing a net gain of 36 from the same period last year.

The manager of member services shared an update on the Omdahl solar array and provided an off-peak sales-per-year comparison. The connected load report requested by MPC is also completed. He will be attending the Gopher State One Call 811 meeting in Thief River Falls and is wrapping up the preparations for the PKM annual meeting on April 3, 2018. The AMI pilot project information was shared with the directors with a plan to replace meters in phases and migrate our system over the years, providing an opportunity to see how the technology works.

The CEO presented the Operating and Financial report for the cooperative. He mentioned collections for nonpayment will begin in April as the Cold Weather Rule ceases.

Chris Mortenson was selected as the director candidate for Kittson County at the recent Nominating Committee meeting. The CEO was pleased to report another clean 2017 audit conducted by Brady Martz. Matt Laughlin of Brady Martz will present the financial report at the annual meeting to show integrity to our members by having the independent auditor verify PKM's financials.

Upon presentation of the reports from the management staff and CEO, questions and comments from the Board of Directors concerning their reports were addressed.

Following discussion, upon motion duly made by Director Bernstrom and seconded by Director Aakre, a resolution was unanimously adopted that the board of directors select Robb Leach to represent PKM Electric Cooperative, Inc., for legal counsel.

The CEO presented the directors with a proposal from C & M Ford for the available Redleg funds. C & M Ford wishes to apply for a loan to help finance a new Jeep, Dodge dealership in Hallock, Minn. The terms, rate and amount are negotiable. The CEO recommends lending the full amount at 2 percent. The president inquired about the required security/collateral for the loan requirements. C & M Ford has agreed to meet all needs asked. Directors approved the recommendation and requested that legal counsel draft a promissory note for signatures.

Following discussion, upon motion duly made by Director Bernstrom and seconded by Director Aakre, a resolution was unanimously adopted that the Redleg funds totaling \$195,000 be borrowed to C & M Ford at a two percent (2%) interest rate for a term of 10 years to assist with financing of the dealership building, directed the CEO to contact legal counsel for promissory note drafting and asked that a copy of the promissory note be appended to the official minutes of this meeting.

The CEO and operations manager presented to the board of directors the inventory comparison for construction material, resale material and small tools. The physical inventory detected a shortage of construction material of \$5,371.11 and a deficit of resale material of \$502.31, with small tools precisely accounted for. The president stated a resolution would be necessary to reconcile this inventory. The board of directors instructed management to reconcile the inventory to balance with the actual count for the categories discussed.

Cooperative Engineer Randy Vetter reviewed with the board of directors findings from the RUS Form 300 O & M performed by RUS Field Engineer Brad Schmidt in February. Overall, PKM received satisfactory remarks, with Brad Schmidt noting he was impressed with the meter testing performed. Vetter also discussed the 4-year work plan with the last one being completed in 2015. An evaluation is performed to determine if the cooperative has an adequate system or if any additions or improvements need to be made.

CEO Mike Schmidt presented the 2017 RUS Financials and Operating Report Form 7 to the directors.

The discussion transitioned to the subsidiaries and their end-of-year financials. Based on findings, additional information will be requested from Karian Peterson regarding agreements for debt guarantees.

The CEO informed the directors that PKM Electric is seeking approval to engage Brady Martz to perform the agreed-upon procedures specified by NRECA regarding PKM Electric's adherence to the NRECA R and S Plan adoption agreements and Summary Plan descriptions with respect to participant eligibility for the 2017 plan year. The board directed the CEO to engage Brady Martz to perform the audit required by NRECA regarding the Cooperative's adherence to the NRECA R and S Plan.

A proposal from Klopp Construction was presented to the directors for construction costs associated with the Hallock site and door clearance issues at the Warren headquarters. The board of directors instructed management to proceed with the construction outlined in the proposal provided by Klopp Construction.

2018 Annual Meeting Prize Winners

EARLY BIRD DRAWINGS – 5:35 P.M.

| Winner | Prize | Sponsor |
|----------------------|--------------------------|--|
| 1. Marlo Engen | Walmart Gift Card - \$25 | Dakota Supply Group |
| 2. August Bernstrom | Birdhouse | PKM Electric Co-op, Inc. (North Star Handicapped Helpers) |
| 3. June Ziegelmann | Two Twins Tickets | KROX |
| 4. Carol Sele | MN Cutting Board | PKM Electric Co-op, Inc. (North Star Handicapped Helpers) |
| 5. Allen Buchner | Sweatshirt | Border States Electric |
| 6. Sharon Abrahamson | Camo Cooler | PKM Electric Co-op, Inc. |
| 7. Lyle Braff | Work Light | WESCO |
| 8. Evelyn Shimpa | Screwdrivers | PKM Electric Co-op, Inc. |

FINAL PRIZE DRAWINGS

| | | |
|--------------------|---------------------------|--|
| 9. Lowell Hamrick | Energy Certificate - \$25 | MEI Engineering, Inc. |
| 10. Jon Slusar | Square Cutting Board | PKM Electric Co-op, Inc. (North Star Handicapped Helpers) |
| 11. Alvina Vonasek | PKM Lawn Chair | PKM Electric Co-op, Inc. |
| 12. Barbara Staie | Energy Certificate - \$25 | Karian/Peterson Power Line |
| 13. Robert Broten | Energy Certificate - \$25 | MEI Engineering, Inc. |

Winner

Prize

Sponsor

| | | |
|-------------------------|--|--|
| 14. Karen Sele | Birdhouse | PKM Electric Co-op, Inc. (North Star Handicapped Helpers) |
| 15. John W. Anderson | Blender | WESCO |
| 16. Mona Rae Fagerstrom | Drill Driver and Bits | RESCO |
| 17. Terry Nowacki | Menard's Gift Card - \$25 | Dakota Supply Group |
| 18. Joseph Wilebski | Two Twins Tickets | KROX |
| 19. Rovella Weiland | Round Tabletop Grill | PKM Electric Co-op, Inc. |
| 20. Dawn Fagerstrom | Energy Certificate - \$25 | Karian/Peterson Power Line |
| 21. Carol Batko | Battery Booster Pack | Utility Inspection Services |
| 22. Wayne Stromgren | Square Cutting Board | PKM Electric Co-op, Inc. (North Star Handicapped Helpers) |
| 23. Laures Kleinwachter | MECO Tabletop Grill | PKM Electric Co-op, Inc. |
| 24. Eugene Jorgenson | MN Cutting Board | PKM Electric Co-op, Inc. (North Star Handicapped Helpers) |
| 25. Bertha Larson | Kittson County Enterprise Subscription | Kittson County Enterprise |
| 26. Mylo Carlson | Toolkit | PKM Electric Co-op, Inc. |
| 27. Larry Larson | Picnic Table | PKM Electric Co-op, Inc. (sentence to serve) |






Grand Prize: \$500 Energy Credit - Marilyn Huderle (PKM Electric Co-op)



PLAN AHEAD TO CALL BEFORE YOU DIG

Digging without locating underground utilities, even the smallest digging projects, could leave neighborhoods in the dark, cause thousands of dollars in damages or cause severe electrical shock. To stay safe, make use of the national underground utility locating service for free by calling 811.

The **811 "Call Before You Dig"** number will route you to your local utility locating service. Make sure to tell the operator where and when you plan to dig and what type of work you will be doing. From there, it takes a few business days for a professional to come mark your public utilities with flags or spray paint, so make sure to plan ahead and call in advance.

There are different colors of paint and flags that mark the underground utilities, and each color is universal to what utility is buried.

| | |
|--|---|
|  | Red – Electric |
|  | Orange – Communications, Telephone/CATV |
|  | Blue – Potable water |
|  | Green – Sewer/Drainage |
|  | Yellow – Gas/Petroleum pipeline |

| | |
|---|---|
|  | Purple – Reclaimed water |
|  | White – Premark site of intended excavation |



**Know what's below.
Call before you dig.**

Even if you previously had utilities located by calling 811, it is best to call before every digging project. Underground utilities can shift, and it is important to be certain of where they are before ever putting a shovel in the ground.

It is important to understand that 811 locators do not locate privately installed facilities. If you have any private utilities, you will need to hire a private utility locator. Some examples of private utilities include: underground sprinkler systems, invisible fences, data communication systems, private water systems or gas piping to a garage.

Once all of your underground utilities have been located, it is time to start digging, but be sure to wear all of the proper protective gear before putting the shovel into the earth. For more information about 811 and digging safety, visit Call811.com and SafeElectricity.org.

