Ready for the show

Capital Electric Cooperative member John Trygg sells tickets to Clint and Lacy Hetletved, who drove from Wilton to Wing with children Tucker and Abby to take in the movie “Home” at the Wing Theatre on June 6. In this month’s local pages, learn why the theatre almost closed its doors for good — and how North Dakota’s electric and telecommunications cooperatives helped the theatre go digital and remain a valued part of the Wing community and beyond.

JULY 2015
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- Meeting minutes and more
Capital Electric Cooperative held its 69th annual meeting of the membership June 2 at the Ramkota Hotel in Bismarck. More than 1,100 members, families and guests attended to learn about cooperative issues; to collect a capital credit check if they qualified; to enjoy entertainment from Joe Friday's Dixieland Jazz Band and eat a free meal; and to cast their vote and elect three members to serve on the board of directors.

This year, the board of directors approved the retirement of 50 percent of unretired “co-op” capital credits from 1999 totaling more than $483,000, which exclude capital credits allocated by the co-op’s generation and transmission (G&T) providers. Employees distributed checks prior to the meeting. Unclaimed checks were mailed to members who were unable to attend.

During the business meeting, three members were elected to serve three-year terms on the board of directors. Dwight Wrangham of Bismarck ran unopposed and was re-elected to represent District 1. Josh Kramer and Deon Vilhauer, both from Bismarck, were re-elected to represent District 2. Capital Electric congratulates Dwight, Josh and Deon, who will serve another three-year term, and thanks Curtis Jundt for wanting to be active and involved with his electric cooperative.

Business meeting highlights
The Capital Electric membership was welcomed by Bismarck City Commissioner Mike Seminary. North Dakota’s congressional delegation provided video greetings. Katie Moch, a certified public accountant with the auditing firm of Eide Bailly LLP presented the annual financial report.

Jerry Doan, board president of the Charitable Trust, gave a report on the cooperative’s Operation Round Up program. Christopher Kraft, a Century High School graduate, accepted the Capital Electric/Basin Electric Power Cooperative student scholarship. He plans to attend the University of Mary, where he will play football and study health care administration.

During the president’s and manager’s combined report, Board President Wrangham and Manager Lars Nygren shared some of the past and current events and activities at Capital Electric, updated the membership on power-supply issues, and gave an update on the progress of infrastructure improvements.

Wrangham reported the cooperative continues to see an increase in kilowatt-
hour sales. The co-op added 793 accounts in 2014.

The consolidation with Central Power Electric Cooperative was completed in 2014, and Capital Electric is now a fully consolidated member that purchases 100 percent of its power from Central Power. Central Power purchases its power from Basin Electric and the Western Area Power Administration (Western). With the consolidation, Central Power also owns Capital Electric’s transmission and substation assets.

“We are still the first responders to problems with the transmission system, but Central Power is responsible for routine inspection, maintenance and system improvements,” Wrangham stated.

This year, Central Power will add another substation adjacent to the Horizon substation in northwest Bismarck, and convert the Grandview Pines and Circle K substations to 115 kilovolts (KV) and increase the substation capacity. Central Power will also re-conductor part of a line that runs along 71st Avenue and Centennial Road, and upgrade it to 115-KV.

Nygren reported that the Basin Electric membership continues to grow, due in part to the oil industry in the Williston Basin. To accommodate the load growth due in the Bakken, Basin Electric plans to construct a 345-KV transmission line in northwestern North Dakota. A second high-voltage transmission line with three additional substations for power delivery are also being planned. The addition of these transmission lines will allow Basin Electric to meet the growing demand in the Bakken from its existing power plants and through purchase power agreements with other utilities, including three new wind farms recently announced in North and South Dakota.

Basin Electric has also constructed natural gas-fired peaking stations in northwestern North Dakota to meet the demand for the new load. The 135-megawatt (MW) Pioneer Generation Station has been constructed near the site of a new natural gas processing plant northwest of Williston, and a 45-MW Lonesome Creek Station has been constructed southeast of Alexander. An additional 45-MW unit is planned at Lonesome Creek and another 112-MW unit is planned for Pioneer.

“The bottom line is we will continue to see pressure on wholesale power costs, which in turn will put pressure on our retail rates,” Nygren said. “To attempt to reduce the pressure, we plan to utilize funds from our revenue deferral account to lessen the impact of future rate increases. During 2014, we utilized $380,000 of the revenue deferral funds to help meet our financial requirements. We currently have approximately $2 million left in the account to be used by 2020. This account represents dividends we received from Dakota Gasification Company from 2007 to 2011. We set these amounts aside to try to keep electric rates stable in the upcoming years.”

Nygren also noted that Capital Electric can utilize the accelerated expense of the Western drought adder to help offset potential rate increases, and that Basin Electric will likely not be

continued on page C4
During the annual meeting, Nygren announced it was his last meeting as manager. He will be retiring in March 2016, after serving for 31 years. He was hired at Capital Electric in September 1983 after managing Verendrye Electric Cooperative’s Minot office for eight years.

When he started at Capital Electric, the cooperative had 5,721 consumers. Today, that number is more than 18,600 member-owners, which is a 325-percent increase. In 1983, the cooperative sold 87,657,531 kilowatt-hours, compared to last year’s sales of 332,728,417, which is a 380-percent increase. The co-op had a total of 26 full-time employees in 1983, and today it has 34 full-time employees, which is only a 30-percent increase.

“You have a very hard-working, productive, dedicated group of employees, who have made the job of manager much easier,” he stated, addressing the employees. “You have embraced technology and the automation of the system, which is the key to why the employee numbers per-consumer are significantly different today than they were when I started. Back in 1983 we had 220 consumers per-employee. Today, that number is 547 consumers per-employee, ranking Capital Electric in the top 5 percent in the nation.”

Nygren also thanked the “loyal and dedicated” members of Capital Electric for their support, the cooperative’s board of directors for making his career possible, and his wife Helen for her continued support.

“In addition to serving as Capital Electric’s manager for 31 years, Ordean “Lars” Nygren has served in additional cooperative capacities. He is currently the chairman of the National Rural Electric Cooperative Association (NRECA) cooperative management, employment and community committee, and the past chair of the Midwest Electric Consumers Association. He also serves on the NRECA resolutions committee and the board of RESCO, a regional co-op supply group. All of these organizations serve co-ops and their members.

Mananger Nygren announces retirement

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“Thank you for this great opportunity. As the saying goes, ‘It has been a great ride.’ Hopefully I will see you along the co-op trail in the future,” he said.
CAPITAL CREDIT CLAIMS

Listed below are the names of former Capital Electric Cooperative, Inc. members who had capital credit checks mailed to them in June of the year 2009. These checks have been returned to Capital Electric Cooperative by the postal service because they could not locate the members at the address on file. A further search by Capital Electric personnel has not turned up their whereabouts.

If you received electrical service from Capital Electric Cooperative, Inc. any time during the year 1993 and your name is on this list, please contact our office. If you know of the whereabouts of members on this list who received electrical service from Capital Electric Cooperative, Inc. any time during the year 1993, please have them contact our office at 701-223-1513.

Please keep in mind that not all of the capital credit amounts are large. However, we desire to get the money due to those who earned it, and clear up our records.

We will redeem capital credits for those members on the following list who notify us prior to Dec. 1, 2015. Notice is hereby given that any of the aforementioned unclaimed capital credits outstanding after Dec. 1, 2015 will be forfeited pursuant to Section 10-15-34.1 and 10-15-23 of the North Dakota Century Code.

1ST NOTICE – JULY 2015

Advanced Electric Inc.
Albin, Terry R.
Anderson, Neil
Bailey Construction Inc.
Bailey, Don
Bailey, Jennifer
Bauer, Nate
Bearheart, Wyatt
Bitz, David A.
Blair, Julie
Bloom, Joyce M.
Booth, Judson M.
Borchert, August
Bourgouis, Jeffrey Paul
Bourgouis, Sandra
Breahm, Michael
Bright, Edward S.
Brockman, Denise
Brockman, Kristi L.
Brugger, Barbara M.
Buck, Johnny W.
Buck, Vicki L.
Campbell, Janis A.
Campbell, Michael L.
Carson, Doreen
Carson, Greg
Charlesworth, Warren
Christensen, Jean
Clooten, Joan E.
Commercial Home Builders Inc.
Conitz, Denise D.
Creative Products
Custom Designers & Builders Inc.
Daniel, Patricia L.
Dean, James A.
Deckert, Dawn
Desormeaux, Joey A.
Desormeaux, Michelle K.
Diebe, Kent
Dockter, Shane B.
Doeck, Greg
Ducheneaux, Claudine
Eades, Jimmy D.
Emeth, Alice
Erickson, Carle
Erickson, Elsie
Faith Independent Baptist Church
Feist, Terry A.
Fleckenstein, Dean
Fontenot, Johnnie W.
Foth, Bruce
Foth, Sharon
Frehdoff, Kirk
French, Craig Alan
Garowski, Peter
Gartner, Dave
Gartner, Helen
Geinert, Lynne
Gevedon, Charlotte
Gilbertson, Pamela A.
Gilbertson, Steven E.
Goulet, Todd D.
Goulet, Tricia M.
Greco, Michael A.
Greer, Lori L.
Grosz, Julie M.
Grove, Eric N.
Haase, Jean
Hartman, Charles J.
Hartman, Lori Ann
Hayden, Gary
Heitkamp, Michael C.
Hoff, Lori K.
Hoostevol, Cal
Hoostevol, Mary
Hornung, Annette
Horst, Ella
Ibrahim, A. H.
Jensen, Steve
Johnson, Tammie
Joyce, Karen
Jbp Inc.
Kaiser, Tim
Kellerman, Karen L.
Kiesz, Pamela M.
Kolland, Keith
Kost, Shane M.
Kreeger, Randi
Kreeger, Robert
Kupper, Hardis
Kurihara, Catherine M.
LaGro, Brenda
LaGro, Steve
Landenberger, Mike
Lang, Tom
Lee, Janet E.
Lerold, Violet J.
Link, Christopher B.
Link, Dawn
M & J Trucking
Mabn, Pat M.
Mallum, Patricia L.
Maloney, Lois
Maloney, Troy
Mann, Vida
Martin, George A.
Mason, Michael R.
May, Kris
Mbm Inc - Mcdonalds
McBeain, Daniel P.
McBeain, Janell E.
McCloud, Tim
Mcdonald, Marly D.
Mcdonald, Sheila A.
Mckay, Dalinda
Meek, Larry
Meredit New Heritage
Mertz, Jennifer Jo
Mertz, Robert
Missouri Valley Speedway
Mitzen, Greg
Mitzen, Kim
Mohs, Kirby
Moldenhauer, Hollie
Morrow, Jena
Morow, Paul
Morse, Alfred
Mosbrucker, Helen
Mullins, Carol
Nelson, Carrie
Nelson, Michael
Niles, Randy
No Dak Plumbing & Htg Inc.
Nordgaard, Brad
Nordgaard, Karla
Oday, L. Patrick
Oday, Tammy Dahl
Ohara, David J.
Olson, Leroy
Olson, Roger
Patneaud, Joni M.
Pekarski, Dale
Phillips, Julie A.
Phillips, Murray E.
Pietsch, Dawn
Pietsch, Richard
Polivoda, Nadezhda
Polivoda, Vasiliy
Pratt, Donald N.
Pratt, Winnipred Coyne
Rath, Sheila C.
Remmick, Joni L.
Remmick, Paul E.
Rhone, Kathy
Richter, Glyns R.
Ricke, Arthur G.
Ricke, Shirley M.
Roberson, Gary
Robinson, Mark D.
Rohrlich, Tracy
Rohrlich, Bob
Rohwer, Janessa
Rohwer, Roger
Sahr, Dawn
Sahr, Jeffrey J.
Salter Grain Co.
Schlosser, Cheryl
Schmidt, Joe
Schmitt, Dawn
Schneider, Debra
Schneider, Richard
Schumacher, Larry F.
Sevick, Glenda
Skiple, Joan
Skiple, Steve
Skroko, Arlene F.
Skroko, Kenneth F.
Smith, Carla J.
Smith, Vincent J.
Steen, Jay E.
Strand, Allen D.
Subway North Inc.
Swenson, Monte L.
Thom, Fran
Thom, Neil E.
Thorberg, Robert V.
Thornton, Earl H.
Thornton, Joy D.
Tietz, Duane D.
Trusty, Nicole
Twin, Lena
Two Bears
Williamette
Ustanko, Kari
Vetsch, Randy
Volk, Mary C.
Wage, Bryan
Wage, Lori A.
Walch, Betty
Wetch One Auto Service
Wiebe, Clyde K.
Wiebe, Michelle
Wilcox, Jacqueline K.
Wilcox, William C.
Wildrose Properties
Williams, Betty
Winckler, Reuben
Winkowitsch, Tammy
Wool, Katherine A.
Wool, Tracy C.
Wolff, Darrel G.
Wolf, Shawn
Wolf, Harold M.
XX1 Century Ltc.
Zimmerle, Pamela K.
Zimmerle, Thomas J.
The movie theater in Wing shows the same movies as larger cities in the area, and it charges less money for admission. It recently upgraded to digital surround sound with the purchase of a new projector—a significant upgrade made possible, in part, by the fund-raising efforts of area residents, the Wing Booster Club, and a low-interest loan secured through the Rural Development Finance Corporation (RDFC). The corporation is owned by North Dakota’s electric and telecommunications cooperatives, in partnership with the North Dakota Association of Rural Electric Cooperatives (NDAREC).

Wing has had a theatre for as long as folks can remember. The original building was moved from Souris and operated by an area resident. In 1980 the building was torn down, and the current theatre was opened in Town Hall on Main Street. The Wing Booster Club was organized in the 1980s to manage the theatre, and dedicated volunteers sell tickets, make popcorn, and clean after a showing. Financed and operated by the Wing Booster Club, the theatre has never made money for the community, but it provides weekend entertainment for area families from Regan, Wing, McClusky, Tuttle, Sterling, Wilton, Steele, and Bismarck/Mandan.

Late in 2012, the movie industry transitioned from 35mm film to a digital format. New movies would not be made using film, and old movies would also be converted—rendering the old movie projector useless. The Wing Booster Club researched the...
The Booster Club was able to purchase a revolving loan fund. It did, and the hope was that the project might qualify for affordable electric service.

“Capital Electric is a Touchstone Energy Cooperative, and one of the Touchstone Energy values is commitment to community. That is what cooperatives do: look out for the people in their service areas, and work together to enhance the quality of life,” she describes.

With the help of funding sources made available through state and local resources including the Rural Development Finance Corporation, people come together to create their communities. Capouch advises rural businesses and community leaders to consider applying to RDFC for a loan if they are having trouble securing affordable financing. “There are several ways to use this revolving loan fund to help several different kinds of rural businesses and community facility type projects,” she concludes.

Visitors are welcome at the Wing Theatre. To view the movie schedule, visit http://wingtheatre.weebly.com/. 

The theatre is managed by the Wing Booster Club. Current members of the board of directors include, from top to bottom: Jack Heidt, president; Rosemary Hanson, secretary; and Arlene Olson, vice president. Julie Hein, treasurer, was unable to attend the June 6 movie.

On June 6, this group of children anxiously waited for the movie “Home” to begin playing at the Wing Theatre.

costs involved with upgrading to digital, and learned they would have to raise $50,000. The four-member board of directors had to decide whether to go into debt, or close the place down.

Arlene Olson, longtime Wing resident and board member for the Wing Booster Club and Capital Electric Cooperative, said her late husband grew up in the Wing area and graduated from the high school. “When a small town has had something for all the years that you can remember, it’s hard to think about closing it,” she says. “I did not want to see the theater close.”

After discussion, the Booster Club held a fund-raising event in April 2014 to assess interest in the surrounding communities. Offering carnival activities, a silent auction and stock in the theater, the event was a success.

“We made $8,000 that day. That was the deciding factor to go ahead with looking for additional financing for the project,” Olson says.

The Booster Club applied for and received funding through the Lewis and Clark Regional Development Council. Needing $25,000 more, Olson contacted Lori Capouch, rural development director for NDAREC. As a board member for Capital Electric, Olson knew that the state’s electric and telecommunications cooperatives owned and operated RDFC, and she hoped the project might qualify for a revolving loan fund. It did, and the Booster Club was able to purchase the digital projector last fall.

Olson, who has been a board member for Capital Electric for the past 23 years, says cooperatives provide so much more than safe, reliable and affordable electric service.

“The RDFC funds must be matched dollar-for-dollar and must be repaid over 10 years or less.

For loan guidelines, applications or more information on RDFC and the revolving loan fund program, visit www.ndarec.com or contact Lori Capouch, NDAREC rural development director, at 701-667-6444 or lcapouch@ndarec.com.

The Rural Development Finance Corporation

Electric and telecommunications cooperatives are helping to revitalize Main Streets across rural North Dakota, in partnership with the North Dakota Association of Rural Electric Cooperatives (NDAREC). There is no shortage of project ideas — and thankfully, there is no shortage of money available. Is someone in the Capital Electric Cooperative service area interested in starting or expanding a business and could use a financial boost? RDFC is here help.

RDFC, or the Rural Development Finance Corporation, is a non-profit corporation owned by North Dakota’s electric and telecommunications cooperatives and NDAREC. Created with the goal of assisting local development organizations and political subdivisions to leverage additional capital to finance business and community economic development activities, RDFC utilizes a revolving loan fund totaling nearly $3.5 million that can bring affordability to projects in communities with 10,000 or fewer people.

The purpose of RDFC is:

1. To promote rural economic development, primarily focusing on creating new jobs and enhancing essential community services and facilities, and

2. To develop a sustainable revolving loan pool for rural development and provide technical assistance to rural development.

Any local development group or political subdivision that demonstrates the capacity to use the capital productively and consistent with the RDFC mission, and are located in North Dakota communities of 10,000 or fewer in population, may apply for a loan.

Potential uses of funds could be construction costs, renovations, or facility acquisition of new or expanding businesses; the establishment of revolving loan funds; infrastructure; essential services and more. The funds can be used as matching funds for state, federal or other sources of funding. The RDFC funds must be matched dollar-for-dollar and must be repaid over 10 years or less.

For loan guidelines, applications or more information on RDFC and the revolving loan fund program, visit www.ndarec.com and click on Rural Development and RDFC, or contact Lori Capouch, NDAREC rural development director, at 701-667-6444 or lcapouch@ndarec.com.
Board Minute excerpts May 18, 2015

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held Monday, May 18, 2015, at co-op headquarters in Bismarck.

Financial review: Prior to the board meeting, Directors Patrie and Wrangham reviewed the April 2015 check register and expenditures. Patrie reported all checks were in order. It was moved, seconded and carried to approve April expenditures in the amount of $3,259,187.97.

Business department report: The Manager reviewed the April financial and statistical report with the Board. The total kilowatt-hour (KWH) sales for April 2015 were below budget by 6.7 percent. The actual monthly electric revenue is below budget by 8.5 percent. $81,000 of the underage is from the demand corrections related to the manufacturer metering issues discovered. Year-to-date, KWH sales are down from budget by 4.9 percent and electric revenue is under budget by 6 percent.

The financial margin for April is $144,459 versus the budgeted margin of $121,905, above budget by $23,007. The year-to-date margin is $587,059 versus $600,346 budgeted, under budget by $13,287.

Capital Electric began billing 42 new services in April, bringing our active services to 18,623 versus 17,795 at this time last year, or a net increase of 828 accounts over the last 12 months.

The Business Manager reviewed the comparison of actual-to-budgeted expenses for the month of April and for the year-to-date through April 2015. Accounts receivable balances as of May 15, 2015, were reviewed.

Refi-RUS direct notes: We received a letter on April 17 that acknowledged receipt of our request for prepayment. We received an email from the Rural Utilities Service (RUS) saying that our prepayment request of our request for prepayment. We received an email from the Rural Utilities Service (RUS) saying that our prepayment documents have been completed and once signed by the appropriate RUS official, they will be express mailed to us.

Capital Credit retirement: The 2014 capital credits are in the process of preparation for handing out at the annual meeting.

Cyber Security assessment: Paul, Kent and Rich reported on their investigation. It was recommended we conduct a self-assessment. We will do a walk-through of the facility and document where the security issues are. We will self-address or hire a consultant to help with issues.

Following discussion, it was the consensus of the Board to conduct a self-assessment of potential security issues and to report back to the board.

BEK Communications Cooperative: Liuska was appointed delegate to their annual meeting.

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:

- Eileen Benzinger $1,398.03
- Henrietta Hovsepkalnd $109.24
- Jean Boutrous $388.88
- Barbara Uhler $25.55
TOTAL $1,921.70

Engineering and operations report: The Manager reviewed the written report from the engineering and operations department. We completed 26 work orders this month, adding 25 new consumers to the system.

Fischer and 3rd Generation continue to trench in new services, and VIP continues to work on overhead rural rebuild while line crews continue to hook up temporary and permanent meters.

Rick Gieser, lead lineman, turned in his resignation. His last day with Capital Electric was May 14, 2015. We are now short one lineman. Gieser is starting his own contractor company.

We had three bids for our 1998 two-and-half-ton bucket truck. The winning bid was $7,150.00.

Steve Paulson from Federated Rural Electric Insurance Exchange was at our shop on May 14, 2015, going through our loss analysis report and doing a walk-through of our headquarters building. We have had no lost-time accidents for six years, which is an excellent reflection of safety as our top priority.

It was moved, seconded and carried to approve the contractor pricing for Gieser Utility Contracting.

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

Wing Service Center building: The Wing Service Center building project is progressing nicely.

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

Final Nominating Committee results: The Nominating Committee met on April 14 and put forth a slate of four candidates for the three open board positions.

The candidate for District 1 is Dwight Wrangham of Bismarck. The candidates for District 2 are Josh Kramer, Deon Vilhauer and Curtis Jundt, all of Bismarck.

Annual meeting: In the event we only have one member running for a district, the Chairman will ask the membership for a unanimous ballot for the member running for that district.

CoBank Bylaw vote: Following discussion, it was moved, seconded and carried to cast a “No” vote on the CoBank Bylaw amendment.

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

On May 13, 2015, Jerry Nielsen, safety instructor from the North Dakota Association of Rural Electric Cooperatives (NDAREC) was at our shop putting on a Mayday refresher course and pole-top rescue classroom course.

PSC case: The Manager reported on the District Court oral argument that took place on May 11. Two of the Public Service Commission members were present at the argument. Judge Hill was well prepared. It was the manager’s opinion that our case was well-presented.

Central Power Electric Cooperative: There is no meeting until later this month.

Basin Electric Power Cooperative: The Manager reported on Basin Electric matters.

NDAREC: No action was taken on the Bis-Man Community Foundation funding request. This matter was deferred to the June meeting.

National Rural Electric Cooperative Association legislative rally: The manager reported on the legislative rally. Senator Heitkamp gave a speech that was well-received.

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