Opened in 1993, the Baldwin Greenhouse celebrates 25 years in business this year.

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Melanie and Scott Werre opened the Baldwin Greenhouse in their backyard in 1993. Twenty-five years later, the business has grown from one small greenhouse to five large greenhouses and an outdoor nursery.

Scott and Melanie Werre will celebrate two anniversaries this year – 30 years of marriage and 25 years as business partners. Since 1993, the couple has owned and operated the Baldwin Greenhouse. You could call it a labor of love.

Scott and Melanie met as students at NDSU Bottineau. He was pursuing an education in wildlife management, and she wanted to be a teacher. But, once their paths crossed, their plans changed. Both ended up with a degree in horticulture.

“After I met him, I started taking a lot of the same classes, and it all worked out that way,” says Melanie. “When he finished his wildlife management degree, I still had one year left, so he stayed an extra year and earned his horticulture degree, as well.”

After college, the couple relocated to Baldwin, and Melanie started a business planting flower gardens in Bismarck. It wasn’t long before her business blossomed into something more. They decided to open a greenhouse in their backyard.

“Are you familiar with Papa’s Pumpkin Patch? His dad use to have Papa’s Tomatoes,” says Melanie. “We bought the greenhouse he use to grow tomatoes in. That was our first greenhouse, and it was a little greenhouse.”

The Baldwin Greenhouse has changed significantly in the past 25 years. While the business initially sold wholesale plants, it now focuses primarily on retail sales. “Eventually, all the local women came in and made us start selling retail,” says Scott with a smile. “Now, our business is probably 80 to 90 percent retail.”

The operation has also changed in scale. Originally located in Scott and Melanie’s backyard, the Baldwin Greenhouse opened at its current 40-acre location in 2002. It now boasts an outdoor nursery and five greenhouses filled with more than 2,000 varieties of colorful plants.

But, one thing hasn’t changed – the focus on quality, locally grown plants.

“We take great pride in growing good plants,” says Scott. “We grow a lot of stuff – succulents, perennials, annuals, trees, shrubs. People like the variety. They come in and find things they can’t find in other places.”

And because their plants are grown locally, customers can rest assured they’ll thrive in North Dakota’s...
“Over the last 25 years, we’ve figured out what people like and what grows here,” says Melanie. “Our plants transplant well into our customers’ gardens. Because they’re grown locally, they’re acclimated to our climate, and we don’t have to worry about shipping damage.”

With more than 2,000 varieties of plants, it can be difficult to pick a favorite.

“Our biggest seller is petunias. So, petunias are probably my favorite,” says Scott with a laugh. “But, we really enjoy the exotic plants. We have a lot of different orchid cactus.”

Melanie, on the other hand, prefers succulents. “They’re all so interesting, and there are so many different ones. They’re easy to grow, and they all mingle so well together.”

While they may not agree on which plant has the most to offer, they do agree on one thing – they love what they do, and they love doing it together. Over the past 30 years, Scott and Melanie have built a lasting marriage and grown a successful business from nothing more than a seed. The couple hopes to continue serving customers for many more years to come – customers, who give the Baldwin Greenhouse two “green” thumbs up.

The Baldwin Greenhouse is located at 1725 201st Ave NE in Baldwin. It is open Monday through Saturday from 9 a.m. to 7 p.m., and Sunday from 10 a.m. to 5 p.m. For more information, call (701) 255-0736.
In June, more than 1,500 teenagers from across America will descend on Washington, D.C. for the National Rural Electric Cooperative Association (NRECA) Youth Tour. Sponsored by electric cooperatives nationwide, Youth Tour is the opportunity of a lifetime for many teenagers. Essay contest winners receive an all-expense-paid trip to Washington, D.C. Bismarck High School Junior Casey Barnett will represent Capital Electric Cooperative (CEC) at this year’s conference.

“I was really excited when I found out. I was at school, and I looked at the girl who was next to me, and I said, ‘I won! I’m going to D.C.!’ It was a really happy moment,” says Barnett with a smile.

This year’s essay contest required students to answer this question, “There are approximately 20 million military veterans in the U.S. today. How shall fellow U.S. citizens honor and look after these veterans who have served and sacrificed on our behalf?”

Barnett’s essay came from the heart. Her grandfather fought in the Vietnam War, and he still carries wounds from his service. “I wrote that we should help them with mental health. So many veterans commit suicide each year. I also wrote about how veterans should have easier access to V.A. hospitals,” says Barnett. “[My grandpa] still suffers from post-traumatic stress, even though the war was a long time ago.”

While in D.C., Barnett hopes to visit the Vietnam Memorial and pay her respects to the brave men and women who served alongside her grandfather. “I’ll take a picture for my grandpa, and I’ll send it to him, and he’ll be excited, too.”

At Youth Tour, Barnett will make new friends and learn more about her co-op and her country. “I’m really looking forward to meeting some new people,” says Barnett. “I’m also looking forward to going to the Holocaust Museum. I’ve heard it’s a really good exhibit. I also want to go to the aquarium, because they have a shark exhibit. I really love sharks. I obsess over Shark Week!”

This truly is the trip of a lifetime for Barnett. Not only is it her first trip to D.C., it’s also her first time flying. And, she can’t wait to take to the sky. “There’s so much history in D.C. I’ve always wanted to go there,” says Barnett. “And, it’s my first flight! So, I’m really excited about that.”

CEC congratulates Barnett for writing an insightful essay and earning the opportunity to attend Youth Tour. We’ll follow up with her when she returns from Washington, D.C., and share the highlights of her experience.
Elected to serve three-year terms, the nine co-op members who make up the Capital Electric Cooperative (CEC) Board of Directors set policies and make decisions that provide the membership with safe, affordable and reliable electric service. At this year’s annual meeting on June 12, members will elect three people to serve and carry on the traditions of CEC while planning for the future. The open board seats include one currently held by Dwight Wrangham in District 1, one held by Deon Vilhauer in District 2, and one held by Rex Hollenbeck in District 3. All three directors are seeking re-election to their respective board seats.

The nominating committee recruited candidates and met on April 24 to review the list of potential candidates. One person was nominated from District 1, one person was nominated from District 2, and five were nominated from District 3. CEC is pleased to announce that the following candidates have met eligibility requirements and will have their names placed on the ballot at the annual meeting:

- **DISTRICT 1**: Dwight Wrangham
- **DISTRICT 2**: Deon Vilhauer
- **DISTRICT 3**: Brent Erickson, Dean Grunseth, Rex Hollenbeck, Su-Lin Tschider and Kathy Tweeten

Candidates will be given a brief time allotment at the annual meeting to introduce themselves and explain their qualifications. Members will then vote for one candidate from each district. Official notice of CEC’s 72nd annual meeting has been mailed to members. We look forward to seeing you there!
It’s that time again when spring is in the air (finally), farmers are in the field (finally!), and your electric cooperative can begin its summer construction season (yes, finally!). Along with that, Capital Electric Cooperative’s (CEC) 72nd annual meeting is quickly approaching on June 12, and with it a great meal and fellowship, over $1.95 million in capital credit checks, great entertainment and the election of three board members. In addition, proposed changes to the cooperative’s bylaws will be voted on at this year’s meeting. Proposed changes relate to voting options, capital credit retirements and dispute resolution. There is also some miscellaneous clean-up up of terminology and removal of specified dates that have come and gone.

In this column, I’m going to focus on the voting, capital credit and dispute resolution changes and why they are important.

**Voting—Let’s meet our members where they are**

“Democratic member control” is one, and possibly the most valued, of the seven cooperative principles. Essentially, it means each member has an equal right to vote for the cooperative’s board of directors and decide on matters that come before the membership, such as this year’s proposed bylaw changes. Did you know that less than two percent of CEC’s membership cast a vote in the cooperative’s elections in recent years? Much of the reason is our current bylaws require a member to be present at the meeting to cast a ballot. This causes a hardship for many, as members may be housebound, out of town or have conflicting engagements. A proposed amendment would remove the requirement to attend the meeting to vote. While CEC will continue the tradition of voting at the meeting, the proposed amendment would allow the board of directors to implement alternative options for members to cast a ballot, such as mail-in or online voting.

A member of CEC’s member advisory committee observed that most of the annual meeting attendees are of retirement age and asked, “If we don’t engage more members in other stages of their lives, who will carry the torch?” She said her children do not have time to attend the annual meeting, but, as cooperative members, they would still like to participate in the governance of the cooperative. Simply put, it is the right time in our 72 years to meet the other 98 percent of our members where they are by allowing additional voting options.

**Capital Credits—There’s a catch**

Your cooperative is changing. In recent years, the number of apartments and other property rentals served by CEC has skyrocketed, increasing the number of revolving memberships. Many members are only with the cooperative for a short amount of time. In 2017, CEC processed more than 3,000 new membership applications, but only added 487 new services. This has significantly increased administrative costs due to an increasing amount of time spent on customer service and additional processing expenses. Often, when all is said and done, these expenses cost more than a member’s capital credits are worth.

As a cooperative, every member is allocated their fair share of margins in the form of capital credits. Due to the very nature of a non-profit electric cooperative, capital credits are kept on the books for a period of time to be used as operating capital and equity, which are required in order for the cooperative to operate and obtain loans.

Now, here’s the catch — CEC currently has a 17-year capital credit retirement cycle. This means in 2035, CEC will likely send checks to members who were allocated capital credits in 2017. By then, many members will not reside at the same address, and the cooperative will need to search and advertise for those members. Based on national statistics, half of CEC’s joint members will be divorced, and many others will be deceased. Additional paperwork is needed at each of these steps. Capital credit balances may need to be split and new checks processed — you get the picture.

As CEC’s membership continues to grow, so does the number of inactive members with a small balance of capital credits. In fact, about 17,000 people with unretired capital credits remaining do not currently receive electric service from CEC. The proposed capital credit bylaw change intends to provide the board with additional early, discounted capital credit retirement options. For example, if a member leaves the cooperative and has a capital credit balance under a threshold predetermined by the board,
CEC could discount those capital credits and pay the resulting amount immediately to the leaving member, saving costs now and into the future. This would result in an overall cost savings and an increase in equity to the cooperative, all without being significant enough to alter CEC’s normal capital credit retirement cycle.

A CUP OF COFFEE HERE, A CLASS ACTION LAWSUIT THERE

Long before cold coffee drinks were in vogue, a customer successfully sued McDonald’s for a large settlement after she spilled hot coffee on her lap. Today, I receive at least one offer every month for a class action lawsuit that “may apply” to me. Right or wrong, the bottom line is we have become a litigious society—it’s as simple as that. CEC takes its risk management activities very seriously, including potential legal issues. A proposed amendment would allow the board to provide the right for both CEC and a member who has a legal dispute with CEC to request mediation and/or binding arbitration as a method of settling the dispute.

The proposed amendment aims to reduce legal costs associated with a dispute that may otherwise end up in court. Mediation is non-binding and involves a neutral third party to assist each party to help resolve the case. In arbitration, the parties jointly select arbitrators, typically lawyers or former judges with in-depth knowledge of the subject matter. Arbitration often takes less time than court proceedings, and damages may still be awarded to the plaintiff. The proposed amendment intends to reduce the risk of a sympathy verdict and class action claims, while providing a reasonable method of dispute resolution for members and the cooperative. As always, the members’ first line of defense is the directors they elect to represent them—people who live in their community, go to their church and help coach their kids in sports. In my 14 years with the cooperative, only one disagreement—a small claim court filing—has been filed against the cooperative by a member. I’m confident the need for this clause will be infrequent at most, but I also feel it’s important to reduce potential risk.

After careful thought and discussion, it is the unanimous recommendation of CEC’s board of directors to recommend the approval of these voting related bylaw changes.

We look forward to seeing you at the annual meeting on June 12 at the Ramkota Inn in Bismarck. To view the full copy of the proposed amended bylaws, visit our website at www.capitalelec.com, and click on About Us > Bylaws > Proposed Amendments.

Energy Services focuses on new technology at ‘Know Your Co-op’

The Know Your Co-op member education program continues with new and exciting topics. In April, Energy Services Supervisor Josh Schaffner and Energy Services Technician Jared Nygaard showcased their knowledge about energy efficient products.

Over the past two years, energy services have evolved from member services, as new technology and energy efficiency products have become mainstream. “We want to be the authority on energy topics, and we want our members to call us when they have questions or concerns about something they are looking into that relates to energy efficiency,” explains Schaffner.

One of the most talked about energy efficient products in the market today is the electric vehicle (EV). Schaffner and Nygaard have done their research and understand what’s happening in the industry. They shared several interesting facts about EV’s and what the future will hold for them.

Sales of EVs are expected to skyrocket over the next several years. Schaffner says, “From a cooperative standpoint we need to be able to meet the electric demand of those people driving EV’s. They need charging station options to make their experience with an EV a good one.”

In July, the education sessions will continue with a presentation from the communications department.

For more information, contact Wes Engbrecht at (701) 712-7923 or wese@capitalelec.com.
The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc. (CEC) was held on Thursday, April 19, 2018, at co-op headquarters in Bismarck, N.D., pursuant to due notice to all directors. All directors were present at that time, except Dwight Wrangham and Kyle Hilken. Hilken arrived at 10:30 a.m. Wrangham appeared via telephone conference for portions of the meeting.

Also present were Manager Paul Fitterer and Attorney Carol K. Larson of Pringle & Herigstad, P.C., who acted as recording secretary. Business Manager Luke Steen, Director of Communications Wes Engbrecht, Manager of Engineering Ron Lippe and Energy Services Supervisor Josh Schaffner also attended the meeting.

Financial Review:
Prior to the meeting, Directors Arlene Olson and Bill Patrie reviewed the March 2018 check register and expenditures. Patrie reported that all checks were in order. It was moved, seconded and carried to approve March expenditures in the amount of $3,484,336.78.

Management Reports (Business Department, Operations and Engineering, Member Services, and Public Relations/Communications):
Business Department Report: The business manager presented the financial and statistical report to the board. The total kWh sales for March exceeded budget by 4 percent. The actual monthly electric revenue was above budget by 1.5 percent.

CEC’s load factor was above budget, resulting in a power cost savings of $296,066. The total operating margin for March was $466,701, versus the budgeted amount of $501,182. The total margin for March was $596,613 compared to the budgeted amount of $189,437, above budget by $407,176.

CEC began billing eight new services in March, bringing active services to 20,258 versus 19,855 at this time last year, a net increase of 403 over the last 12 months.

The business manager reviewed the comparison of actual to budgeted expenses, statement of cashflows and monthly power cost for the month of March 2018. Accounts receivable balances as of April 19, 2018, were also reviewed.

Implementation of Online Utility Exchange: CEC started using the utility check credit function.

External Audit of 2017 Financials: Eide Bailly expects to have the audit completed by the Rural Utilities Service (RUS) April 30 deadline and will present to the board at the May 25 meeting.

Denhoff Substation Land “Sale”: The purchase agreement and deed are ready for officer signature today.

10-Year Financial Forecast: Steen reviewed the financial forecast. Steen worked with Tom Bohan from RUS to complete the forecast, which is a requirement of the new loan that is being applied for. The forecast assumes that CEC will desire to borrow $30 million between 2018 and 2021. It was moved, seconded and carried to approve the financial forecast.

New RUS Loan: CEC has completed the documentation to establish loan AL8 through RUS, which will provide funds via the Federal Financing Bank. The loan will be listed at $30 million and matches the four-year construction work plan previously approved by the Board. The loan is for the first four years of the 2018-2027 Long Range Financial Forecast (Base Case). The maximum term of the notes will be 35 years. It was moved, seconded and carried to approve the application for ND35 AL8 Burleigh RUS FFB Guaranteed Loan in the amount of $30 million.

Duane DeKry, general manager of the Garrison Diversion Project, and Kip Kovar, district engineer, appeared before the board to discuss their focus areas, including irrigation in the McClusky Canal area.

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:

- Mary Lane: $1,005.76
- Donald Fennewald: $1,638.36
- Loren E Gobbs: $2,441.87
- Corrine Hummel: $536.76

TOTAL: $5,642.75

Quarterly Write-Offs: After discussion, it was moved, seconded and carried to write off $7,315.22 for the first quarter.

Work Order Inventories: It was moved, seconded and carried to approve Work Order Inventories 490, 491 and 492.

Engineering and Operations Report: Lippe reviewed the written report and the outage report from the engineering and operations department. CEC completed four work orders this month, adding one new consumer to the system.

CEC crews are working on annual line inspection and tree trimming.

CEC is in the process of changing out all of the security lights in Lincoln to LED lights.

Charles Atkinson completed all his requirements for the Meter Technician Apprenticeship Program. His journeyman status was effective April 1, 2018.

Energy Services Department: Schaffner reviewed the Energy Services Report.

CEC completed 19 service orders in March. CEC is assisting members with a solar/geothermal grant project for a safety training facility.

CEC completed a non-disclosure agreement with Tesla, working on a basic estimate for a peak reduction battery system.

ERC Loans: Following discussion, it was moved, seconded and carried to approve a loan to Bill Mitzel in an amount not to exceed $15,000.

Following discussion, it was moved, seconded and carried to upgrade the In-Elevator Security Terminal at a cost of $6,778.56.

CEC has submitted an application for a $7,662 Rural Energy for America Program grant.

The board reviewed electric vehicle options. It was moved, seconded and carried to lease a Chevy Bolt.

Communications, Public Relations and IT Department: Engbrecht reviewed topics of interest.

New Sign: Following discussion, it was moved, seconded and carried to accept a proposal from Mann Signs for a new headquarters sign.

Plant Tour: Following discussion, it was moved, seconded and carried to set up a urea plant tour at Antelope Valley.

Safety Report: There were no lost time accidents in March.

Steve Homes, safety instructor from the North Dakota Association of Rural Electric Cooperatives (NDAREC), visited the CEC shop on April 10, 2018 to conduct a safety meeting on overhead hoist and lift inspection, pre-trip inspections, load securement, digger derrick set-up and auto lift operator training.

Steve Paulson, safety and loss prevention consultant from Federated Insurance, visited the CEC shop on April 10, 2018 to discuss some of the claims that CEC submitted last year and to inspect the headquarters building and warehouse.


Central Power: Director Sheri Haugen-Hoffart reviewed Central Power Electric Cooperative matters.

Statewide Report: Director Deon Vilhauer reported on NDAREC matters.

Bylaw Amendments: Following discussion, it was moved, seconded and carried to table the proposed amendment to the bylaws concerning joint memberships and proceed with the other proposed amendments.

The CEC annual meeting will be held on June 12, 2018.

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

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