

# PKM NEWS

Electric Cooperative



July/August 2018



PKM staff and crew gathered for a photo with Minnkota Power's all-electric Chevy Bolt during its Co-op Hop pit stop in Warren, Minn.



PKM Member Services Manager Jeff Rustad (left) joins Vice President Mike Beaudry (middle) and customer service representative Jeremy Treitline to take look under the hood.

## Minnkota Co-op Hop

*Minnkota puts an all-electric Bolt to the test with an 860-mile journey around its service area*

The best way to educate rural communities about the benefits and challenges of “energizing their drive” is to bring electric vehicle (EV) technology straight to their doorsteps. That was the goal of an 860-mile road trip across northern Minnesota and eastern North Dakota – all in Minnkota Power Cooperative’s 100 percent electric Chevy Bolt.

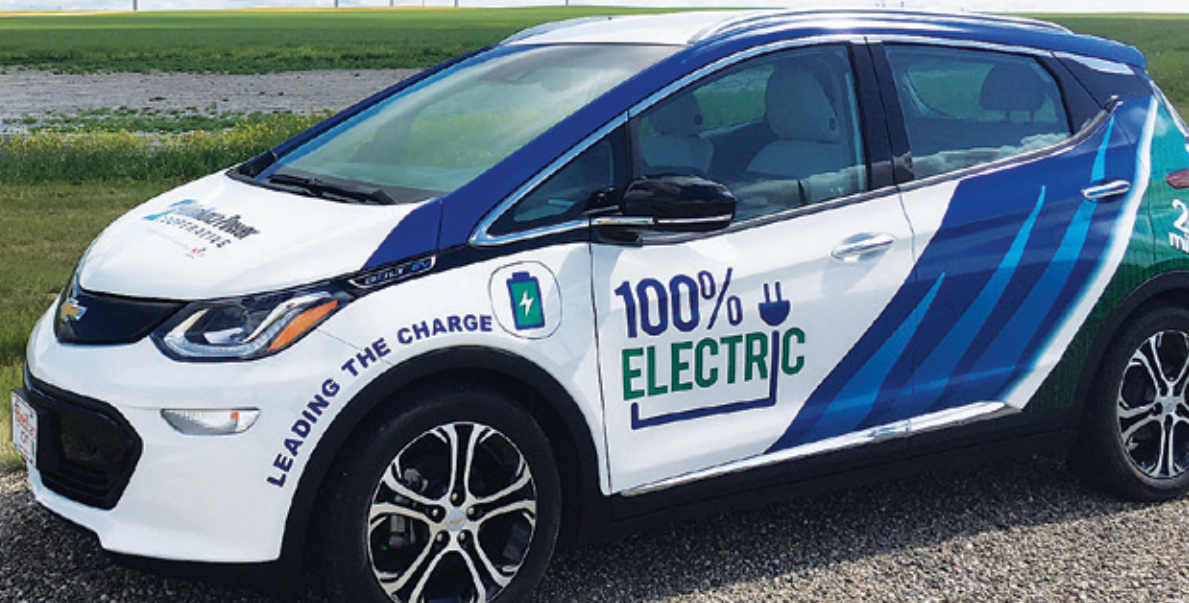
Over the course of four days at the end of July, Minnkota communications specialist Kaylee Cusack drove the car to all 11 member cooperatives in Minnkota’s service area, including a visit to PKM Electric Cooperative. She stopped to charge at nine different locations at all three charging levels

(120-volt Level 1, 240-volt Level 2, and DC fast charge).

The journey allowed Minnkota to share its EV experience with smaller communities like Halstad, Minn., Baudette, Minn., and Langdon, N.D. But it was also a chance to learn from larger cooperative communities like Fargo, N.D., and Bemidji, Minn., about how they have been using an EV of their own and building up the local charging infrastructure.

Cusack’s pit stop at PKM Electric was perfectly timed to fall right before the kick-off parade of the Marshall County Fair. PKM office staff and line crews had a chance to check out the innovative features of the electric car

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**MIKE SCHMIDT**  
CEO  
PKM Electric Cooperative

# Safety is our priority

**D**ue to the inherent danger of electric line work, one of PKM's core values (and my single most important task) is to maintain a safe working environment and ensure everyone makes it home at night. My staff and I are tasked with providing the leadership, resources and support necessary to maintain a strong safety culture. Any employee can halt a job in progress if they see something that could potentially cause a safety issue. PKM holds regular safety meetings, conducts annual reviews by our insurance company, gets experience rated by the state for our workers' compensation insurance and participates in what's called the Rural Electric Safety Achievement Program (RESAP).

The RESAP is a service of the National Rural Electric Cooperative Association (NRECA) and strives to promote the highest standards of safety among electric cooperatives. Minnesota Rural Electric Association (MREA) fully supports the RESAP program and works with electric cooperative members in their safety achievement process.

The premise for this program is based on two fundamental guiding principles that are essential to achieving safety excellence:

1. Safety must be embraced as a core value where the actions

and decisions of the cooperative reflect a fundamental and unwavering commitment to safety at all levels of the cooperative. This is achieved through a strong safety leadership culture. Cooperative leaders accept responsibility for a culture that ultimately drives safety performance.

2. Cooperative leaders and employees take ownership of the systems and processes that create a safe working environment. Safety systems are a shared responsibility and should focus on enhancing safe behaviors and reducing unsafe acts and risks to injury.

**To maintain a RESAP designation cooperatives must annually:**

- Submit Performance Measures of Key OSHA Data to NRECA

- Implement Safety Improvement Plan prepared by PKM and submitted to NRECA

**Every three years:**

- Submit a CEO leadership commitment to NRECA
- Submit a Safety Health Check to NRECA
- Prepare documents for review by on-site observation team
- On-site observation conducted by MREA and three observers, which is submitted to NRECA

PKM just completed our three-year renewal. Scott Slusar, PKM line foreman from the Hallock area, spearheads our safety programs and did a great job coordinating this year's renewal.

Our linemen work around the dangers of electricity every day. A strong safety culture empowers them to take the time to do the job safely.

**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.

**July/August 2018**

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**Office hours:**

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

**Electrical after-hours emergencies**

800-552-7366  
e-mail: info@pkmcoop.com  
website: [www.pkmcoop.com](http://www.pkmcoop.com)

**Next Board Meeting:**

Tuesday, September 25, 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

*This institution is an equal opportunity provider and employer.*

## Electrical Inspectors

**Marshall and Polk Counties**

Bryan Holmes  
218-686-1413

Wayne Bergstrom  
701-520-9771

**Kittson County**

Wayne Bergstrom  
701-520-9771



The PKM crew had a chance to ask some questions about the electric car before taking it on a few test drives around town.



The Minnkota Bolt joined PKM's float for the Marshall County Fair Parade, which won a lot of hearts with the pint-sized line workers featured on the trailer. The little ones were children of PKM staff and crew.

## Co-op Hop

*continued from page 1*

and examine what was happening under the hood. A few, including CEO Mike Schmidt, even took a spin around town to get a feel for the car's handling and acceleration. After a few joyrides, the Bolt joined the PKM float in the parade, opening fairgoers' eyes to the future of electric transportation.

Cooperative members were invited to drop in at every community hop stop and ask questions about EV battery technology, winter driving and the future of electric cars in the region.

"The Co-op Hop was a great educational experience – not only for the co-ops, but also for Minnkota," Cusack said. "Employees and

members had insightful questions that drove us to do more research and learn more about EVs and their impact on our industry and our region."

Cusack collected data along the way, logging charging times, discovering the availability of public charging stations and learning driving efficiency tips. Visit [EnergizeYourDrive.com/blog](http://EnergizeYourDrive.com/blog) to learn more about the Co-op Hop experience.

### Road ahead

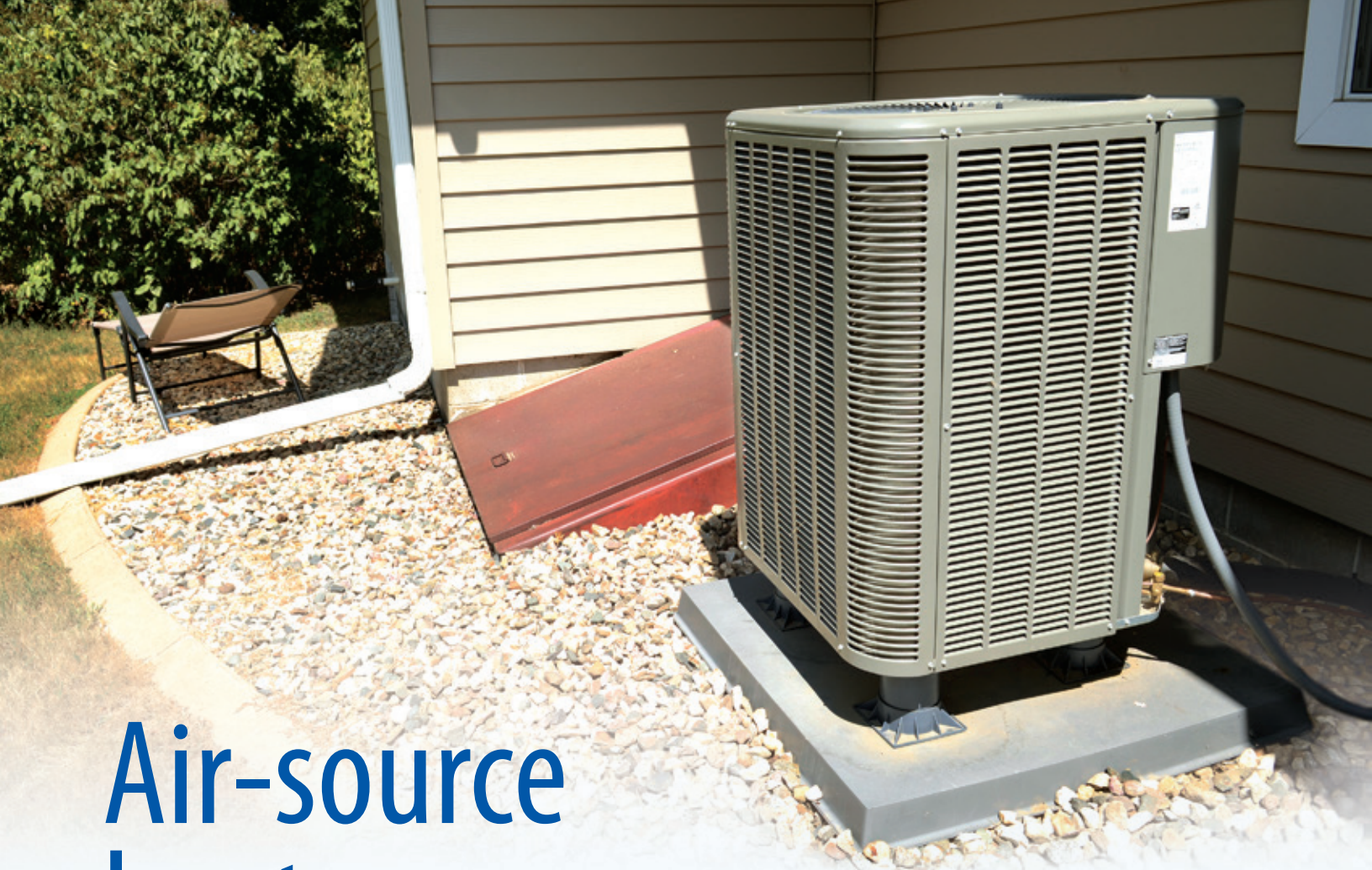
With the help of their electric cooperatives, hesitant drivers in the rural areas of northern Minnesota are beginning to see the benefits of driving electric, even in a region with brutal winters and a still-emerging public charging network. Electric vehicles offer a smooth and powerful ride (with no shifting gears or rumbling gas engine), fuel and maintenance savings, less auto emissions and a sense of American energy independence.

The Minneapolis-St. Paul metro area is now bursting with EVs on the road and public charging stations on nearly every corner. News reports indicate automakers are upping all-electric production, and retail giants are installing more chargers fast and furiously.

However, there is still plenty of road to cover before many are ready to kick the gas can to the curb. Rural electric cooperatives are ready for the journey to growth, keeping an eye on education and grant opportunities to spread the message and build consumer confidence.



The EV received a lot of smiles and waves from the thousands of fairgoers lining the streets of Warren, Minn.

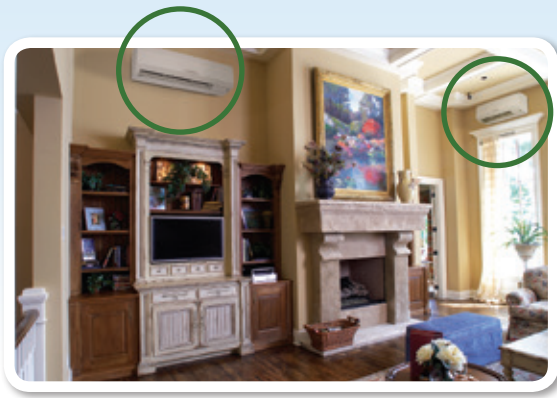


# Air-source heat pumps

*A smart choice for your heating and cooling needs*

Looking for a way to heat and cool your home more efficiently? The one system that can do both is an air-source heat pump (ASHP).

By providing super-efficient home heating and air conditioning, an ASHP can help members save significantly on their energy bills. According to the U.S. Department of Energy, ASHPs reduce electricity use related to heating and cooling by up to 72 percent. Since heating and cooling account for more than half of the average home's energy usage, switching to an ASHP can make an immediate impact on home energy usage. With a wide array of rebates available through PKM Electric Cooperative, there has never been a better time to install a new system.



Mini-split heat pumps are popular for homes without existing ductwork. The indoor units are positioned high on the wall and come in a variety of designs to match your existing decor.

# Have a safe HARVEST



Now is the time for farmers to reap the rewards of a long and often tiring growing season. When it comes to fall harvest, there is a lot to get done in a seemingly short amount of time, as shorter days and cooler weather can create a sense of urgency. These factors, along with today's technology and large farm equipment, can lead to serious accidents.

Overhead electric lines near end rows and along roadways can also be a danger to operators of large, taller farm equipment. Safe Electricity urges farmers to keep equipment – and extensions – at least 10 feet away from power lines in all directions and recommends the following tips to keep farmers safe:

- Know where overhead power lines are before you head out to the field and have a plan to stay far from them.
- Use a spotter when raising any equipment such as augers, grain trucks and even ladders. It can be difficult to tell how close you are to overhead power lines.
- Know what to do and have a plan if you come into contact with an overhead power line. Do not leave the vehicle until utility workers have cut off electricity and confirmed that it is safe to exit the vehicle. Know what to do in the rare event the equipment catches fire!

**(article continued on page 7)**

## How do ASHPs work?

Unlike a furnace, an ASHP doesn't burn fuel to make heat. It efficiently uses electricity to move heat from one place to another. Think of an ASHP as a heat transporter constantly moving warm air from one place to another, to where it's needed or not needed, depending on the season.

An ASHP works exactly like a central air conditioner in the summer, transferring heat from the inside to the outside. In the winter, a reversing valve allows them to transfer heating from the outside to the inside of the home. Some ASHPs can provide heating in temperatures down to 0 degrees Fahrenheit. The result is that homeowners can run their furnaces less and get highly efficient and comfortable heating from the ASHP.

ASHPs can work in tandem with an existing furnace. The system will automatically select the most ideal balance between the two sources to maintain the most efficient heating combination based on your desired temperature. A qualified HVAC contractor can provide sizing and estimates based on your home or business.

## What options do I have?

### Standard

A standard ASHP is a self-contained unit that uses existing ductwork to both heat and cool. The system has two

main components: an outdoor compressor unit and an indoor air handling unit. The two units are linked with refrigerant tubing and a connected electric supply wire.

### Mini-split

A mini-split ASHP is an economical and efficient option for homes without an existing ducted system or when adding ductwork may be impractical or too expensive. Similar to a standard ASHP, an outdoor unit is placed outside your home and is connected to an indoor unit by small cables and a refrigerant line. The indoor unit is typically mounted high on the wall of the room and can be preset to run automatically or be adjusted by a remote control.

## Member benefits

Whether you're building a new home, remodeling an existing home, or simply buying a new appliance, your cooperative offers professional advice and a wide array of incentives to ensure you get the most for your energy dollar.

When considering a new ASHP, remember that PKM Electric Cooperative offers up to \$900 in rebates to help with the initial cost of the purchase. All rebate and incentive programs have certain restrictions and requirements that must be met before a rebate can be issued. Please contact the member services department at 745-4711 for more information.

# Cold weather disconnect rule notifications

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

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

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

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

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

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

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

- (1) a notice of proposed disconnection;
- (2) a statement explaining the customer's rights and responsibilities;
- (3) a list of local energy assistance providers;
- (4) forms on which to declare inability to pay; and
- (5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

### **Subd. 3. Restrictions if disconnection necessary.**

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

- (1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;
- (2) on a weekend, holiday or the day before a holiday;
- (3) when utility offices are closed; or
- (4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

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

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

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

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

## Local energy assistance providers

Northwest Community Action	800-568-5329
Tri-Valley	866-264-3729
Marshall County Social Services	218-745-5124
Polk County Social Services	218-281-3127
Kittson County Social Services	218-843-2689

service in any way.

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

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

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

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

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

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

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

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

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

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

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

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

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

Your responsibility is to declare inability to pay by completing our inability to pay form and to return to PKM Electric, within 10 days.

Your responsibility to provide documentation to PKM Electric that your household income is less than 50 percent of the state median level.

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

You have the right not to be involuntarily disconnected on a Friday or the day before a holiday.

Your responsibility, if you choose to appeal, is to mail or hand deliver the letter of appeal stating your situation and issues in dispute. Your letter of appeal must be in our hands before the day of disconnection. The PKM Electric Board of Directors will review your appeal after it is received. If you want to be present at the appeal, you must call the cooperative for the date and time of the appeal review.

If you need help paying your electric bill, you may qualify for state or federal fuel assistance. For complete qualifications, applications and information, contact your local county social services or community/citizens action council listed above. These organizations may also provide budget counseling.

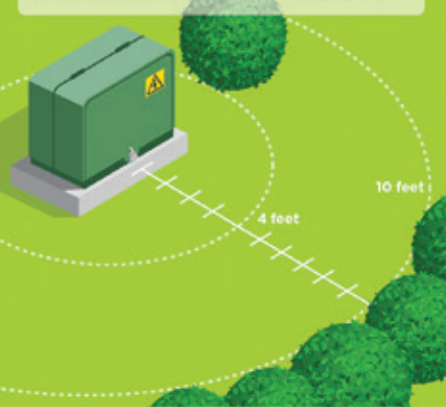
# Avoid the Big Green Box

Please stay away from pad-mounted transformers (the big green box). While safe, they are not meant for touching, climbing or playing. Pad-mounted transformers carry high voltages of electricity that serve many homes in our communities.

Never touch, climb or play on pad-mounted transformers. Never put fingers, sticks or other objects through cracks in the transformer.



Keep areas surrounding the pad-mounted transformer clear so that workers can safely maintain transformers as needed. Keep shrubs and structures at least 10 feet away from the transformer doors and 4 feet away from the sides.



Never dig near a pad-mounted transformer. They are surrounded by underground cables. Hitting the cable could result in electrical shock or disruption of service. Always dial 8-1-1 before you dig.



Report problems. If you notice anything amiss, like an unlocked transformer or one that has been damaged, please contact us immediately.



It's more than electricity.  
**It's future opportunities.**

Electricity is helping change the way we think. It powers new ways of looking at the future and reveals limitless opportunities. It is creating a world where up-to-the-second information is only a click away.

Electricity empowers you, and PKM Electric Cooperative works hard to ensure it's there – each and every day.

## Energy Efficiency Tip of the Month



Cooler temps are just around the corner! Is your home's heating system ready? Remember to replace furnace filters once a month

or as recommended. If you heat your home with warm-air registers, baseboard heaters or radiators, remember to clean them regularly to increase efficiency.

– Source: [energy.gov](http://energy.gov)

## Have a safe HARVEST

(article continued from page 5)



- Always lower portable augers or elevators to their lowest possible level – under 14 feet – before moving or transporting them. Wind, uneven ground, shifting weight or other conditions can make it difficult to control raised equipment.
- Never try to move a power line to clear a path. Power lines start to sag over time, bringing them closer to farmers and others who need to avoid them. Contact your utility to repair sagging power lines.

For more information on electrical farm safety, visit [SafeElectricity.org](http://SafeElectricity.org).

# Know what's below. **811** Call before you dig.



No matter how large or small your digging project may be, remember to call 811 before you dig. Calling before you dig will keep you out of trouble with the law. Besides, who wants their neighbors mad at them because they caused a power outage when they dug a hole to plant a tree?

The 811 "Call Before You Dig" number provides a single point of contact to both prevent damage to underground utility facilities and to protect public and construction contractors from contact with power, gas, water and communication lines. For Nodak to locate underground wires, it is required by law for the member to call 811.

PKM has approximately 605 miles of underground cable wire, so if the cable is cut or damaged, that could lead to loss of power for many of our members. It will also result in added cost to the person(s) responsible for the damage. There have been cases of electrocution and severe injuries caused by digging

into electric lines that could have been avoided with a simple call to 811.

## How do you know whose line it is?

Homeowners should be aware that private facilities such as septic, water, gas lines from a propane tank, private secondary wiring running to an outbuilding or shed, an invisible pet fence or sprinkler systems WILL NOT be marked. In these instances, it is the homeowner's responsibility to make sure any privately owned underground wires on the member side of the meter are located prior to digging. Electric secondary lines should be located by an electrician. The property owner or tenant is responsible for contacting a private locator and paying the fee for locating private underground facilities.

## What are private electric underground facilities?

Private underground facilities, or member-owned facilities, are those

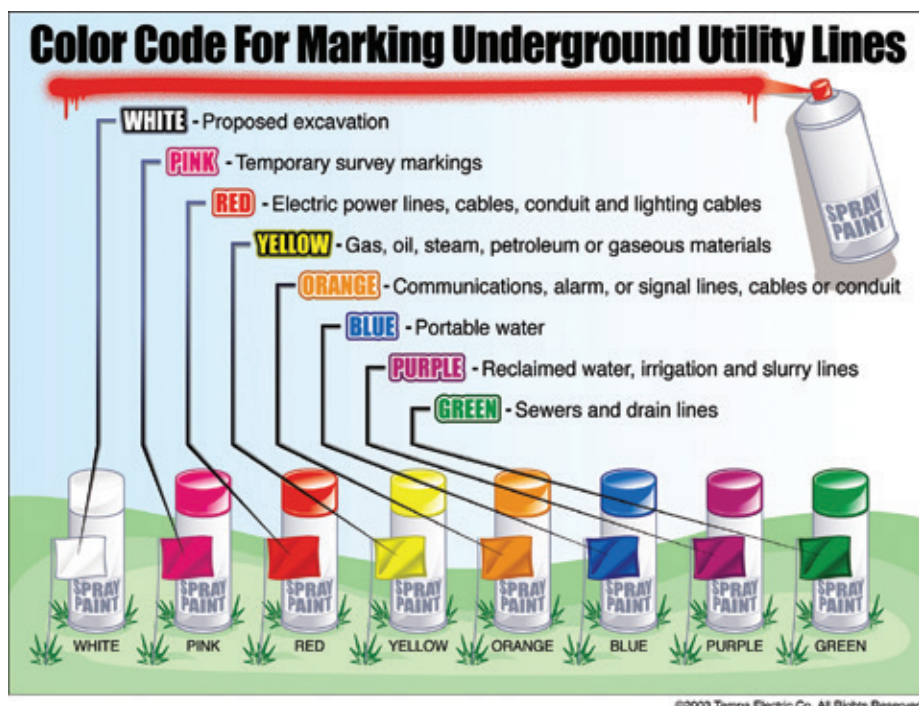
facilities that were installed after the meter. Also, if overhead distribution lines serve the property and the power is then distributed on the property by underground service facilities, those service facilities may be considered private. If the homeowner's electric meter is located on the property line, then that electric line from the meter to the house is considered privately owned and will not be located.

## Where are private facilities found?

Private facilities are found everywhere, including single family homes, multifamily housing units, industrial areas, trailer parks, shopping centers and sometimes in the road right-of-way. Other private facilities can include: natural gas farm taps, natural gas or propane gas underground piping to buildings, gas grills, pool heaters, private water systems, data communication lines, underground sprinkler systems, invisible fences and many others.

## How the 811 process works:

- Call 8-1-1 to submit a locate request 2-3 business days prior to the project. The 811 "Call Before You Dig" number is available 24/7 and the call is free.
- Wait the required amount of time for affected utility operators to respond to the request. PKM typically responds to a locate request within 24-48 hours (1-2 business days).
- Check that all affected utility operators have responded and marked underground utilities. See the color code chart at left to know what flag color represents which utility.
- Respect the flags. Please keep the markers in place until the project is complete.
- As always, proceed and dig with caution!



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# October is National Co-op Month

Color and return by Friday, November 2, 2018  
Winner receives Fire HD 8 Kids Edition Tablet

## FALL COLORING SHEET

For ages 10 and below



**Energy Explorers**



# Board meeting *May and June* highlights

## A regular meeting of the board was held Tuesday, May 29, 2018.

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

The president discussed recent MREA activities, noting the resignation of Jim Horan, a valued employee who transferred from MREA to NRECA. The "Move Over" law was passed during the most recent legislative session, requiring drivers to keep over one full lane and reduce speed for emergency vehicles including ambulance, fire, law enforcement, maintenance, construction vehicles and tow trucks.

Director Folland provided an update of recent Minnkota Power Cooperative business. He reported that the UND project discussion has concluded with no action; however, Project Tundra is moving forward. An update was provided on a data mining project.

Director Aakre reported on recent Square Butte activities and his attendance to the Director Orientation meeting held May 21, 2018. He noted that financials are comparable to the same reporting period last year.

Prior to the management reporting session, CEO Schmidt informed the directors of staffing changes effective June 1, 2018, in response to staff succession planning.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time. Eight interviews were held for the open line department positions. Hired positions included: one full-time journeyman, one 1,000-hour apprentice and one full-time temporary apprentice position to be located in Hallock. Minnesota Safety and MREA both conducted training and performed field visits with crews.

The manager of operations continued his monthly report on activities in the line department. The Red River cable crossing was completed, and numerous tile sumps are being installed. With spring planting under way, there has been some broken poles and wires taken down from farm equipment with no injuries.

At this time, the manager of operations also presented the Truck Replacement Schedule to the directors for discussion. Due to costly repairs, the request to return to a 10-year replacement schedule was proposed. Discussion was held concerning the impact ordering a chassis would have on the current and future budgets. Continued evaluation will take place.

The manager of member services updated the directors on the recent Touchstone Energy® GreenTouch event held at the Lake Bronson and Old Mill State Parks on May 5, 2018. Discussion of electric cars and their impact on the electric industry remains a hot topic.

The CEO presented the Operating and Financial report for the cooperative and updated the directors on his attendance at recent meetings including: REMA CEO conference, REMA Financial Managers conference, Minnkota board meeting and a meeting held with Mark Doyle of CoBank and Director Hatton reviewing financial forecasting and capital credits.

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 CEO stated, according to the bylaws, the board of directors need a separate resolution for the quarterly review of the financials. Having had the March financial review, a motion was made that the board of directors receive the first quarter financials. The board accepted the first quarter financials.

At this point in the meeting, Matt Laughlin and Laura Knox of Brady Martz and Associates appeared before the board to present the 2017 Audit Report.

Upon hearing a clean and unmodified opinion from the auditors, the president stated it would be necessary for the board of directors to accept the 2017 Audit of the cooperative as presented. Having heard the presentation of the Audit, and in executive session having all questions answered, the board accepted the Audit Report for 2017.

Due to Director Malm's newly elected secretary/treasurer position, RUS requires updated Forms 595 and 675 be filed reflecting names of the management and officers authorized to sign RUS forms. The appropriate forms were filed, and it was resolved that each company officer(s) and/or general manager listed below is/are authorized in the name and on behalf of PKM Electric Cooperative, Inc., to sign RUS Form 595 and to execute and deliver RUS Form 675 reflecting the authorizations granted herein. The following people are authorized: Michael Schmidt, CEO; Tom Woinarowicz, President; Michael Beaudry, Vice President; Wayne Malm, Secretary/Treasurer.

Discussion turned to director committee

## 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](http://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](http://www.whitehouse.gov)  
[president@whitehouse.gov](mailto: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](http://www.klobuchar.senate.gov)  
202-224-3244  
1-888-224-9043 (Minnesota office)  
Fax: 202-228-2186

#### Congressman Collin Peterson

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#### Governor Mark Dayton

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#### Representative Deb Kiel

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designations. Committees will remain as previously selected with the exception of Director Mortenson replacing Director Bernstrom's vacancies.

The CEO mentioned CFC's Integrity Fund was once again soliciting contributions. The CEO refreshed the directors to their previous sizable contribution because of their help in our contested case at the PUC and asked the board of directors as to their desire for contributions in 2018. The board instructed management to donate to the CFC Integrity Fund in the amount of \$500.

The CEO briefed the directors on a Subscription Agreement from 1992 between PKM and CFC to purchase Capital Term Certificates (CTCs) over time. CFC has not enforced or billed members under the Subscription Agreement and therefore is requesting a document be signed by both parties terminating the agreement as a means of clean record keeping. The board terminated the Subscription Agreement between PKM and the National Rural Utilities Cooperative Finance Corporation and all rights and obligations contained in the Subscription Agreement shall cease to have any force or effect.

The CEO provided an update on the Minnkota Power Cooperative COSS. A vote on the Straw Proposal from the MPC cooperatives is planned to take place in the coming weeks. The directors and CEO have shared their input with Director Folland, who will be voting on behalf of PKM Electric Cooperative at Minnkota.

A listing of the 2018 scholarship recipients was shared with the directors.

A promissory note drawn up by Attorney Robb Leach was delivered to Paul Blomquist of C & M Ford for the requested Redleg loan funds. The CEO is currently waiting on action from Blomquist and information on required collateral.

PKM Electric Cooperative recently received the Federated Rural Electric Insurance Experience Modification Factor calculation of 0.80, unchanged from last year, to be applied to Workers' Compensation premiums effective 11/01/2018 to 11/01/2019. The CEO expressed satisfaction for the calculation.

The CEO called on General Ledger Accountant Judy Hennessy to offer an explanation to the directors of an error made within NISC. A resolution has been provided by NISC, but further examination of the cause and effect continues.

The CEO shared preliminary discussion held at recent meetings regarding interest from Minnesota cooperatives coming together to form an employer group for Minnesota Workers' Comp with a substantial cost of savings goal.

Subsidiary financial and informational updates were presented by the CEO. He responded to questions from the directors and will address some concerns.

### A regular meeting of the board was held Tuesday, June 26, 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 Hatton.

The president discussed MREA activities, including the recent meeting held at MiEnergy in Rushford, Minn. The recent hiring of Joyce Peppin, who has replaced Jim Horan in the Government Relations & Counsel department at MREA, was also discussed. He mentioned a meeting of the stakeholders to be held in July for CIP reform.

Director Folland provided an update of recent Minnkota Power Cooperative business. He reported the current MPC Straw Proposal was tabled as more information was requested regarding off-peak credits.

Director Aakre reported on recent Square Butte activities and his attendance to the Direction Orientation meeting held June 7, 2018. Discussion was held regarding the combined MPC and Square Butte annual meeting of members. Estimated costs associated with Project Tundra were discussed, noting funding support is available. Square Butte board evaluations are also being proposed; currently searching for blanket forms for use.

# Statistical and financial report

## Year-to-date: June 2018

	Last Year	This Year	Budget
Total income	\$ 6,927,521	\$ 7,175,567	\$ 7,246,640
Total expense	\$ 6,330,641	\$ 6,458,121	\$ 7,099,478
Net operating margins	\$ 348,629	\$ 356,527	\$ 147,162
Total kWh sold	57,819,460	61,212,469	54,650,311
Avg. kWh sold per member	2,533	2,659	
Line loss	7.53%	3.40%	
Del. cost per kWh purchased	8.06¢	6.75¢	
Average sale price per kWh	11.98¢	11.72¢	
Percent kWh sales increase	(2.17%)	5.87%	
Members billed	3,805	3,837	
Miles of line in service	2,261	2,268	

The manager of operations presented the monthly safety report, indicating one member-involved accident and no lost time. MREA recently held pole-top/bucket training for the linemen. Minnesota Safety updated PCB oil records, performed crew visits and started review items for the upcoming RESAP onsite observation. He also updated the directors on his recent attendance to the District 1 meeting.

The manager of operations continued his monthly report on activities in the line department. The increased tile sump installations continue to be worked on and completed. The newly hired linemen are great additions to the department and are allowing the work schedule to remain current.

At this time, the manager of operations requested Line Foreman Marcotte to report on the recent member-involved contact. The requirements requested by Federated have been met. The CEO commended the response to the incident and stated that any future contacts receive the same attention, no matter the conditions.

The manager of member services updated the directors on the recently performed voltage tests by Minnkota Power Cooperative, with no known issues to report. The purpose of the testing was to check signals at the end of the line to verify voltage strength. He also briefed the directors on his recent attendance to the summer REMA meeting, noting a good presentation from NISC.

A construction update was shared; reporting that the Hallock building is complete and the installation of the overhead door is all that remains at the Warren site. The completed costs came in higher than originally quoted due to a gap in quoting and purchasing of materials, specifically steel costs.

The administrative manager presented the Operating and Financial report for the cooperative; noting YTD margins are relatively close to budgeted projections. She updated the directors on current office activities, stating she continues to perform both job responsibilities but will soon begin training newly hired plant accountant starting early July. Disconnect notices for nonpayment have been mailed to members with disconnections scheduled for June 27, 2018.

The CEO reported on his attendance at recent meetings, including the MPC board meeting and CFC Forum in Indianapolis, which he will recap later in the agenda. He provided the directors some information regarding a neighboring cooperative's recent issue with an employee receiving a DUI. He requested discussion continue in response so there is clarity among all in case it should ever happen to an employee of PKM.

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 monthly reports of the CEO and management staff of the cooperative presented at the meeting to the board of directors were received.

A Letter of Credit from Roger Quanbeck, Branch President of United Valley Bank, dated June 25, 2018, on behalf of C & M Ford was distributed to the directors. This letter was in response to the Redleg loan collateral requirements. It was resolved that the Redleg funds totaling \$195,000 be distributed 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.

The Minnkota Cost of Service Study continues to be topic of discussion among the MPC cooperatives. At the most recent meeting of MPC directors, the board tabled action as more information on the possible off-peak credit was requested. Currently, MPC does not have an off-peak rate; the co-ops have created a rate themselves by using control to eliminate demand and passing on the savings to the member. A phone conference with cooperative managers is scheduled for the afternoon of June 26, 2018. The CEO will provide an update to the directors post-meeting.

At this time, the CEO recapped his attendance at the CFC Forum. He highlighted discussion on data mining, which is a blockchain technology. Presentations from Kevin Warsh, former member of the Board of Governors of the Federal Reserve and Jim Robo, CEO of NextEra, were highlighted. Also, a broadband presentation was discussed noting the importance of cost separation between electric and broadband services. The CEO offered a broadband construction feasibility example to the directors using PKM Cooperative data.

Current legislation is addressing the Farm Bill and its contents. Changes related to the Cushion of Credit are in discussion. The CEO updated the directors on how this potential change would affect the cooperative.

Subsidiary financial and informational updates were presented. The administrative manager attended the recent Carr's board meeting via phone conference on behalf of the CEO. The CEO highlighted discussion from the recent Karian/Peterson meeting. Mark Doyle was also in attendance at the K/P meeting, providing some insight and direction to its current financial standings. Questions from the directors were addressed with a plan to continue closely monitoring the financials.

In her own words: Morgan Anderson

# 2018 YOUTH TOUR

WASHINGTON, D.C. | JUNE 9-14, 2018



**"IF YOU EVER HAVE THE CHANCE TO DO SOMETHING LIKE THIS TRIP, I WOULD RECOMMEND IT."**

Throughout my life I have been lucky to go on many memorable trips. These trips have been very fun and are hard to forget; however, the trip that has left its most lasting impression on me is the trip that I took this year. This summer I was given the amazing opportunity to go to Washington D.C. on the Rural Electric Youth Tour trip.

This trip taught me so much about our co-ops and what the National Rural Electric Cooperative Association (NRECA) does for us. One of the speakers I was able to hear from on my trip was a lineman. He had gone all the way across the world to teach and help people put up electricity. The stories he shared were extremely touching. He had put electricity in a school that had never had it, and he said the kids were so happy. He said seeing how happy they were moved him to tears. We did not just learn about electricity the entire time. We also went to the capitol, met with our Minnesota senator and local state representatives and toured different memorials and museums around Washington D.C. My favorite thing we

saw on the trip was the 9-11 memorial. It was so powerful and really amazing to see how it was put together. The Pentagon was really fascinating to see too. If you ever have the chance to do something like this trip, I would recommend it. You meet so many new people and I know you will have a blast. Lastly, I would like to thank PKM Electric for sponsoring this trip for me. It truly was incredible.

