



CAPITAL ELECTRIC
COOPERATIVE

CAPITAL ELECTRIC COMMENTS

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APRIL 2014

PHOTO BY CARMEN DEVNEY

The hidden need in our own backyards

There may be great wealth in North Dakota, but there is also great poverty. In this month's local pages, read how the Wilton Food Pantry is helping those in need — and how YOUR pennies helped supply food and personal care products for the pantry.

*On behalf of the pantry, **Pastor Paul Schauer** of Sunne Lutheran Church thanks the Capital Electric Cooperative members who contribute to the Operation Round Up program.*

APRIL 2014 IN THIS ISSUE

- Members' pennies help stock the pantry
- Opt in to Operation Round Up
- Co-op seeks board of director candidates
- Meeting minutes ... and more!



Paul Schauer, pastor of Sunne Lutheran Church, Wilton, says each month the Wilton Food Pantry fills more than 20 boxes of food weighing about 100 pounds each. Anyone who needs assistance in the areas of Baldwin, Wilton or Wing is welcome to stop by the pantry on the third Thursday of the month from 4 to 6 p.m. and take a box. The pantry is located in the basement of the Wilton Senior Center.

OPERATION ROUND UP

Supporting the Wilton Food Pantry, and those who are 'one little disaster away from not having anything'

STORY AND PHOTOS BY CARMEN DEVNEY

By now, most people have heard stories about how the oil development in western North Dakota is bringing prosperity to all parts of the state, both in mineral rights and jobs. There may be a tremendous amount of money and opportunity in North Dakota — but there is also tremendous poverty. And it's in our own backyards.

Paul Schauer, pastor of Sunne Lutheran Church east of Wilton, says the poverty level is huge in this area of the Capital Electric Cooperative service area.

"We've got what I call our hidden

rural homelessness, which is primarily trailer homes that are substandard housing. People live in them because it's better than living in a campground or car. It's a roof and walls, but that's about it," he describes. "How do we begin to address it?"

In August 2013, a Bismarck group called Ministry on the Margins, in partnership with the Great Plains Food Bank, asked if there was interest in starting a community food pantry. They felt there was a need. Schauer was asked to work with area residents and figure out logistics.

Bernard Falkenstein, president of

the Wilton Senior Center and former board director for Capital Electric Cooperative, offered the use of the center's basement. Shelves had already been constructed to store food for a former commodities program. Centrally located within Wilton, the Senior Center was ideal.

A 501(c)(3) organization needed to sponsor the pantry, so Schauer offered the services of Sunne Lutheran Church. In a cooperative ministry among the Wilton and Wing churches, senior center, school, bank and other area organizations, the food pantry was launched right before Thanksgiving.

Even though Schauer had visited with several families who were "fighting tooth and nail to stay afloat," even he couldn't have guessed just how many could use assistance. He thought about 10 families might give it a try. During the first food distribution in December, volunteers filled 22 baskets with 100 pounds of food. The baskets were quickly claimed.

"We weren't aware that there was that much need," he shares.

Schauer says after the distribution, he received a text message from a recipient who confided that her family would not be making it without the food pantry. The text read something like, "Words cannot tell you how much this means to us."

"To hear people say that kind of thing, you think, 'Wow.' There really is a fine line between one little disaster; one car break down away from not having anything," Schauer reflects.

To stock the pantry, food is donated or purchased from the Great Plains Food Bank. It is distributed on the third Thursday of each month from 4 to 6 p.m. at the Senior Center. Schauer says anyone who can use assistance in the areas of Baldwin, Wilton or Wing is welcome to take a box of food. The pantry also stocks and distributes dish soap, shampoo and body wash, and similar items.

While Sunne Lutheran Church serves as the fiscal agent, it does not fund the



Some of the people who use the pantry haven't had this much food on their own shelves in a long time. For those who might feel hesitant in accepting assistance, Schauer assures that every person's information and situation is kept confidential.

pantry. Schauer says the pantry relies on donations and grants to buy food and personal care products.

Pastor for the past 27 years, Schauer is familiar with the *North Dakota Living* magazine because the church receives a subscription as a business consumer of Capital Electric Cooperative. In the local community pages, he learned how the co-op's Operation Round Up program has awarded grants across its service area to deserving people and projects.

Operation Round Up is an electric cooperative program in which members round up their monthly utility bills to the nearest dollar and donate their change to local individuals, groups or charities with a specific need. On average, members donate \$6 a year.

In January, Schauer and Sunne Lutheran Church applied for a grant on behalf of the pantry. In February, he learned the pantry would receive a grant.

"All of our donations go to food and personal care products. We have no overhead; the Senior Center covers what little electrical usage there is, and the church pays the insurance," Schauer describes. There are also no employees; everyone who helps with the pantry volunteers.

The Wilton Food Pantry is always seeking donations. Food and personal care items can be dropped off at the Senior Center Monday through Friday from 9 a.m. to 1 p.m. Arrangements can also be made by calling Schauer at 734-6605 or Sandy Peterson at

734-6734. The church is also seeking volunteers for delivery days, as well as monetary donations for the pantry. Checks can be mailed to Sunne Lutheran Church, P.O. Box 217, Wilton, ND 58579. Please write "food pantry" on the memo line. **CE**



Sandy Peterson, member of Sunne Lutheran Church, accepts an Operation Round Up grant from **Wes Engbrecht**, director of communications and public relations for Capital Electric Cooperative, on behalf of the Wilton Food Pantry. Peterson, who serves as the pantry's volunteer coordinator, has worked with other church groups and food pantries in the past. She says it's personally fulfilling to "be on the ground floor of something here."

Do YOU participate in the Operation Round Up program?

If not, please call the co-op and opt in today!



Fourteen of the state's 16 electric distribution cooperatives participate in the Operation Round Up program. In this voluntary program, co-op members round up their monthly electric bills to the next dollar, and donate their change to worthy individuals, groups and organizations in their respective co-op's service area. The money is placed in a trust where it accumulates, and the trust's board of directors — who are also co-op members — meet regularly to review applications and disburse funds in the form of grants. All of the money raised by members stays in their local communities. On average, participating members donate about \$6 a year. The donation is tax-deductible, and members who participate will receive a summary on their last billing statement of the year.

Capital Electric Cooperative implemented the program in August 1997. Since then, more than 31 million pennies

in Operation Round Up funds have been donated and spread across the co-op's service area. About 4,500 co-op members currently participate in Operation Round Up, and their collective pennies generate almost \$2,400 a month. Our co-op would like to **DOUBLE** that number and amount!

Members, please call the co-op at 701-223-1513 to verify that you participate in the Operation Round Up program, or to opt into the program. Every member's small donation truly does add up to make a big difference. From Baldwin, Wilton and Wing to their surrounding communities, people across the Capital Electric Cooperative service area are appreciating the food they received from the Wilton Food Pantry. Your participation in the co-op's Operation Round Up program makes grants like this possible. **CEC**

Charitable Trust awards grants



PHOTO BY CARMEN DEVNEY

The board members who serve on the Capital Electric Cooperative Charitable Trust meet two times a year to review Operation Round Up applications and award grants. On Feb. 25, Dennis Burrer, Roger Christianson, Jerry Doan, LeAna Hug, and Quirina Schmidt reviewed applications that were submitted by Jan. 31. The board members awarded 11 grants totaling \$13,750. Checks were distributed during a presentation ceremony on March 4 at co-op headquarters in Bismarck.

The following individuals and organizations received assistance from participating Capital Electric members and the co-op's Operation Round Up program:

- (3) individuals, for medical expenses
- Freedom Riders, for disabled vet assistance

- AID, Inc., for low-income assistance
- Abused Adult Resource Center, for Pam's House
- Wilton Food Pantry, for food for low-income area residents
- Wing High School, for the Close Up program
- Wing Theatre
- Wing Public School
- Haystack Butte 4-H Club

The next application deadline will be **July 31**. Any person in the counties of Burleigh and Sheridan may submit an application to receive an Operation Round Up grant.

To request an application, call Capital Electric Cooperative at 701-223-1513, or download a form on the co-op's website at www.capitalelec.com (click "Member Services" and "Operation Round Up"). **CEC**

*During the Member Advisory Committee meeting held on Feb. 25, **LeAna Hug** was re-elected to the Operation Round Up Charitable Trust. **Roger Christianson** was also elected; both will serve three-year terms. The co-op thanks Patricia Ryberg for her dedicated service on the Charitable Trust board; she was not eligible to seek re-election at this time.*

The Story Behind the Switch switches things up

Basin Electric updates its educational program

BY LINDSEY DEKREY AND CARMEN DEVNEY



PHOTOS BY CARMEN DEVNEY

Logan S. tries on the gear a lineman must wear in order to stay safe around electricity.



Electric gadgets like the Van de Graaff generator give students like **Jessa L.** a hair-raising experience.



Tanner B. touches a plasma ball, and learns how glass acts as an insulator and protects him from getting an electric shock.

Walk into a classroom today and you will find students reading books on tablets, punching in answers to their teacher's questions on clickers that look like television remote controls, and drawing on interactive whiteboards. Gone are the days of books, paper and chalkboards. Technology has changed the way educators teach and students learn, and how they communicate.

In response to this evolution, Basin Electric Power Cooperative updated its Story Behind the Switch educational program. Basin Electric is a generation

and transmission cooperative that serves nine states including North Dakota and the Capital Electric Cooperative service area. In addition to making and moving power, one of its most important jobs is educating youth about the potential dangers of electricity, and the importance of staying safe. The Story Behind the Switch program incorporates this information, and reaches more than 12,000 elementary school students a year.

In February, Wes Engbrecht, director of communications and

public relations for Capital Electric, toured four elementary schools in Bismarck along with Kimberly Kranz, demonstration coordinator for Basin Electric. Students at Centennial, Dorothy Moses, Myhre and Pioneer learned how electricity is made, transported and used through visual aids including new graphics, a 45-inch flat screen television, PowerPoint slideshow, and characters Basin Brittany and Electric Eric.

"We believed the changes and new technology would enhance the students' learning by delivering a lesson about the world of energy production and their role as energy consumers in a more appealing way," says Kranz.

She describes the excitement the changes have brought. "Every time I walk into a classroom and set up, the first thing I hear is, 'Whoa, she has a TV!' The students are a lot more excited than before because the presentation is more modern and makes use of the contemporary technology that they are used to," Kranz says.

Even though the look of the program has changed, the core message has stayed the same. Kranz's hands-on demonstration and learning materials still help her explain the various aspects about electricity.

Kranz hopes the program gives students a solid understanding of how to keep themselves safe around electricity and the importance of it in their everyday lives. "I love teaching our young people this important message. There is no resource more valuable than our youth," Kranz says. **CE**

Directors represent your interests

Capital Electric Cooperative is overseen by a board of directors elected by the members and owners of our co-op. Each director represents the members on the board and each director is a co-op member.

Directors represent the members' interests. They learn and internalize concerns, expectations and ideas, and take the information into the board room. During board meetings, directors exchange information and strategize for the co-op's progressive growth.

Directors have a fiduciary responsibility to the cooperative. They exercise care, time and responsibility in reviewing co-op matters. Because they are also owners of the cooperative, they treat the business like their own.

Directors devote a certain amount of time to the cooperative. At a minimum, directors attend a monthly board meeting. To learn about the industry and understand critical issues, directors also read and research, and attend state and national meetings.

To help directors with their responsibilities, training is offered through the North Dakota Association of Rural Electric Cooperatives. If directors choose to pursue certification, they must take and complete five courses which cover director duties and liabilities, understanding the electric business board roles and relationships, strategic planning and financial decision-making.

Serving Capital Electric Cooperative and your community can be a rewarding experience! For more information, contact a member of the Nominating Committee (see C7) or call the co-op at 701-223-1513. **CE**

Cooperative roots

When Capital Electric Cooperative brought electric service to the family farm back in 1950, David Liuska was just a boy. After the co-op drilled holes for the poles, David accidentally fell in one. His mother pulled him out.

David, who has served on the Capital Electric board of directors for the past 31 years, jokes his cooperative roots go "from the ground up." **CE**

David Liuska is committed to his community. Over the years, he's been involved in the Wing horse club, fire department, theater, cemetery, American Legion, the Wing-Tuttle Color Guard, and his church. The senior member of the Capital Electric Cooperative board of directors, Liuska also represents Capital Electric on the North Dakota Association of Rural Electric Cooperatives' board of directors. To help him better understand the utility industry, Liuska attended formal training through the National Rural Electric Cooperative Association and earned his Credentialed Cooperative Director certification and a Board Leadership Certificate.

Save
THE DATE

JUNE
03
2014

- WHAT:** Capital Electric annual meeting
- WHERE:** Ramkota Hotel, Bismarck
- WHY:** To learn about co-op issues; to cast your vote and elect three members to serve on the board of directors; to collect a capital credit check if you qualify; and to enjoy entertainment and eat a free meal.



PHOTO BY CARMEN DEVNEY

Are you interested
in serving as a
director for
Capital Electric?

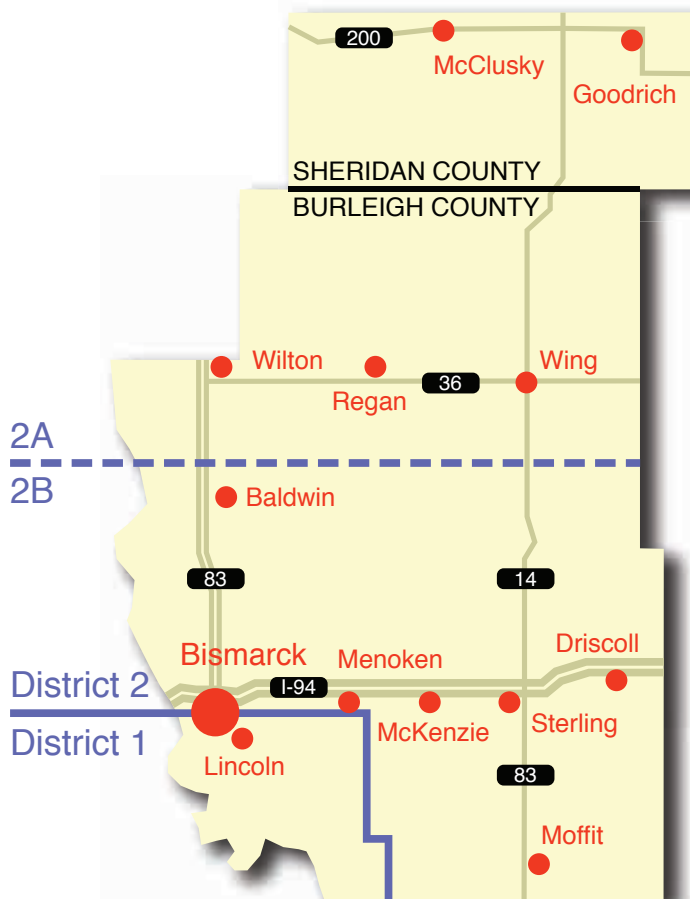
Place YOUR name on the ballot today!

Capital Electric Cooperative's 68th annual meeting will be held June 3 at the Ramkota Hotel in Bismarck.

This year, three seats on the co-op's board of directors will need to be filled. Directors whose three-year terms will expire this June include Kyle Hilken and Rex Hollenbeck, both from District 2, and Rodney Eckroth from District 1.

The nine members who make up the Capital Electric board of directors set policies and make decisions which will guide the cooperative into the future. With the annual meeting just a few short months away, now is the time for members to start thinking about whether they have the time and desire to serve their electric cooperative.

In accordance with Article 4, Section 3 of the co-op bylaws, current members of Capital Electric can have their names placed on the ballot to be voted upon for the open board positions in one of three ways: accepting a nomination by the Capital Electric Nominating Committee; submitting a petition signed by at least 15 current members of the cooperative, not less than 30 days prior to the annual meeting; and having your name placed in nomination from the floor at the annual meeting prior to the board of director election. **CEC**



The following members have been appointed by the board of directors to serve on the Nominating Committee:

Brian Bitner
751 80th St. S.E.
Bismarck, ND 58501
701-224-8281

Arliss Koski
24951 353rd St. N.E.
Arena, ND 58494
701-943-2647

Julie Roswick
4315 England St.
Bismarck, ND 58504
701-255-3626

Gary Hansen
5230 Boulder Ridge Rd.
Bismarck, ND 58503
701-471-3558

Duane Lasher
118 3rd St. E.
McClusky, ND 58463
701-426-9143

Kristi Schlosser Carlson
2810 Powder Ridge Dr.
Bismarck, ND 58503
701-251-8027

LeAna Hug
13451 52nd St. N.E.
Baldwin, ND 58521
701-223-5152

Ann Reich
4401 Lookout Trail
Bismarck, ND 58504
701-255-4406

Sanford Williams
26900 331st Ave. N.E.
Wing, ND 58494
701-943-2474

If you are interested in becoming a candidate for the Capital Electric Cooperative board of directors or wish to have a member considered for nomination, please contact a member of the Nominating Committee listed above prior to **April 9**. Committee members will have information on the requirements a member must meet in order to serve on the co-op's board of directors. Pursuant to the bylaws, the Nominating Committee must post a list of nominations at least 35 days prior to the annual meeting. Current board members whose terms will expire in 2014 are:

- District 1: Rodney Eckroth
- District 2: Kyle Hilken and Rex Hollenbeck

Official notice of Capital Electric's 68th annual meeting will be mailed to members in May.

Board minute excerpts Feb. 24, 2014

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held on Monday, Feb. 24, 2014, at co-op headquarters in Bismarck.

Financial review (January 2014): Prior to the board meeting, Directors Kramer and Liuska reviewed the January 2014 check register and expenditures. It was reported that all checks were in order. It was moved, seconded and carried to approve January expenditures in the amount of \$3,040,658.81.

Business department report: The business manager reviewed the January financial and statistical report with the Board. The total kilowatt-hour (KWH) sales for January 2014 were above budget by 10.4 percent. The actual monthly electric revenue is up 9.3 percent from budget. The financial margin for January is -\$40,436, versus the budgeted margin of \$144,015, below budget by \$184,451. This low margin is being driven by a poor load factor due to extreme weather on Jan. 5, 2014. Operating margins for the month were -\$63,175, below budget by \$183,761.

Since we have not yet transferred the assets/debt related to the Central Power Electric Cooperative consolidation, our auditors advised us to continue to book depreciation and interest expense on our books as normal. As an offset when we bill Central Power for these costs each month, we will reflect an equal amount of miscellaneous revenue. The bottom line is that we will still offset the same amount of costs on the income statement but need to reflect them on the financial statements this way until the consolidation is completed. In January, we billed Central Power for \$89,550.06 in depreciation and interest, as well as reimbursement costs for transmission/substation expenses.

In January, 23 new services were billed, bringing active services to 17,709 versus 17,007 at this time last year. This is a net increase of 702 accounts over the last 12 months.

The business manager reviewed the comparison of actual-to-budgeted expenses for the month of January and for the year-to-date through January 2014. Accounts receivable balances as of Feb. 21, 2014, were reviewed.

2013 year-end: The year-end financials for 2013 are complete. The final operating margin for 2013 is \$281,423 versus the budgeted margin of -\$22,077. The overall margin for 2013 is \$1,829,198. All lender ratio requirements have been met without the need to utilize any of the Dakota Gasification Company revenue deferral.

Revenue deferral Extension: Capital Electric management will write a letter to the Rural Utilities Service (RUS) to explain that although no revenues were deferred or brought into our financials in 2012 or 2013, Capital Electric continues to plan for tight margins and expects to utilize the revenue deferrals in the next few years.

Central Power consolidation: We have been working on separating out the asset

values and associated depreciation of the assets that we will be transferring to Central Power.

Capital credits: Following review of the financial condition of the cooperative and recommendation by management, it was moved, seconded and carried to authorize payment of capital credits to the following deceased members' estates:

Nila Heinle	\$313.29
Justin Schuette	\$386.31
TOTAL	\$699.60

Engineering and operations report: The manager reviewed the written report from the engineering and operations department. This month eight work orders were completed, adding eight new consumers to the system.

Jim Siirtola, meter reader-repairman, turned in his resignation letter last week. His last day at Capital Electric will be April 1, 2014, after 37 years of service. We will need to re-evaluate our locating strategy. The engineering department is meeting with outside locating contractors. It was the consensus of the board to move forward with reviewing proposals from locating contractors.

Line crews are busy doing the annual line inspection plus an occasional connect.

The linemen drove by all of our transmission line to verify the pole-top units for Central Power. They looked at each structure to see that it matched the staking sheets and if it did not, they made the correction. Central Power will label each structure and put a GPS coordinate on each pole.

The revamp of our North Bismarck Substation is complete. It was moved, seconded and carried to make their final payment of \$64,395, which we will hold back \$4,395 as there will be some clean-up to do inside and outside the substation fence.

Department of Energy contract: It was moved, seconded and carried to authorize the cooperative to enter into Department of Energy Contract #13-UGPR108.

Member Services Department:

Marathon water heaters: RESCO is again providing us with a good supply of 85-gallon and 105-gallon water heaters.

Enertech Conference: Josh Schaffner attended a sales and technical conference for our geothermal heat pump manufacturer, for which we are a dealer/distributor.

Electric heat installs: Interest in electric heat has remained strong. Interest in plenum heaters is very strong with the investment payback averaging less than two years.

Communications and public relations department: The manager reviewed the written report from the communications and public relations department.

Safety report: There were no lost-time accidents this month.

Jason Smith and Jeff Tweten from the North Dakota Association of Rural Electric Cooperatives (NDAREC) were at the shop Feb. 13, 2014, to conduct a safety meeting on confined spaces. Les Vietz, crew foreman, took them out to observe crews in the field.

Jim Siirtola, meter reader-repairman, slipped on the ice and fell on a meter that he

was carrying to his truck. He bruised his ribs.

A CPR refresher course was held Feb. 20.

Central Power: Haugen-Hoffart reported on Central Power matters. She was elected as director and Kyle Hilken is an alternate to Central Power.

Preliminary 2013 capital credit allocations to Central Power members were reviewed.

Nominating Committee: It was moved, seconded and carried to approve the 2014 Nominating Committee as follows:

Brian Bitner
Gary Hansen
LeAna Hug
Arliss Koski
Duane Lasher
Ann Reich
Julie Roswilde
Krist Schlosser Carlson
Sanford Williams

Member Advisory Committee: It was the consensus of the board to expand the Member Advisory Committee by nine members.

RESCO: 2013 was an excellent year with more than \$200 million in sales. RESCO is looking at setting up a warehouse in Pierre, S.D.

CFC workshop: Vilhauer and Olson reported that the National Rural Utilities Cooperative Finance Corporation (CFC) workshop was excellent with good education and information.

Adjournment: There being no further business to come before the meeting, without objection, the regular meeting was adjourned. **CEC**

CAPITAL ELECTRIC COOPERATIVE

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BOARD OF DIRECTORS:

Dwight Wrangham, Pres. Bismarck
Arlene Olson, V. Pres. Wing
David Liuska, Sec.-Treas. Wing
Sheri Haugen-Hoffart,
Asst. Sec.-Treas. Bismarck
Rodney Eckroth Bismarck
Kyle Hilken Wilton
Rex Hollenbeck McClusky
Josh Kramer Bismarck
Deon Vilhauer Bismarck
Ordean "Lars" Nygren, Mgr. Bismarck

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DAY-NIGHT-WEEKEND
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