The role of electric cooperatives: past, present and future

Kinley Wetsch admires a display in the “Power of the People” exhibit at the N.D. Heritage Center that allows her to toggle, listen and learn about electric cooperatives. In this month’s local pages, tour the exhibit along with Kinley and her family. Read how electric cooperatives brought help and hope to the bald-headed prairie, and why they are just as necessary today in providing affordable and reliable electric service to their member-owners.

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In the early 1900s, Charlie Lasher immigrated to North Dakota from Wisconsin, and homesteaded on the bald-headed prairie five miles east of McClusky. He planted flax and oats for the team of horses he was using to bust the sod. He scraped together straw to save for feed, and to use as a source of fuel for the pot-bellied stove that he had in his tar-paper shack. He survived his first brutal winter alone, before returning to Wisconsin to marry and bring his bride back to the vast openness of a prairie with no tree rows, no fence lines, no roads.

“We can’t envision what they endured in trying to succeed on the prairie; the brutal winters and the loneliness,” describes Duane “Rusty” Lasher, a grandson of Charlie. “People depended on one another for a source of encouragement and enlightenment and sharing in those days. They had to cope the best they could.”

After World War II, the objective of the Rural Electrification Administration (REA) was to make life more enjoyable and easier on the prairie. Rural electrification with central station power was born — and it brought help and hope to North Dakota’s hardy pioneers.

Light for the home and barn? Heat for the stove? Power for farm machinery and kitchen appliances? Many folks said electricity was a convenience for the people who lived in town, and it couldn’t be brought to rural areas. Co-ops like Capital Electric Cooperative proved them wrong.

Charlie’s son, Norman, traveled the countryside in the early 1940s, seeking $5 from families who lived in the counties of Burleigh and Sheridan, and small portions of Emmons, Mclean and Kidder, in an attempt to form an electric cooperative and get a 2-percent loan from the REA. When enough memberships were secure, Capital Electric Cooperative was incorporated in 1945. The co-op requested a million-dollar loan to build 927 miles of line to serve 774 signed members, with a potential of serving 786 additional members.

Today, 16 distribution cooperatives...
including Capital Electric, and five generation and transmission cooperatives bring electric service to 250,000 North Dakotans through 178,000 meters. These co-ops, which are locally owned businesses tied to a nationwide network of Touchstone Energy® Cooperatives, are governed by local, consumer-elected members to the board of directors.

After Norman Lasher helped establish Capital Electric Cooperative, he was elected to the board of directors. Including those first organizational meetings, he served for 33 years until he died. His son, Rusty, filled the remaining term and was re-elected to the board. Following in his father’s footsteps and carrying on the legacy of the co-op, Rusty served for 31 years.

The efforts and actions of these forward thinkers, and the history and contemporary role of electric cooperatives in North Dakota, are on prominent display in the Governors Gallery in the newly expanded North Dakota Heritage Center, on the state capitol grounds in Bismarck.

The “Power of the People” exhibit is located in the Governors Gallery of the newly expanded N.D. Heritage Center, which opened on Nov. 2, 2014 – North Dakota’s 125th anniversary of statehood.

Exhibit describes impact of electricity — yesterday and today

The “Power of the People” exhibit opened on Nov. 2, 2014 – North Dakota’s 125th anniversary of statehood – at the same time the expanded Heritage Center first opened to the public.

Chris Johnson, museum division director for the N.D. Heritage Center and State Historical Society of North Dakota, says electric cooperative history and modern-day values were an ideal way to help launch this new era in the history of the Heritage Center.

In 2012, Historical Society and Heritage Center representatives traveled the state, meeting with community groups about what the Heritage Center expansion should display. Johnson says local people across the state repeatedly cited the coming of rural electrification to farms and small towns as a major historic milestone.

“In the public feedback part of our discussions,” Johnson says, “the thing that came up over and over again – particularly among people who remember it – was that the coming of electricity had a huge impact on their farms and small towns.”

Johnson says these comments made a significant impression on Heritage Center planners.

“We looked at this as an opportunity to form a partnership with cooperatives,” Johnson says, adding that the concept of rural electrification history was a good fit for the inaugural use of the temporary display space that the new Governors Gallery features.

The “Power of the People” exhibit is a blend of vintage rural electrification emergence history in the state, with educational displays about the role Touchstone Energy Cooperatives play today in North Dakota. Exhibit features include:

- Displays depicting the coming of electricity to rural North Dakota in the 1940s and 1950s, including the advent of household appliances, farm mechanization, and new lighting and communication resources.
- Touchscreen stations, where informational video presentations on the core values of Touchstone Energy Cooperatives (accountability, integrity, innovation, and commitment to community) are viewable; and touchscreen displays about cooperative power generation and environmental stewardship.
- An early “REA” co-op headquarters, containing the story of how farmers, laborers, the REA agents – aided by the smiling Willie Wiredhand figure – set poles and strung wires across rural North Dakota.
- Life-size visual displays of rural electric cooperative organizing efforts and meetings of yesteryear, along with photo displays of people making up today’s Touchstone Energy...
Cooperative network in North Dakota. Nine people representing cooperative board rooms, line crews, power generation plants and information technology services are on display, describing their roles for today’s electric cooperatives.

- The “Stronger Together” hands-on teaching station where three persons, working together, lift a metal ring, sounding a bell and lighting up a “You’ve Formed A Co-op” sign. Johnson says, “Bringing electricity to rural America was not done by just one person. It was groups of people banding together to get something accomplished.”

Several area Touchstone Energy Cooperatives played a key role in vital private sector support for the Heritage Center expansion. Joining forces in contributing $1.3 million toward the expansion were: Basin Electric Power Cooperative, Great River Energy, Minnkota Power Cooperative, National Information Solutions Cooperative and the North Dakota Association of Rural Electric Cooperatives. Financial support was also provided by the National Rural Utilities Cooperative Finance Corporation and CoBank.

Bill Patrie, executive director of the Common Enterprise Development Corporation and board director for Capital Electric Cooperative, says co-ops sponsored this exhibit to show the story of human connections.

“It’s inspiring!” he says. “Cooperatives invested in the ‘Power of the People’ display not only to tell our story, but to inspire others to take similar action in other sectors of the economy.”

While the story of rural electrification started perhaps in 1844 with the Roachdale Society of Equitable pioneers, and blossomed in America with the REA in the Roosevelt administration, there are many chapters yet to be written. Cooperatives were initially organized to get affordable power to people wherever they lived by sharing expenses with other members. Patrie says cooperatives are still necessary today because of their unique values, which are different than investor-owned companies.

“The International Cooperative Alliance lists self-help, self-responsibility, equity, equality and solidarity as the values embraced by cooperatives. Investor-owned utilities value the most return on capital. Rural people have had to form alliances with urban people to gain mutual benefit in securing affordable power. Without cooperatives, investors will extract as much earnings as possible from the provision of power. They have been given monopolies and though they are regulated, they still demand a significant return. Cooperatives operate based on cost. Cooperatives are simply a better deal for the user.

“North Dakotans have built an amazing economy and culture based, in part, on our ability to cooperate,” Patrie continues. “Competition may be entertaining — especially in sports — but it is cooperation that has saved lives, reduced drudgery, and brought people proudly into the 21st Century. Today, Capital Electric Cooperative is working just as hard at providing safe and reliable electric service at the lowest-possible price.”

The mission of Capital Electric Cooperative is the same today as it was back in September 1948, when it energized its first line. The cost of a membership is the same, today, too; just $5. To the friends and neighbors Norman Lasher helped recruit to form a co-op, $5 was a lot of money. It took courage and vision, which were rewarded in the form of hope and help, bringing rural America out of the darkness.

What has changed are North Dakota’s prairies. “We’ve got fewer farms out here. Some of those are consuming more electricity than the previous farms,” Rusty Lasher reflects.

“That’s what is so great about the ‘Power of the ‘People’ exhibit at the Heritage Center. This is our legacy. This is our heritage, and what our ancestors went through,” he concludes. “Today, electricity is just as convenient, just as beneficial, and just as necessary.”

Capital Electric Cooperative thanks Kent Brick, editor of North Dakota Living, for contributing to this article.
Co-op Scholarship Available

Plan ahead

It’s never too early for teenagers and their parents to start thinking about what it takes to earn a student scholarship. There are a wide variety of scholarships available — and a lot of competition.

“Work hard in school, and be involved in extracurricular activities and in the community. Those things seem to matter,” advises Capital Electric Cooperative member Tom Materi. “Be thinking about those things prior to becoming a senior.”

Tom and his wife, Deb, should know. Their son, Jonathan, applied for and received last year’s $1,000 scholarship from Capital Electric Cooperative, in partnership with Basin Electric Power Cooperative.

A freshman at North Dakota State University in Fargo, Jonathan is enrolled in the computer engineering program. For the past several months, he has been adjusting to college life and the demands of a much heavier homework load — and learning firsthand just how expensive tuition, room and board, and books can be.

“College costs continue to skyrocket,” Tom says. “Jonathan is grateful for the help he received from Capital Electric, and he is hoping it’s something he can pay forward one day.”

Apply now!

Seniors, if your parents are members of Capital Electric Cooperative, you are eligible to apply for this scholarship for the 2015-2016 school year. To qualify for the $1,000 scholarship, you must be a student who is enrolled or planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university or vocational/technical school.

Our co-op will assemble a panel of impartial judges to review all applications. The judges will select the winning application based on academic performance, potential to succeed, leadership and participation in school and community activities, honors, a statement of education and career goals, work experience and an outside referral. The scholarship will be awarded without regard to other awards, loans or financial assistance the applicant may have obtained.

Application forms may be downloaded at www.capitalelec.com or picked up at co-op headquarters at 4111 State St. N. in Bismarck. Applications need to be completed and returned to Capital Electric on or before Friday, Feb. 13, 2015.

Prepare for tax season with SmartHub

Capital Electric Cooperative can help you prepare for tax season! If you haven’t already signed up for SmartHub, now’s a good time to do so. By signing up for this co-op service, members have access to their electronic billing history, which contains the current billing statement, billing history details, kilowatt usage, monthly comparisons and other informative facts. SmartHub also allows Capital Electric Cooperative members to pay their utility bills online day or night.

To sign up for SmartHub, visit the co-op’s home page at www.capitalelec.com and click “My Account” (SmartHub) in the upper left-hand corner. Then sign up as a new user. When members sign up for SmartHub using our secure server, they will receive a monthly billing email notification from our co-op and also be given the option to still receive a paper bill through the mail. The notice will link to our website at www.capitalelec.com. Members can click on this link and enter their email address and password.
SAFETY EXCELLENCE: “IT’S HOW WE DO THINGS AROUND HERE.”

(Foreground) Matthew Hagen, Lineman
(Background) Steve Kuball, Lineman
Childhood cancer — how big is the problem?

The statistics are startling. According to the St. Baldrick’s Foundation:

1. **More children are lost to cancer in the United States than any other disease.**

2. **Before they turn 20, about 1 in 285 children in the United States will have cancer.**

3. **Worldwide, a child is diagnosed with cancer every three minutes.**

Researchers are working to find cures and focus on the prevention of the lifelong damage that results from surgeries, radiation and chemotherapies given while young bodies and brains are developing.

Five Capital Electric Cooperative employees are helping to raise money and awareness, and help researchers cure childhood cancer and improve supportive care for patients. On March 13, Paul Fitterer, Brad Johnson, Ron Lipp, Braden Martin and Beau Townsend will “Brave the Shave” at the Missouri Valley Family YMCA in Bismarck. This is the second year Fitterer, Lipp and Townsend are participating, and the eighth year Basin Electric Power Cooperative is co-sponsoring the event.

The campaign has evolved from a single event to a multi-state campaign, featuring several head-shaving events throughout the community and beyond to raise money for the St. Baldrick’s Foundation, a volunteer-driven charity committed to funding the most promising research to find cures for childhood cancers and give survivors long, healthy lives.

Fitterer, Capital Electric’s business manager, got involved a couple years ago when his daughter, Hattie, cut her hair and donated it to Locks of Love. He’s says he’s shaving his head again, in support of the kids who suffer from cancer. And, he jokes, because Lipp is making him do it.

Lipp, the engineering and operations manager, grew a thick mop of hair before getting shaved for the first time in March 2012. He says he’s participating again because it’s a good thing for the co-op family to do together.

Townsend, assistant staking engineer, perhaps has the most to lose — because he has the least amount of hair. A good sport, he also agreed to brave the shave to help kids with cancer.

Newly married, Martin, a lineman, says his wife has no problem with him going bald for a good cause. Johnson, a lineman, made this promise: “If I save one kid, I’ll shave it every year.”

We’ll hold you to it, Brad.

Capital Electric Cooperative is quite proud of these five men, who are a shining example of the Touchstone Energy® value of commitment to community. Next month, we plan to show their shiny heads, and let you know how the team did in their fundraising efforts.

For information on Locks of Love, visit http://locksoflove.org/.

For information on the St. Baldrick’s Foundation, visit http://www.stbaldricks.org/.

From left: Capital Electric Cooperative employees Braden Martin, Brad Johnson, Ron Lipp, Beau Townsend and Paul Fitterer will Brave the Shave on March 13, in support of the St. Baldrick’s Foundation. They are fundraising to help researchers cure childhood cancer and improve supportive care for patients.
Board minute excerpts  
Dec. 18, 2014

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held Thursday, Dec. 18, 2014, at co-op headquarters in Bismarck.

Financial review: Prior to the board meeting, Directors Hilken and Patrie reviewed the November 2014 check register and expenditures. Hilken reported all checks were in order. It was moved, seconded and carried to approve the November expenditures in the amount of $2,361,599.95.

Business department report: The Manager reviewed the November financial and statistical report with the Board. The total kilowatt-hour (KWH) sales for November 2014 was above budget by 11 percent. The actual monthly electric revenue is above budget by 13.8 percent. Revenue continues to reflect the miscellaneous revenue from interest and depreciation billed to Central Power Electric Cooperative, as well as Basin Electric Power Cooperative rent revenue. However, November will be the last month for the special consolidation entries. Year-to-date, KWH sales are up from budget by 3.5 percent and electric revenue is over budget by 6.4 percent. It should be noted that $988,381 of that revenue is over budget by 6.4 percent.

November expenditures in the amount of $2,361,599.95.

Year-to-date, KWH sales are up with the final consolidation amount.

Central Power “revenue”: The financial condition has improved. It should be noted that $988,381 of that revenue is over budget by 6.4 percent.

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Financial projection: Financial projections have been included in the board books, both with and without “netting” of consolidation entries.

Health care: The new health care plan with the National Rural Electric Cooperative Association (NRECA) began on Dec. 1, 2014, and everyone has received cards. NRECA has received the year-to-date deductible information from Blue Cross Blue Shield, and updated it in their system so that it reflects in the calculations for December 2014.

Refinance of “AD61” loan study: We continue to discuss the effects of refinancing our remaining RUS direct loans. We are evaluating the potential ramifications.

Lars Nygren was at a conference in which Jim Elliot of RUS emphasized that the concerns would only be invoked if the payoff did not involve a “discount” to RUS. An email has been sent to the RUS chief of technical accounting to find out what this means.

Estate retirements: 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:

Kenneth Austin $284.08
Robert Hamkens $883.73
Beverly Franklund $673.28
Wyonna Miller $715.30
Clara Rasmussen $957.00
Keith Ness $176.18
TOTAL $3,689.57

Engineering and operations report: The Manager reviewed the written report from the engineering and operations departments. We completed 63 work orders this month, adding 104 new consumers to the system.

Third Generation has quit for the year, but Fischer continues to trench in new services for us and VIP continues to work on our overhead rural rebuild.

Line crews continue to hook up temporary and permanent meters and have started to do annual line inspection and OCR change-outs.

We are advertising for an engineering technician and journeyman lineman in the local paper, on our website, Statewide website and Fargo Forum. The last day to apply for these positions was Monday, Dec. 15, 2014. We plan on interviewing next week and into next year.

Tim Bohan, general field representative for RUS, was at our shop Dec. 3 and 4, 2014, to go over our RUS Form 300.

Member services department: The Manager reviewed the member service written report.

2014 electric heat material sales: Sales for 2014 remained strong throughout the year. A total of 38 geothermal systems were sold through our inventory, along with 96 Marathon water heaters, and 91 5.6-kilowatt garage heaters. These are the largest part of the overall sales for 2014; however, plenum heaters and electric boilers showed steady sales numbers as well.

We presently have 11 co-ops and five contractors in the inventory group sharing inventory costs and will continue the Electric Heat Joint Inventory program in 2015.

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.

Jerry Nielsen, safety instructor from the North Dakota Association of Rural Electric Cooperatives (NDAREC), was at our shop Dec. 8, 2014, to go through our slings and to observe our crews in the field.

Midwest: Olson and Kramer reported on the Midwest meeting. They had good speakers, and Nygren and Carlson were re-elected to Midwest Board.

Central Power: Haugen-Hoffart reported on Central Power matters. Consolidation paperwork is in the final process.

Basin Electric: The Manager reviewed the summary of the Dec. 7 to 9 Board meeting.

NDAREC: No meeting this month.

Rural Development Finance Corp.: It was moved, seconded and carried to elect Bill Patrie as delegate and Arlene Olson as alternate to the annual meeting on Jan. 8, 2015. The North Dakota legislative dinner is scheduled for Jan. 6, 2015.

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