

# VOLTS & VIEWS

**R**oseau Electric Cooperative, Inc.  
A Touchstone Energy® Cooperative

SEPTEMBER 2020



## 2019 Annual Report

**Rescheduled  
80<sup>th</sup> Annual Meeting  
Oct. 28, 2020**

The Volts & Views (USPS-663420) is published monthly by Roseau Electric Cooperative, Inc., P.O. Box 100, Roseau, MN 56751. Periodicals postage paid at Roseau, MN. POSTMASTER: Send address changes to ROSEAU ELECTRIC COOPERATIVE, INC., P.O. Box 100, Roseau, MN 56751.

### OFFICERS AND DIRECTORS

Chairman . . . . . Mark Sax  
Vice Chairman . . . . . Jim Hallan  
Secretary-Treasurer . . . . . Collin Jensen  
Directors . . . . . Roger Amundson, Shawn Gust,  
Wes McFarlane, Dale Moser,  
Mike Wahl, Ed Walsh  
Tracey Stoll . . . . . General Manager  
Ryan Severson . . . . . Assistant Manager  
Mike Millner . . . . . Line Superintendent  
Jeremy Lindemann . . . . . Member Services  
Alex McMillin . . . . . Office Manager

Regular Business Hours: 8:00 a.m. - 4:30 p.m.  
Phone (218) 463-1543  
**OUTAGE CALLS:**  
Toll-Free 1-888-847-8840

### MINNESOTA STATE ELECTRICAL INSPECTORS

7 a.m. - 8:30 a.m. (Mon. thru Fri.)

Northwest Angle, Kittson, Marshall,  
Pennington, Roseau and parts of  
Beltrami Counties:

**Ronald Ditsch – 218-779-6758**

Lake of the Woods County:

**Curt Collier – 218-966-5070**

Inspector list is subject to change at any time.

The State of Minnesota has high wiring standards, which are in the best interest of you and your family or business. Improper wiring can damage your home, your property and equipment, and injure or kill the people you love. Currently, the state does allow homeowners to do their own residential wiring; however, it is critical that the current electrical code is followed. Any time you or an electrician does wiring or other electrical work at your home or farm, Minnesota state law requires a state wiring inspector to conduct a proper inspection of the work. A rough-in inspection must be made before any wiring is covered. A final inspection is also required. For more information visit [dli.mn.gov](http://dli.mn.gov) and go to the electrical page.

**Gopher State One Call**  
1-800-252-1166 or 811  
[www.gopherstateonecall.org](http://www.gopherstateonecall.org)



Anyone who plans to dig is required by law to notify the state of their intentions at least 48 hours in advance. All digging requires the 48-hour notification so that buried telephone line, television cable, pipelines, utility electrical lines, municipal water and sewer lines can be located to ensure that none will be severed or damaged.

### OUR MISSION STATEMENT

Roseau Electric Cooperative is committed to providing its member-owners low-cost, high-quality, safe and reliable electricity with friendly, efficient and knowledgeable service.

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

# Official Notice

## Notice of Rescheduled Annual Meeting of the **Roseau Electric Cooperative, Inc.** **Wednesday, Oct. 28, 2020**

Notice is hereby given that the cooperative's October board meeting will serve as the rescheduled 80th annual meeting in lieu of holding an in-person meeting of the members this year due to COVID-19. To accommodate this change, business will be conducted as follows:

### 1. Reports:

2019 annual reports from the cooperative board chairman and general manager, as well as full 2019 audited financials are being made available in this month's issue of Volts & Views.

### 2. Election of three directors:

Ballots will be mailed to members in Districts 3, 4, and 7. Listed below are the candidates who submitted a petition by the Feb. 3, 2020 deadline. Article III, Section 5 allows for the nomination of directors by petition, or when no nominee via petition is received, the seated board may nominate one or more candidates. Because no petition was submitted for District 3, and the board at this time having no nominee for the ballot, the District 3 director will be appointed by the board at a later date, and that appointed director would file a proper petition to be on the ballot at our next year's annual member meeting.

District 3  
(3-year term)  
**Open Seat**

District 4  
(3-year term)  
**Brian Grafstrom**  
Spruce Township

District 7  
(3-year term)  
**Mike Wahl**  
Soler Township

### 3. Approval of 79th annual meeting minutes:

A ballot to approve the minutes of last year's annual meeting will be mailed to all members.

Collin Jensen, Secretary-Treasurer  
Dated: Sept. 16, 2020

## On the Cover

*Upper left:* Devyn Brandt, journeyman lineman, and Chad Nelson, line crew foreman, cut over a line conversion for Polaris Industries.

*Upper right:* Thanks to our lineworkers, reliable electricity is always in season.

*Bottom left:* REC lineworkers pull up fiber for the NorthStream Fiber project.

# Message to our Members



**Tracey Stoll**  
General Manager



**Mark Sax**  
Chairman

**T**his year's annual meeting will be different. With more than a few discussions, we've decided that the business that needs to be conducted is too important to put off until next year, but the safety and well-being of our members will mean that this 80th annual meeting will look nothing like 79 previous annual meetings. Upon completion of our regular monthly board meeting on Oct. 28, **the business of the annual meeting will be taken up with only your board representatives, one new board candidate and cooperative employees in attendance.**

This *rescheduled* annual meeting will accomplish three things as listed in the notice contained in this newsletter – reporting of 2019 financials, election of directors and approval of 2019 annual meeting minutes by our membership.

The audited financials that are provided within this newsletter reveal a look back at the health of your cooperative at end of year 2019. Energy sales of 153.3 million kWh, up 1.0% over 2018, resulted in close to \$200,000 more in revenues than the previous year. Expenses for 2019, while showing an increase in purchased power corresponding with the increase in revenues, showed significant decreases elsewhere resulting in total expenses \$400,000 less than 2018. The end result left just over \$1 million in operating margins, which were allocated back to you, the member, to be paid back to you some 15 to 18 years from now.

With good year-end results and strong equity, the board voted, in January 2020, to pay back the remainder of 1998, and all dividends from 1999 and 2000, totaling \$842,525. These dividends appeared as a credit on your March 2020 billing, or in check form to inactive customers.

Concerning our new fiber-to-the-home business, in 2019 we started receiving grant funds from our 2018 FCC Auction win, hired two new employees for this venture and began our buildout to the 326 customers covered under the auction obligations. As this buildout progresses, we expect two of our other diversified service offerings – Exede satellite internet and long-distance offered through Lambeau Telecom – to decrease in subscribership to the point of eventual discontinuation. Those phase-out dates have, as yet, not been set.

Your board of directors continues to meet once each month to oversee and conduct the business of your cooperative. Due to pandemic restrictions, some of those meetings have become remote meetings, using the technology we have available to facilitate the reporting of the month's results.

Annually, three of the nine director districts are up for nomination and election to a three-year term. Nominations are done by petition. In this year's election cycle, by the petition deadline of Feb. 3, 2020, incumbent director Mike Wahl, District 7, filed, and director candidate Brian Grafstrom, District 4, filed the proper petition, collecting at least 10 signatures of members in their respective districts. We received no filing of petition for District 3, currently represented by Dale Moser. Each year, biographies of director candidates are published prior to the annual meeting. We first published these biographies in our March 2020 issue of the Volts & Views, and now publish them again in this issue in preparation for our rescheduled annual meeting in October.

**This annual report issue is the first important step in your cooperative's annual meeting timeline. Next, by the second week in October, please watch your mail for a first-class mailing of the 2019 annual meeting minutes accompanied by a ballot asking for the approval of those minutes. If you reside in Districts 4 or 7, you will receive a ballot for election of your director. Instructions, a ballot envelope and a door-prize drawing slip will be included in the mailing. All members are asked to return their ballots to help us establish our meeting quorum.** And, by returning your door-prize slip, you are eligible to win one of the prizes listed in this publication.

The board and management would like to sincerely thank Secretary-Treasurer Collin Jensen for his 25-plus years of service to this cooperative!

On behalf of the entire board of directors, management, and all the employees of your cooperative, we thank you for your continued patronage and optimistically look forward to an in-person annual meeting in 2021!

# 2019-20 Board of Directors



**James Hallan**  
*Vice Chairman*  
*District 1*



**Wes McFarlane**  
*District 2*



**Dale Moser**  
*District 3*



**Collin Jensen**  
*Secretary/Treasurer*  
*District 4*



**Roger Amundson**  
*District 5*



**Ed Walsh**  
*District 6*



**Mike Wahl**  
*District 7*



**Shawn Gust**  
*District 8*



**Mark Sax**  
*Chairman*  
*District 9*

# Board of Directors Candidates

## District 4

Brian Grafstrom is a candidate for the position of director in District 4, and lives in Spruce Township with his wife, Cheryl. Together they have seven children and nine grandchildren. Mr. Grafstrom grew up near Salol and has always lived in the Roseau area. He has worked at LifeCare Medical Center since 1996 and is currently the Facilities Management director. Brian enjoys being a grandpa, helping with farm work at his parents' farm, and hunting and fishing. He became a member of Roseau Electric in the 1980s and sees an opportunity to give back to the community by becoming a director on the board of Roseau Electric Cooperative.



**Brian Grafstrom**  
District 4

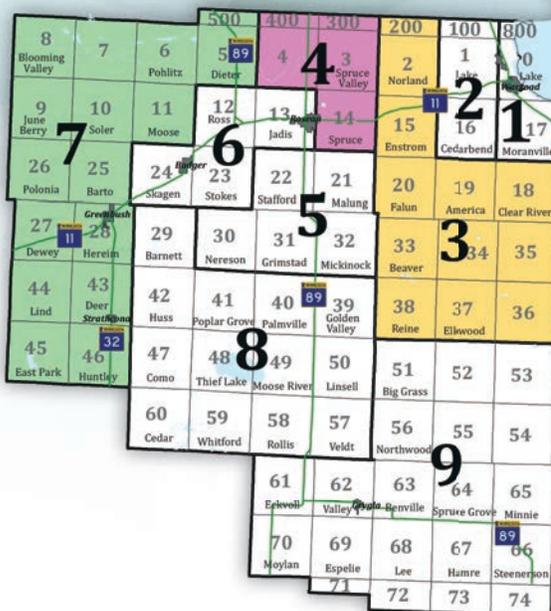
## District 7

Mike Wahl is a candidate seeking a second term for director in District 7. He is part of four generations of family in Soler Township and is a Greenbush High School graduate who attended Bemidji Area Vocational Technical Institute. Mike was recently employed by Titan Machinery and now works for Kvien Farms. He and his wife, Dianne, have six children and six grandchildren. Mike enjoys family time along with fishing, hunting and snowmobiling.



**Mike Wahl**  
District 7

## Roseau Electric Cooperative, Inc. Director Districts



*Next year's annual meeting will include director elections in Districts 1, 6 and 9.*



## Annual meeting minutes – April 6, 2019

The 79<sup>th</sup> annual meeting of the Roseau Electric Cooperative, Inc. was held on Saturday, April 6, 2019, in the Roseau High School Theater. The primary purpose of the meeting was to update the membership in attendance with the financial results and other key events of 2018 and conduct an election of directors.

After welcoming guests and thanking Beyond Blue for their musical entertainment, Manager Tracey Stoll introduced Pastor Aaron Satchwill to give the invocation followed by the advancement of colors by the Royal Rangers and Boy Scout Troop #56, and the playing of the National Anthem by a Roseau High School saxophone trio.

Manager Stoll then welcomed Board Chairman Mark Sax to the stage, who called the 79<sup>th</sup> annual meeting to order, stating that he observed there was a sufficient number of members present to declare a quorum. Chairman Sax then asked for, and received, a motion and second to waive the reading of the official notice of the meeting and affidavit of mailing. Motion carried. Chairman Sax asked for, and received, a motion and a second to waive the reading of the minutes from last year's meeting and approve them as published in the most recent newsletter of the cooperative. Motion carried. Chairman Sax asked for a moment of silence to honor those friends, employees and directors of the cooperative who we've lost in the last year. Chairman Sax continued by introducing each of the directors by district and their number of years in office: Jim Hallan, vice chairman, District 1,

4 years; Wes McFarlane, District 2, 5 years; Dale Moser, District 3, 41 years; Collin Jensen, secretary-treasurer, District 4, 25 years; Roger Amundson, District 5, 18 years; Ed Walsh, District 6, 1 year; Mike Wahl, District 7, 2 years; Shawn Gust, District 8, 18 years; and himself, Mark Sax, District 9, 14 years.

Next Chairman Sax presented the chairman's report and praised the dedication of those who had the foresight to start the cooperative 79 years ago, as well as the current employees, who today offer many services not available at the beginning. Chairman Sax reminded the members of the events its cooperative holds throughout the year: annual meeting, bus tour, Roseau County Fair booth and Cooperative Month lunch in October. Chairman Sax concluded by thanking the membership, the directors, the employees and his family for the honor of being chairman for Roseau Electric Cooperative's board.

Manager Stoll presented the treasurer's report. Gross revenues for 2018 were 19.7 million, 98% of which came from energy sales to members. Expenses for 2018 totaled \$18.9 million, 62% of which was paid to Minnkota Power Cooperative for energy costs. Manager Stoll reported that the cooperative owns \$37.3 million in assets – 78% of which represents all the poles, wires and other infrastructure used to provide electricity – and owes \$37.3 million in liabilities and equity – 46% in outstanding loans and 48% in member and other equity. Manager Stoll reviewed the cooperative's dividend policy, reporting that for

2018, \$522,987 was allocated to the membership for 2018 patronage, and the board chose to move to a 19-year payback cycle, resulting in a 2019 payout of \$493,000 back to the members in the form of bill credits (or checks, if dividends were to an inactive member). Manager Stoll concluded his report, sharing that rates continue to be stable, with the last rate increase coming in April 2017, and no expected increase in 2019.

Chairman Sax asked for, and received, a motion and second to accept the treasurer's report as presented; motion carried.

Chairman Sax then called on cooperative attorney Andrew Sorbo to oversee the election of directors in Districts 2, 5 and 8. Mr. Sorbo began with the cooperative's bylaws and election procedures, noting that nomination was by petition only, with no nominations allowed from the floor. Mr. Sorbo introduced incumbent director candidates Wes McFarlane from District 2, Roger Amundson from District 5 and Shawn Gust from District 8, and reported there were no other nominations by petition and asked for a unanimous ballot for directors McFarlane, Amundson and Gust. A motion was made, seconded and carried to cast a unanimous ballot Wes McFarlane (District 2), Roger Amundson (District 5) and Shawn Gust (District 8).

Manager Stoll then introduced Robert "Mac" McLennan, CEO of Minnkota Power Cooperative, as the guest speaker. Mr. McLennan presented background on Minnkota, including its relationship

with Roseau Electric, 10 other member-owned cooperatives and the Northern Municipal Power Agency – this joint system consisting of 35,000 square miles, 3,340 miles of transmission lines and 33 counties. Mr. McLennan presented some specifics on Project Tundra – a carbon-capture project that would potentially capture 95% of carbon dioxide emissions from the Milton R. Young Unit 2 plant.

Manager Stoll gave the manager’s report, highlighting the cooperative’s latest effort – deploying gigabit-capable internet to the

home for a subset of our membership within Roseau County, in partnership with Wikstrom Telephone Company, Karlstad, MN. With the recent FCC Connect America Fund II auction win, grant funding will provide for much of the cost to construct fiber to some 326 members, with natural expansion occurring to other members close to the grant area buildout. Services to be provided include high-speed internet, telephone and television. Concerning the core electric business of the cooperative, Manager Stoll shared

that Minnkota will be changing its rate structure in the near future, which may put additional pressure on Roseau’s retail rates, but reiterated that no increase was expected in 2019.

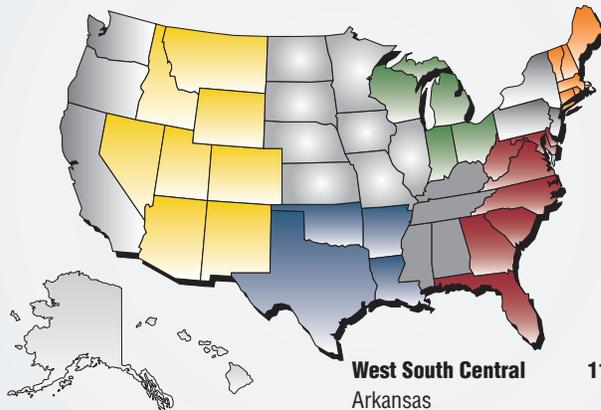
Chairman Sax asked for questions or comments from the membership. Chairman Sax asked for, and received, a motion and second to adjourn the meeting. Motion carried.

## 2019 Average Residential Electric Rates

(cents per kilowatt-hour; data shows year-to-date rates as of December 2019)

**2019 Roseau Electric Rate**  
**14.08¢**

<b>West North Central</b>	<b>11.87</b>	<b>East North Central</b>	<b>13.30</b>	<b>New England</b>	<b>21.14</b>	<b>Middle Atlantic</b>	<b>15.79</b>
Iowa	12.92	Illinois	12.83	Connecticut	21.88	New Jersey	15.87
Kansas	12.67	Indiana	12.30	Maine	17.87	New York	17.93
<b>Minnesota</b>	<b>13.27</b>	Michigan	15.83	Massachusetts	22.02	Pennsylvania	13.78
Missouri	10.82	Ohio	12.16	New Hampshire	20.08		
Nebraska	10.86	Wisconsin	14.62	Rhode Island	21.75	<b>South Atlantic</b>	<b>11.97</b>
North Dakota	10.38			Vermont	17.68	Delaware	12.67
South Dakota	11.58					District of Columbia	12.98
						Florida	11.97
<b>Mountain</b>	<b>11.91</b>					Georgia	11.44
Arizona	12.55					Maryland	13.12
Colorado	12.23					North Carolina	11.57
Idaho	9.91					South Carolina	12.77
Montana	11.38					Virginia	12.02
Nevada	12.04					West Virginia	11.14
New Mexico	12.63						
Utah	10.55					<b>East South Central</b>	<b>11.34</b>
Wyoming	11.22					Alabama	12.62
						Kentucky	10.67
<b>Pacific Contiguous</b>	<b>15.68</b>					Mississippi	11.33
California	19.22					Tennessee	10.80
Oregon	10.97						
Washington	9.62						
		<b>Pacific Noncontiguous</b>	<b>28.28</b>	<b>West South Central</b>	<b>11.25</b>		
		Alaska	22.90	Arkansas	9.80		
		Hawaii	32.06	Louisiana	9.52		
				Oklahoma	10.12		
				Texas	11.96		



Source: Energy Information Administration

# Roseau Electric Cooperative, Inc

## Annual Financial Report

### Statement of Operations, Comparative

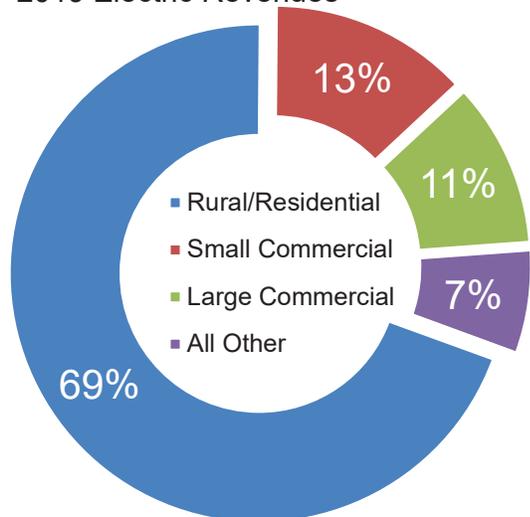
December 31, 2018 and 2019

<b>Operating Revenues</b>	<b>2018</b>	<b>2019</b>
Electric	\$19,089,172	\$19,284,250
Fiber	0	2,270
Other	121,831	101,083
<i>Total Operating Revenues</i>	\$19,211,003	\$19,387,603

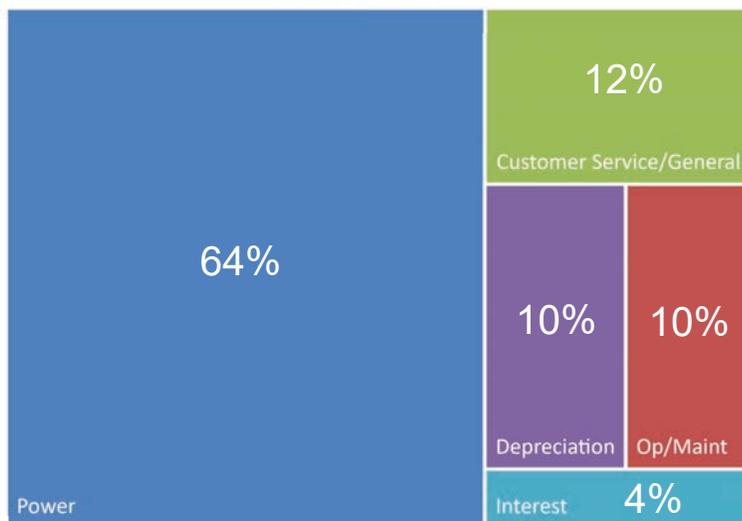
<b>Operating Expenses</b>	<b>2018</b>	<b>2019</b>
Purchased Power	\$11,683,428	\$11,755,505
Operations/Maintenance	2,172,578	1,687,980
Customer Service/General	2,260,153	2,219,749
Depreciation	1,834,279	1,890,156
Interest	752,258	747,155
<i>Total Operating Expenses</i>	\$18,702,696	\$18,300,545

<b>Margins</b>	<b>2018</b>	<b>2019</b>
Operating Margins	\$508,307	\$1,087,058
Interest Income	\$57,251	\$58,295
Grant Income	\$0	\$104,184
Dividend Income	\$191,747	\$228,989
Other Non-Operating Margins (Net)	\$26,295	(\$83,862)
<i>Total Margins</i>	\$783,600	\$1,394,664

2019 Electric Revenues



2019 Expenses



# Roseau Electric Cooperative, Inc

## Annual Financial Report

### Balance Sheet, Comparative

December 31, 2018 and 2019

#### What We Own

<b>Plant Assets</b>	<b>2018</b>	<b>2019</b>
Utility Plant, Buildings & Equipment	\$56,097,583	\$57,720,412
Less Accumulated Depreciation	26,799,939	28,607,519
<i>Net Plant Assets</i>	\$29,297,644	\$29,112,893
<b>Current Assets</b>		
Cash and Cash Equivalents	\$1,694,004	\$1,701,315
Accounts Receivable	2,275,191	2,251,622
Notes Receivable	109,000	136,000
Materials and Supplies	592,155	763,712
Prepayments	68,223	71,320
Interest Receivable	0	5,290
<i>Total Current Assets</i>	\$4,738,573	\$4,929,259
<b>Other Assets</b>		
Investments in Associated Organizations	\$2,743,025	\$2,869,043
Deferred Debits	431,664	366,817
Other Investments	176,377	118,413
<i>Total Other Assets</i>	\$ 3,351,066	\$ 3,354,273
<b>Total What We Own (Assets)</b>	<b>\$37,387,283</b>	<b>\$37,396,425</b>

#### What We Owe

<b>Equity</b>	<b>2018</b>	<b>2019</b>
Capital Credits (Member Equity)	\$9,630,585	\$10,197,434
Other Equities	8,331,551	8,664,390
<i>Total Equities</i>	\$17,962,136	\$18,861,824
<b>Liabilities</b>		
Long-term Debt	\$17,189,414	\$16,251,330
Accounts Payable	1,420,177	1,426,983
Customer Deposits	144,136	148,366
Accrued Interest	32,162	41,139
Other Liabilities	544,188	571,169
Deferred Credits	95,070	95,614
<i>Total Liabilities</i>	\$19,425,147	\$18,534,601
<b>Total What We Owe (Liabilities &amp; Equities)</b>	<b>\$37,387,283</b>	<b>\$37,396,425</b>

Minnkota Power board chairman Collin Jensen addresses delegates at the cooperative's annual meeting held recently.



Collin received the Electric Hammer Award at Minnkota's annual meeting for 25 years of service as a member system director.

The Jensen family's roots in the cooperative grew stronger when Collin's father, Jack, was elected to serve on the board from 1972 to 1994. He also represented Roseau Electric on the Minnkota board from 1980 to 1994.

Like father, like son, Collin joined the Roseau Electric board in 1994 and has been Roseau's representative on the Minnkota board since 1999. He was elected as Minnkota's vice chair in 2002 and then elected chair in 2010.

Jensen bid farewell to the Minnkota board in July and was replaced by fellow director Mike Wahl.

"It's been a great experience and a valuable education," Jensen said at Minnkota's July 30 annual meeting. "I'm going to miss it a lot. I'm going to miss the people. Roseau Electric and Minnkota have great employees, great management and competent boards. I've got no doubt that they will continue to serve us well into the future."

Before closing his remarks, Jensen was quick to remind the audience that he will continue to be active in his cooperative.

"I'm still a member. I'm going to continue to get my energy through Minnkota and Roseau Electric," Jensen said with a smile.

# Cooperative roots

## JENSEN FAMILY LEAVES LASTING LEGACY AT ROSEAU ELECTRIC

**G**rowing up, Collin Jensen remembers hearing stories of when the lights came on for the first time.

His grandfather and father were among the leaders who helped make the dream of reliable power in Roseau Electric Cooperative's service area a reality. Using those strong cooperative roots, Jensen made his

own impact on Roseau Electric and its members as a third-generation board director.

Jensen will retire from the Roseau Electric board at the October annual meeting after 25 years as a director and 18 years as the cooperative's representative on the Minnkota Power Cooperative board. Minnkota is the wholesale energy provider for Roseau Electric and 10 other distribution cooperatives.

The Jensen family was involved in the rural electric cooperative movement from the beginning. Collin's grandfather, Henry, was instrumental in the formation of Roseau Electric in 1940. He was the first board president and worked tirelessly to gather cooperative support for those who were bold enough to make the initial \$5 investment to bring power to their home or farm. Henry also led the development of the area's power line infrastructure.



Mark Sax presents a crystal clock to Collin Jensen in recognition of his service to Roseau Electric Cooperative for more than 25 years.



The Operation Round Up program at Roseau Electric Cooperative enjoyed another successful and generous year in 2019. A total of \$28,657.20 was paid out in 19 different grants to nonprofit and community organizations. That brings the total of grants awarded since the program began in 2013 to \$175,556.51.

A nonprofit corporation named Roseau Electric Cooperative Trust, Inc., administers donated funds and determines grants. The nine-person board of directors is appointed for three-year terms. The board, assisted by a cooperative staff member, meets twice a year (March and September) to determine grants applying organizations. Roseau Electric Cooperative Trust has been granted 501(c)3 tax-exempt status by the Internal Revenue Service, making your contributions to the Operation Round Up program tax deductible.

There are currently 4,747 members who contribute to Operation Round Up. They represent 91% participation of the 5,224 Roseau Electric Cooperative members. For an average of 50 cents per month or \$6 per year, members are part of a very large community wide charitable program.

## Roseau Electric Cooperative Trust, Inc.

### BOARD OF DIRECTORS

**Rosie Rygh**  
Chairman

**Phil Kazmierczak**  
Vice Chairman

**Laurie Polansky**  
Secretary-Treasurer

**Robert Bentow**  
**Marilyn Grafstrom**

**Allison Harder**  
**Beth Karol**

**Kandy Sundberg**  
**Ron Tveit**

## Roseau Electric Cooperative Trust, Inc. FINANCIAL REPORT

For the year ended December 31, 2019

Beginning Fund Balance (12/31/2018)	\$ 10,298.14
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### Receipts

Operation Round Up Donations through 2019	\$ 28,530.01
Bank Interest	11.30
<b>Total Receipts</b>	<b>\$ 28,541.31</b>

### Expenditures

Administrative Expenses	
Director Mileage	\$ 122.96
<b>Total Administrative Expenses</b>	<b>\$ 122.96</b>

### Grants Awarded (19)

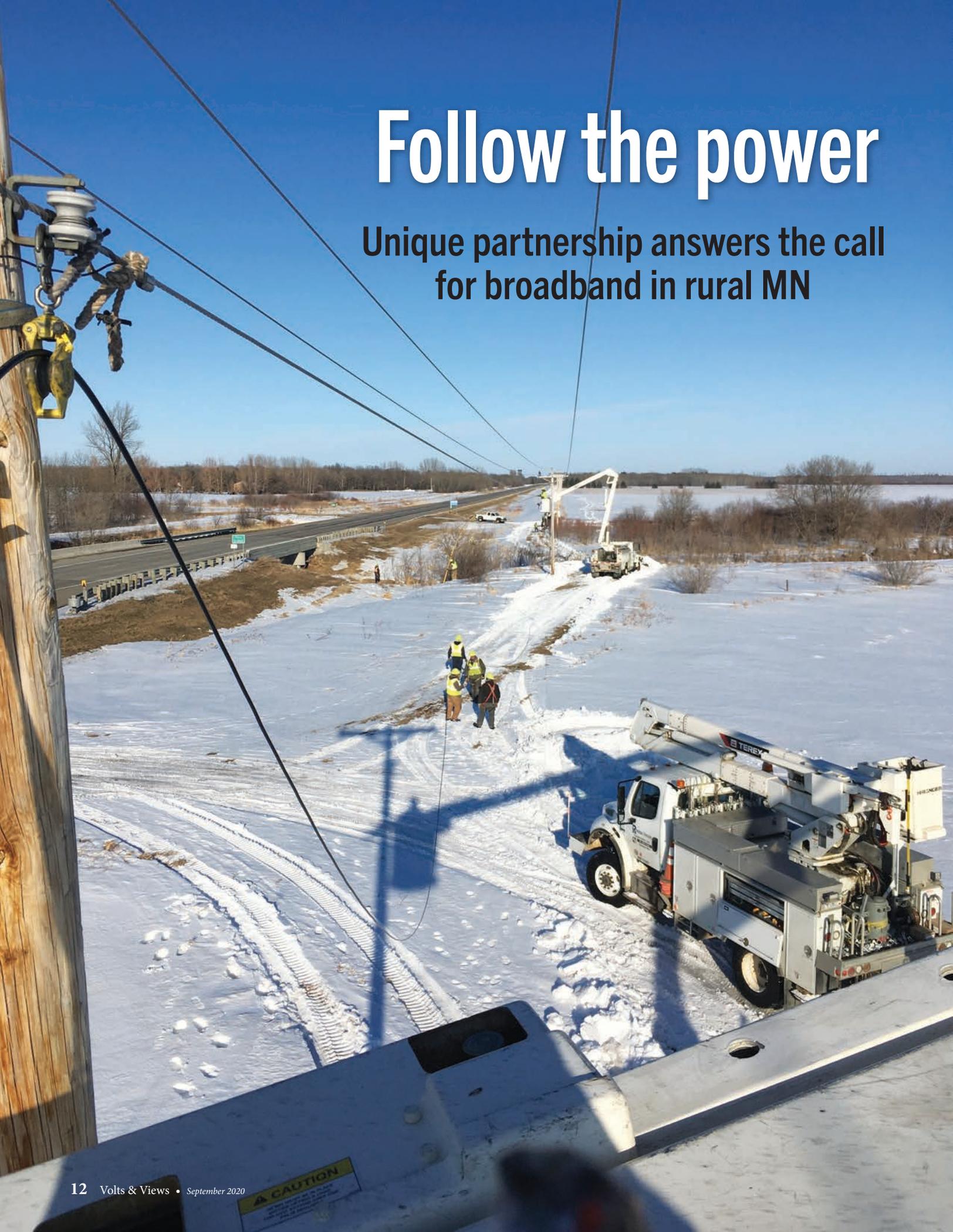
March 2019 Grants	Boy Scout Troop 151 (camping equipment)	\$ 200.00
	Gatzke Senior Citizens (building repairs)	2,500.00
	Grygla Gatzke Food Shelf (food supplies)	2,000.00
	Malung Community Center (outdoor lighting)	2,000.00
	Northern Lights Archery Club (LED lighting)	440.00
	Northland Shooting Sports, Inc (trap house roof assist)	445.00
	The Outdoor Foundation (wheelchair dock lift)	2,600.00
	Roseau County Historical Society (network storage/backup)	1,000.00
	Warroad Eagles Auxiliary (gas cards)	1,000.00
	Wannaska School Rink & Rec (equipment storage building)	2,000.00
September 2019 Grants	Boy Scouts/Northland Range & Gun (gun racks)	228.00
	Gator Robotics (robotics shop mill)	1,500.00
	Greenbush-Middle River School (scoreboard)	1,500.00
	Grygla Lions Club (community sports courts lighting)	1,500.00
	Grygla Gatzke Food Shelf (food supplies)	500.00
	Malung Community Center (picnic shelter)	1,500.00
	Northwest MN Disabled Veterans (trailer)	2,800.00
	Roseau Area Food Shelf (backpack program)	744.20
	Roseau Fire Department (firefighter gear)	4,200.00
<b>Total Grants</b>	<b>\$28,657.20</b>	

Ending Fund Balance (12/31/2019)	<b>\$10,059.29</b>
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Notes: In 2019, we received 24 applications with 19 grants awarded. (2018: 40 applications, 24 grants; 2017: 39 applications, 19 grants; 2016: 38 applications, 22 grants)

# Follow the power

Unique partnership answers the call  
for broadband in rural MN



Article courtesy of Finley Engineering  
(edited for length)

**A**fter attending an industry meeting several years ago, Roseau Electric Cooperative's staff recognized a black hole in their territory's broadband services. Realizing this was a deterrent to economic development and had a negative impact on their members, they wanted to take action. Roseau Electric began polling its members and collaborated with the community to gauge service requirements.

"The most asked question was, 'Why hasn't Roseau Electric done this already?'" said Ryan Severson, Roseau Electric assistant general manager.

Roseau Electric began developing a business case with an extensive feasibility study and strategic plan with the help of Northwest Community Action. The cooperative relied heavily on its engineering firm, Finley Engineering, for consulting services to understand the telecommunications industry, funding sources and requirements. The primary objective was to provide high-speed broadband service to the community and ultimately build out smart grid technology.

"Our philosophy was, we did this 80 years ago with electricity," Severson said. "Since rural electric cooperatives possess important assets that make expansion into broadband favorable, our goal now would be to offer every member a high-speed internet connection."

Out of this came the opportunity for a new kind of partnership with Wikstrom Telephone (Wiktel), a company with a long and trusted history in Karlstad, Minn. The merger

**"Our philosophy was, we did this 80 years ago with electricity. Since rural electric cooperatives possess important assets that make expansion into broadband favorable, our goal now would be to offer every member a high-speed internet connection."**

— Ryan Severson, assistant general manager

of the two resources would quickly deliver economic development opportunities across the service territory in northern Minnesota. Roseau Electric is able to serve its members not only with enhanced electric service reliability, but also with offerings that connect these rural communities to life-changing resources.

Roseau Electric has branded this new venture as NorthStream Fiber. The cooperative is using its own poles and construction crews to install fiber, saving money and time, and owns and operates the fiber down to the subscriber and the member premises. Wiktel provides re-branded services over the fiber, operates the optical line terminal and provides triple play services and technical support.

The partners received \$2.08 million from the Federal Communications Commission's CAF II Reverse Auction program for phase one of the project. This covers four census block groups that include 326 customers. Other federal government and state funding mechanisms are being pursued for the next phase of the project, which includes another 1,500 passings. The hope is to eventually serve about one-third of Roseau Electric's service area with broadband. Future phases of the project will expand on the service offerings to include distribution automation and smart grid system

management for Roseau's distribution system.

Building a new fiber broadband network is an important undertaking, with significant implications for Roseau Electric and the rural communities it serves. The benefits are numerous, including more tools and services to better serve the membership. While traditional broadband providers have a business model that requires a fast return on investment, rural electric cooperatives are anchored in their communities, enabling them to take a long-term view and close the digital divide.



REC crews string fiber in the Robinson Addition.

# Problems paying your electric bill?

Energy assistance may be available!

## Northwest Community Action

PO Box 67  
Badger, MN 56714-0067  
(218) 528-3258 or 800-568-5329  
northwestcap.org

## Bi-County Cap, Inc.

6603 Bemidji Ave. N  
Bemidji, MN 56601-8669  
(218) 751-4631

# DIGGING SOON?



One free, easy call gets your utility lines marked AND helps protect you from injury and expense. Safe digging is no accident: always call 811 before you dig.

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

### COLOR CODING FOR MARKING UNDERGROUND UTILITIES

WHITE	Proposed excavation
PINK	Temporary survey markings
RED	Electric power lines, cables, conduit and lighting cables
YELLOW	Gas, oil, steam, petroleum or gaseous materials
ORANGE	Communication, alarm or signal lines, cables or conduit
BLUE	Water
PURPLE	Reclaimed water, irrigation and slurry lines
GREEN	Sewer and drain lines



# HELP KEEP ELECTRIC LINE WORKERS SAFE



Be patient when the power goes out. Workers need to work efficiently and safely to restore power.



## ZONE IN ON SAFETY



Respect roadside work crews.



Don't drive distracted. Reduce your speed. Change lanes.

1 work zone crash occurs every 5.4 minutes



70 work zone crashes result in injuries each day



12 work zone crashes result in at least 1 fatality each week



Never plug a generator into a wall outlet in your home or garage. The power that back feeds into the electric line could electrocute a utility worker or neighbor.



DON'T post signs on utility poles.

Foreign objects can tear utility workers' protective clothing, which is the first line of protection from an electric shock.



Electric line workers RANK 15 on the list of 25 MOST DANGEROUS JOBS in America. Help keep them safe!



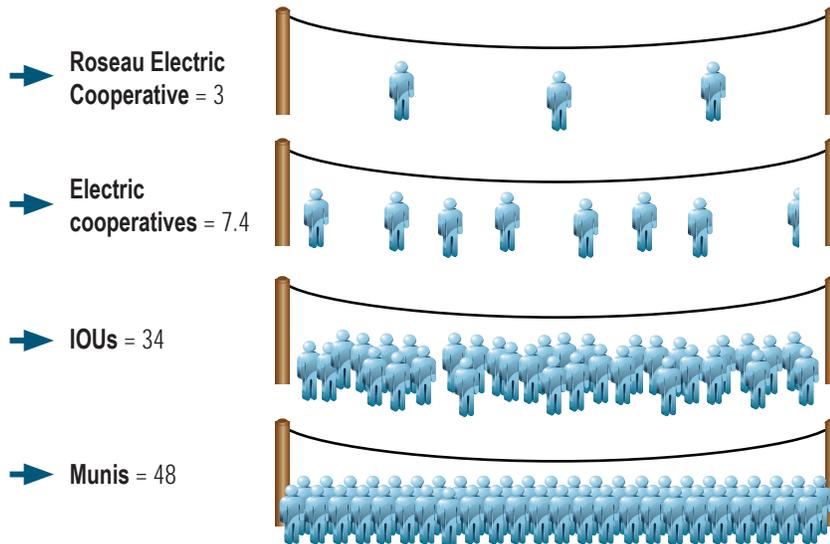
Learn more at [SafeElectricity.org](http://SafeElectricity.org)

# By the Numbers

## Electric utility comparisons

Three types of electric utilities serve Minnesotans: consumer-owned cooperatives like Roseau Electric, investor-owned utilities (IOUs) and municipal-owned utilities (munis). Here's a comparison of Roseau Electric to the three different types using numbers for the nation.

### Average number of consumers per mile of line



## OPERATING STATISTICS

	Monthly		Yearly	
	July 2019	July 2020	July 2019	July 2020
Members	6,532	6,555	6,532	6,555
kWh purchased	9,926,354	10,935,912	92,148,958	91,198,916
% change		10.17%		-1.03%
Revenue	1,360,802	1,458,111	11,054,625	11,090,160
Cost of power	818,492	850,190	6,785,976	6,674,467
Other expenses	524,468	567,631	4,001,754	3,599,830
Operating margins	17,842	40,290	266,895	815,863
Nonoperating margins	(6,603)	17,629	11,126	96,961
Patronage dividends	-	-	202,809	25,260
Total margins	11,239	57,919	480,830	938,084

## Cooperative Employees

**Cassy Anderson**  
Customer Service Representative

**Peggy Sue Bergstrom**  
Customer Service Representative

**Devyn Brandt**  
Lineworker

**Cliff Dahl**  
Warehouseman/Mechanic

**Chad Gregerson**  
Lineworker

**Austin Gunderson**  
Lineworker

**Marc Halvorson**  
Lineworker

**Jay Hodny**  
Member Services/Electrician

**Mark Jennings**  
Staking Engineer

**Chad W. Johnson**  
Lineworker

**Ralph Landman**  
Line Foreman

**Jeremy Lindemann**  
Member Services Director

**Rebecca Lundgren**  
Customer Service Representative

**Alex McMillin**  
Office Manager

**Mike Millner**  
Line Superintendent

**Chad Nelson**  
Line Crew Foreman

**Ross Nelson**  
Lineworker

**Justin Olson**  
Lineworker

**Lori Peppel**  
Member Services Coordinator

**Stacy Rose**  
Fiber Service Director

**Ryan Severson**  
Assistant Manager

**Steve Severson**  
Metering Technician

**Jeremy Sisler**  
Fiber Service Technician

**Deaun Solom**  
Receptionist

**Tracey Stoll**  
General Manager

**Neal Vatsndal**  
Lineworker

**Jedd VonEnde**  
Lineworker

*Rescheduled  
80<sup>th</sup> Annual Meeting  
Grand Prize!*

**65-inch  
LG Smart TV**



***Other Prizes:***

**Two \$250 electric bill credits**

**Ten \$50 electric bill credits**

*Winners will be drawn from  
the returned registration slips*

Registration slips will be included in a voter packet to be mailed out in mid-October. Watch your mailbox!