



March 2015

Volts & Jolts

Red Lake Electric Cooperative, Inc.

Serving the four-county area of Marshall, Pennington, Red Lake and Polk (and a portion of the lands of the Red Lake Band of Chippewa)



ANNUAL REPORT



(Top left photo) Planting season is just ahead – remember to reacquaint yourself and those helping on the farm with where electrical wires and equipment are located.

(Top right photo) Line crew foreman Casey Thronson covers an energized line with protective rubber in preparation for crew members to string a new line at a road crossing. Safety gear includes rubber hoses and blankets covering the line. Protective gear for Thronson includes rubber gloves, rubber arm sleeves, safety glasses and hard hat.



(Bottom left photo) Call Gopher State One Call before you dig at 1-800-252-1166 or 811; It's the law!

(Bottom right photo) Building a safety culture for employees includes ongoing safety training workshops from the Minnesota Rural Electric Association (MREA). MREA instructor Luke Wilhelmi leads a discussion on arc flash hazards.

77th Annual Meeting
Wednesday, March 25, 2015



Red Lake Electric Cooperative Inc.

“Building a Safety Culture”

Report to the Membership



Bonnie Christians
Board President



Roger Johanneck
General Manager

"Building a Safety Culture" has been chosen as our theme for this year's annual meeting. We think it is fitting that we recognize and keep elevated the importance of safety; not only for the employees we have staffed but for the membership we serve.

Why is building a culture of safety important? Perhaps the answer is too obvious, but we will repeat it anyway: **no one gets hurt**. That is our simple safety goal.

The nature and power of electric energy places responsibilities on all of us. Whether we are operating farm equipment, carrying a ladder or flying a kite, these outdoor activities, and many others, all create a need for awareness of our work and play environment; an awareness of where overhead and underground power lines are located and an understanding of what to do if we find ourselves in a hazardous situation.

That same safety awareness applies to the appliances, tools and electrical equipment we use in our daily living, and the importance of keeping them in safe working condition. We all use electricity safely in an endless number of ways. When we don't take shortcuts in how we use it, work with it or around it, **no one gets hurt**.

That is why we have invited Lidia Dilley

Jacobson to our annual meeting as our guest speaker. Lidia is an employee of the Minnesota Rural Electric Association

(MREA) and is the Director of Safety and Loss Control Services. MREA provides safety training for Red Lake Electric Cooperative and the other 43 rural electric cooperatives in Minnesota. We as employees of Red Lake Electric are benefactors of safety training from Lidia and her staff as part of our ongoing safety training program. Lidia will focus her presentation to annual meeting attendees on electrical safety awareness from the members' point of view.

"Accidents can cause injury, pain, suffering, damage to property, loss of revenue, loss of productive time and even death. An interesting concept about accidents is that they are nearly always preventable." - Federated Rural Electric Insurance, insurance provider for Rural Electric Cooperatives

It takes a commitment by all of us to build a safety culture. Directors, employees and members all need to buy in to the belief and practice that safety is everybody's business. Following are some of the ways that the constant task of building a safety culture is occurring and that safety is a high priority at Red Lake Electric Cooperative.

The board of directors is committed

Closed Good Friday

In observation of Easter, Red Lake Electric Cooperative's headquarters will be closed Friday, April 3. In case of an electrical outage or emergency, call the after-hour phone number: **218-253-2200**. Happy Easter!

Notice of names

Hidden within the text of the articles of this issue of the *Volts & Jolts* are the names and account numbers of some Red Lake Electric Cooperative members. They will appear within the articles in parenthesis as such (9999999.99 Roger P. Member). If you find your name and account number, clip it out and send it with you next payment. You will be credited with \$5 on your electric bill.

Volts & Jolts

Red Lake Electric Cooperative, Inc.

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Red Lake Electric Cooperative, Inc.

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Robert Guillemette Manager of Electric
System Operations
Kelli Brateng Manager of Member Services

Regular Business Hours: 8:00 a.m. - 4:30 p.m. • Phone (218) 253-2168

OUTAGE CALLS: 253-2200; Toll-Free 1-800-245-6068

OUR MISSION STATEMENT

It is the mission of Red Lake Electric Cooperative to enhance the quality of life for people of our service area by consistently providing quality electric service and other valued services while holding our employees, our community and our environment in high regard.

to adopting policies and approving budgets that include investments in equipment, tools and training for employees to safely carry out their work. As a side benefit of providing a framework that fosters employee welfare, your board of directors recognizes that safety pays. No accidents means no claims. No claims means lower insurance costs. With one lost-time accident in the past 12 years, and none in the past six, Red Lake Electric has saved thousands of dollars on workers' compensation premiums. Your board of directors rewarded employees for accomplishing no lost-time accidents in 2014 with an extra day off at either Thanksgiving or Christmas.

The employees, while enjoying the reward of an extra holiday for working accident free, understand that buying into safety is more than enjoying an extra day off (2725001.03, Jeff & Lesley Brouse). The real reward of not cutting corners on safety means they and their co-workers can go home to their families at the end of each day. They understand also that staying in one piece enables them to continue a livelihood that they have invested themselves in; where they can continue their work of designing, building and maintaining an electric system that delivers safe, reliable and affordable energy to the membership.

"The most common words spoken just prior to a mishap: "Hey, wanna see something cool?" or "watch what happens when I do this."

The members:

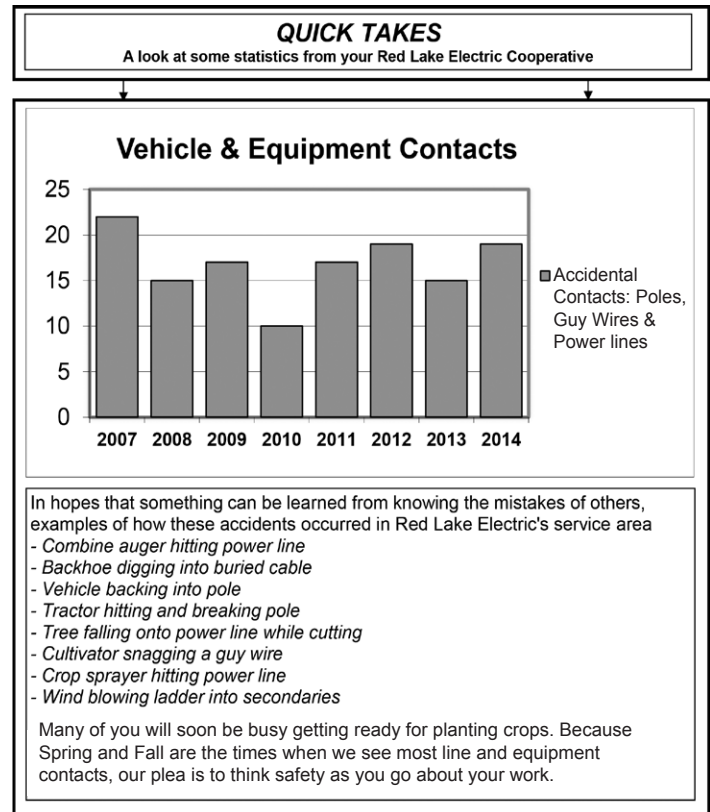
- Will call RLEC and alert us to hazardous situations such as downed wires or a tree coming in contact with the power line.
- Will plant trees and shrubs a safe distance from electrical lines and equipment.
- Will abide by the Minnesota law that requires a call to Gopher State One Call before you dig.
- Will build structures, grain bins, etc., in areas that do not create a hazard with electrical wires and equipment.
- Will notify the cooperative when adding new load to ensure that an adequate electrical service is in place.
- Will include electrical safety/power line awareness as part of work instruction to employees and other helpers on the farm or business operation.

The cause of accidents that occurred last year are the same causes that occurred five, 10, 15 or 20 years ago. The question arises as to whether we are really learning from our past mistakes."

- Federated Rural Electric Insurance

What we learn when we study electrical accidents is that most, if not all, could be avoided. This is both a sad and comforting fact; sad in the sense that they didn't have to happen, comforting in the sense that by practicing safety, electrical accidents are avoidable, not inevitable. While much has been accomplished in reducing accidents and raising safety awareness with employees and the membership, there is room

for improvement, especially in the area of member/equipment contacts. The "contact" statistic is shown in the quick take graph printed below. Please join us in our continued efforts



of **building a safety culture**; by keeping electrical safety at the forefront as we go about our daily lives as service provider and member of Red Lake Electric Cooperative.

2014 in review

By the many indicators we have to measure the performance of your electric Cooperative, 2014 was another good year for Red Lake Electric. A cold winter to start the year coupled with normal harvest conditions (crop drying and handling) boosted retail energy sales to 131 million kilowatt-hours (1235002.01, Lloyd Wagner). This number represents:

- an increase of five million kilowatt-hours or 4 percent from 2013 and;
- the 2nd highest retail sales on record; just shy of the 132 million sold in 2009.

Rebate and capital credits: The good energy sales coupled with expenses being close to budget provided more margins than were required for the Cooperative to meet its financial goals. Directors responded by approving a \$300,000 rebate for the second year in a row. This refund showed up as a credit on the bills members received in January. In addition to the rebate, the cooperative retired capital credits to the membership (a credit on the March bill) totaling \$515,000. With the 2014 capital credit retirement, the total equity paid back to the membership has surpassed \$11 million.

Rates: 2014 marked another year without raising retail rates and we do not project any increase in rates for 2015. Not having to raise rates since October 2011 is good news for all of us.

(continued on next page)

Report to the Membership *(continued)*

Construction activity was slightly above average in terms of the number of new services built in 2014. Red Lake has averaged 58 new services the past 10 years and in 2014, 62 new services were built:

- 28 for residential or cabins
- 9 for shops/buildings
- 3 for grain bin services
- 12 for new drain tile pumps
- 4 for irrigation
- 2 for wells
- 4 for cell towers, radio towers and a campground.

Forty existing services were upgraded to handle more capacity and 23 services were upgraded to a double throw loop to allow generator hookup.

Electric system maintenance and replacement continued in 2014. Seven and one-fourth miles of underground cable was installed to replace cable that had run its useful life. One-hundred-twenty poles were changed out due to rot as part of our pole inspection program. Road projects in Marshall and Pennington County required moving and replacing 2.5 miles of line. One tie line project east of St. Hilaire of .4 miles in length was also completed, which will help improve service to members.

Security lighting has evolved over the years, and we see a continued improvement in options for our security light program. A 175-watt Mercury Vapor light bulb was the standard bulb until the more efficient 100-watt High Pressure Sodium (HPS) orange-colored light arrived in 1986. In 2014, we began replacement of the 100-watt HPS light with an LED light that has similar lumen output, has a bright white glow and uses less than half the energy of the HPS light. Of the nearly 3,400 security lights in service, 300 were replaced with LED lights in 2014. Something new offered in our security lighting program is the option for members to have a switch installed. We have received enough requests from members telling us they would like the option to turn the light off and now members can request that.

Billing changes: The billing period was changed to a calendar month billing in 2014. This change means all meters are read and members are billed for kilowatt usage through the last day of every month. This change makes it easier for members to analyze usage for a billing period and simplifies making comparisons from month to month. The change to a calendar month billing also helps large demand billed customers keep track of when demands are reset for billing purposes. In addition, changes made to our online billing have made it easier for members to view their billing information, monitor their energy use and pay their bill.

Retirements, promotions and hires: The Cooperative said goodbye to longtime employee Kevin Reich who retired

on Aug. 31 after 40 years of service with the Cooperative. Kelli Brateng, who began her employment with the cooperative in 2009 and was serving as accounting assistant, was promoted to take over for Reich as member services manager. We welcomed two newcomers to the employee ranks in 2014: Jenny Kelley was hired as administrative assistant in September and Javen Eidsmoe was hired in November as a power use advisor.

Service interruption to the membership increased last year due in large part to one severe windstorm. Average outage time was 2.9 hours per account served. This is up from the five-year average of 2.4 hours of service interruption. The July 21 windstorm that blew through eastern North Dakota and northwestern Minnesota, including Red Lake Electric's service area, created power outages and problems for many. All told, about 1,800 of our 5,000 member accounts experienced service interruption from that windstorm. Transmission lines delivering power to our service area at the Hazel, Huot, Terrebonne and Gentilly Creek substations were damaged causing loss of service to all members served out of these four substations. At least 60 of the service interruptions from this storm were individual in nature, mostly caused by trees in the member's yard falling into electrical equipment.

As we conclude our recap here of 2014, we can be grateful for what we think was another good year for your cooperative. While our electric system got roughed up in the July storm, overall our distribution system is back again in good shape (4308001.02, James R. Thompson Jr.). Even though service interruption time increased from our five-year average, power was flowing to the meter 99.97 percent of the time.

Despite all the damage and hazards created by the high winds from that storm, members came out of the rubble unharmed (7226002.26, Alissa M. Hernandez). Same goes for our crews who restored power in unpleasant conditions, working long hours and doing a lot of it in the dark; they too all went home safe and sound when the work ended.

As we consider events like this storm and the information about member/equipment contacts we've experienced, we are reminded how important it is to be aware and prepare ourselves to safely meet the challenges of each day.

We hope our message and our ongoing efforts to build a safety culture among our employees and membership will help all of us meet our safety goal; **no one gets hurt.**

Thank you for your patronage this past year. We are prepared to serve you, and look forward to a good 2015.

In the spirit of Cooperation,
Bonnie Christians, *Board President*
Roger Johanneck, *General Manager*



RESIDENTIAL Rebates

2015 Residential Electric Rebates for Members

The residential prescriptive program is designed to provide end-use consumers with a quick and easy way to choose high-efficiency equipment at the time of normal equipment replacement or major renovations. Some of these technologies include:

Lighting (Must be ENERGY STAR® or DesignLights Consortium™ approved.)

ENERGY STAR CFL Lamps		\$2/bulb Max. 12 per customer
ENERGY STAR LED Screw-In Bulb	In place of 40-60W incandescent.	\$4/unit
ENERGY STAR LED Screw-In Bulb	In place of 65W or greater incandescent.	\$8/unit
ENERGY STAR LED Recessed Downlights	Complete fixtures or replacements kits.	\$8/unit
LED Outdoor Fixtures	LED fixture wattage of <40 Watts. Must operate on a photocell and be DesignLights Consortium approved.	\$40/fixture
LED Outdoor Fixtures	LED fixture wattage of >40 Watts. Must operate on a photocell and be DesignLights Consortium approved.	\$80/fixture

Appliances (Must be ENERGY STAR approved.)

ENERGY STAR Refrigerator		\$25/unit
ENERGY STAR Refrigerator (with recycling of old refrigerator)		\$50/unit
ENERGY STAR Freezer		\$25/unit
ENERGY STAR Freezer (with recycling of old freezer)		\$50/unit
ENERGY STAR Clothes Washer		\$50/unit
ENERGY STAR Clothes Dryer		\$50/unit
Electric Water Heater	Minimum 80-gallon total capacity, EF ≥ 0.91. Must be controlled under the utility's load management program.	\$150/unit
Engine Block Heater Timer		\$10/unit

Heating, Ventilation Air Conditioning (HVAC) Measures

Programmable Thermostat		\$25/unit
Air-Source Heat Pump (ASHP)	ENERGY STAR or 14.0 SEER / 8.2 HSPF	\$400/unit
Supplemental Heating Source for ASHP	Must modulate to allow ENERGY STAR-rated ASHP to operate down to 5°F, and be on load control	\$500/unit
Furnace (Air Handler) with ECM Blower	Furnace with ECM blower	\$150/unit
Mini-Split/Ductless ASHP	15 SEER	\$500/unit
Geothermal Ground-Source Heat Pump Open Loop <135,000 BTUH @ 59°F	16.2 EER / 3.6 COP	\$200/ton Max. incentive \$2,500/home
Ground-Source Heat Pump Closed Loop <135,000 BTUH @ 77°F	14.1 EER / 3.3 COP	\$400/ton Max. incentive \$5,000/home
Replacement Geothermal Ground-Source Heat Pump Open Loop <135,000 BTUH @ 59°F	16.2 EER / 3.6 COP	\$100/ton Max. incentive \$1,250/home
Ground-Source Heat Pump Closed Loop <135,000 BTUH @ 77°F	14.1 EER / 3.3 COP	\$200/ton Max. incentive \$2,500/home

Incentive available for failed geothermal equipment only. Equipment must meet or exceed efficiency requirements. Entire indoor unit replacement is required to receive incentive. Replacing only the compressor will not qualify for the incentive. If equipped with backup electric heat, home must be on load control or demand billing per local utility offerings.

Audit Report

Board of Directors

Red Lake Electric Cooperative, Inc.

Red Lake Falls, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Red Lake Electric Cooperative, Inc. which comprise the balance sheet as of December 31, 2014, and the related statements of margins, changes in equity and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 9, 2015.

In our opinion, the financial statements referred to here present fairly, in all material respects, the financial position of Red Lake Electric Cooperative, Inc. as of December 31, 2014 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

BRADY, MARTZ AND ASSOCIATES, P.C.
Grand Forks, North Dakota

Balance Sheet

ASSETS		
	2014	2013
Electric plant	\$ 31,699,796	\$ 30,360,588
Buildings – improvements	1,209,160	1,209,160
Equipment	2,226,235	2,222,135
Less: depreciation	(14,741,126)	(13,999,606)
Net utility plant	20,394,065	19,792,277
General funds	1,501,923	985,928
Investments in associated organizations	1,311,851	1,278,438
Accounts receivable	1,330,509	2,084,939
Inventories	422,168	519,322
Other assets	444,475	509,342
TOTAL ASSETS	\$ 25,404,991	\$ 25,170,246
LIABILITIES		
Long-term debt – RUS	\$ 8,465,689	\$ 8,235,102
Long-term debt – CFC & CoBank	2,266,741	2,435,658
Liabilities & other credits	2,681,998	2,824,159
TOTAL LIABILITIES	\$ 13,414,428	\$ 13,494,919
MEMBER EQUITY		
Capital stock (memberships)	\$ 157,090	\$ 154,650
Patronage capital	11,257,910	10,947,109
Other equities	575,563	573,568
TOTAL MEMBER EQUITY	\$ 11,990,563	\$ 11,675,327
TOTAL LIABILITIES & MEMBER EQUITY	\$ 25,404,991	\$ 25,170,246

Statement of Operations

REVENUE		
	2014	2013
Electric energy sales	\$ 14,229,509	\$ 13,566,720
Miscellaneous electric sales	96,478	70,264
TOTAL INCOME	\$ 14,325,987	\$ 13,636,984
EXPENSES		
Cost of purchased power	\$ 10,470,890	\$ 9,702,120
Operation of lines	480,129	401,836
Maintenance of lines	500,391	530,765
Consumer accounts	242,400	230,412
Customer service	252,095	224,718
Sales	7,657	9,625
Administrative & general	441,674	442,925
TOTAL OPERATING EXPENSES	\$ 12,395,236	\$ 11,542,401
FIXED CHARGES		
Depreciation	\$ 935,896	\$ 867,022
Interest on debt	257,059	230,721
Interest expense – other	5,915	7,164
Other deductions	9,570	7,439
TOTAL FIXED CHARGES	\$ 1,208,440	\$ 1,112,346
TOTAL COST OF ELECTRIC SERVICE	\$ 13,603,676	\$ 12,654,747
MARGINS		
Operating margin	\$ 722,311	\$ 982,237
Interest margin	48,577	38,031
Appliance/HVAC service margin	(7,709)	(3,331)
Capital credits margin	62,573	123,399
TOTAL MARGINS	\$ 825,752	\$ 1,140,336

2014 Annual Meeting Minutes *March 26, 2014*

The 76th annual meeting of the members of Red Lake Electric Cooperative, Inc., was held on Wednesday, March 26, 2014, in the Imperial Room of the Ralph Engelstad Arena in Thief River Falls. President Bonnie Christians called the meeting to order at 10:30 a.m. Approximately 250 members and guests were in attendance.

Christians then showed a video as a tribute to past and present military for their service to our country and then led the attendees in the Pledge of Allegiance (5017003.03, Chris Nelson). Kevin Reich gave an invocation and current board members were introduced by Christians.

President Christians then called the business meeting to order. Secretary Mark Hanson read the affidavit of mailing and quorum declaration (4409113.03, Anthony L. Lindgren). Christians entertained a motion that the 2013 annual meeting minutes be approved as they were printed in the March *Volts and Jolts*. It was duly moved, seconded and carried to do so.

In her president's report, Christians explained the cooperative's association with the National Rural Electric Cooperative Association and how this network of some 900 rural electric cooperatives across the nation, is helping electrify the world, one village at a time. Christians said that there are two billion people in the world who do not have access to electricity. Christians then introduced a video of the NRECA International Foundation and the story of how electric cooperatives brought electricity to a village in Guatemala.

Roger Johanneck, general manager, gave a report on the cooperative's activities during the past year, and commented on the construction work that was done to help Red Lake Electric Cooperative continue on its history of being a reliable energy partner. Johanneck explained how the good year enabled the cooperative to issue a rebate on the members' December energy bills, in addition to retiring over a half-million dollars in equity to the membership. An increase in energy sales and expenses coming in under budget both contributed favorably to the cooperative's operating margin.

Johanneck also mentioned that Minnkota built a new substation to improve service and serve load in the southwest part of the cooperative's service area. The new Gentilly Creek substation will serve loads previously served out of the Huot and Terrebonne substations. Johanneck acknowledged the retirements of two longtime employees, Mike Wavra and Alan Cota, who ended their lineman careers at the cooperative in 2013 after a combined 70 years of service. Johanneck also acknowledged the newest employees of the cooperative, Branden Narlock and Darcy Cardinal, who were hired as journeyman linemen in June of 2013.

Shirley Bregier next gave the 2013 financial report and said energy sales were up from the previous year largely as a result of a colder winter to start and end the year, and increased use of grain drying and handling equipment during the harvest.

The cooperative sold 129.2 million kWh in 2013. Revenues were \$13.6 million, the cost of wholesale power was \$9.7 million and operating expenses were \$1.8 million. Bregier said the cooperative's margin was \$1.1 million; this is the amount that is allocated back to the members as capital credits. Bregier

reviewed various operating expenses, fixed expenses and items on the balance sheet. She said RLEC's cost of wholesale power comprises three-quarters of the cooperative's cost of doing business.

Christians next introduced Luther Kvernén, vice president of generation for Minnkota Power Cooperative, Grand Forks, N.D. Kvernén gave an in-depth look at the connection from generation to transmission and then distribution to the members' homes or businesses. Kvernén explained the energy sources that make up Minnkota's generation mix and discussed the investments made by Minnkota and how those costs have changed from 2008 to 2012. Kvernén stated that Minnkota invested \$425 million in plant upgrades, the majority of which were to meet stricter EPA regulations. Kvernén spoke about the impact and output of renewable energy sources and how load has grown on the Minnkota system, and what projections are for future load growth. Kvernén updated the audience on the Center to Grand Forks transmission line project and the challenges building the line posed to Minnkota. Kvernén also spoke about Minnkota's challenge to manage security risks, both physical plant security and cyber security.

Kvernén touched on load control (load vs. resources) during Minnkota's recent winter peaks and explained why load control occurs. Kvernén then closed out his presentation by stating that Minnkota's mission is to keep its electricity the best energy value in the region.

President Christians asked for a motion to accept the preceding reports and it was duly moved, seconded and carried to do so.

Election of directors then took place. Secretary Hanson verified the nominees elected at the district meetings and said there had been no nominations by petition (6105002.18, Ryan P. Witcherman). Christians then declared the following people duly elected as directors for three-year terms: District 1, Bonnie Christians; District 4, Steve Linder; and District 5, Mark Hanson.

Christians asked for any new business or questions from the audience and there were none. It was duly moved, seconded and carried to adjourn the business session of the annual meeting.

Safety awards were presented to RLEC employees in recognition for their safe work records. Employees recognized for surpassing five-year increments of accident-free work were: Melanie LaCrosse, five years; Brett Knott, five years; Steve Kruse, five years; and Mick Raymond, 25 years.

Bonnie Christians, ex officio director of the Red Lake Electric Trust board, presented a \$1,850 grant check to Philip Zimpel of the Plummer Volunteer Fire Department. Zimpel thanked the members for their participation in the Operation Round Up program and said the grant would be used to help replace aging personal fireman's gear.

Kevin Reich awarded door prizes and a special attendance prize to long-term member and frequent meeting attendee Jean Beyer of Red Lake Falls. A sit-down pork-chop dinner was prepared by Oak Park Lutheran Church of Oklee and served by employees and directors of RLEC. Meeting attendees were entertained by the music of Vernon Rogalla of Goodridge while eating their dinner.

Red Lake Electric Employees



Kelli Brateng
Member Services Manager



Shirley Bregier
Office Manager



Darcy Cardinal
Journeyman Lineman



Steve Conley
Engineering Technician



Aaron Derosier
Apprentice Lineman



Javen Eidsmoe
Power Use Advisor



Jordon Gervais
Apprentice Lineman



Robert Guillemette
Manager of Operations



Roger Johanneck
General Manager



Jenny Kelley
Administrative Assistant



Christie Klipping
Accounting Assistant



Brett Knott
Lead Lineman



Steve Kruse
Lead Lineman



Melanie LaCrosse
Accounting Assistant



Brandon Narlock
Journeyman Lineman



Sam Pahlen
Apprentice Lineman



Mick Raymond
HVAC Service Technician



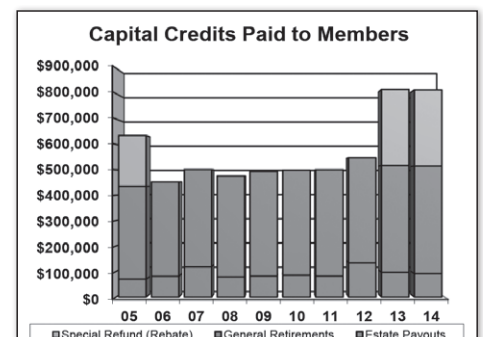
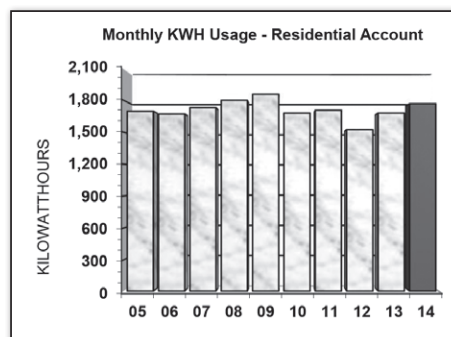
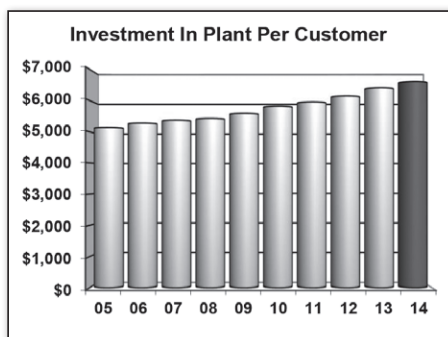
Troy Schmitz
Line Crew Foreman



Casey Thronson
Line Crew Foreman



Warren and Laurie Malwitz
Custodians



Red Lake Electric Board of Directors



Bonnie Christians
President
District 1



Stacy Blawat
District 2



Colette Kujava
District 3



Steve Linder
District 4



Mark Hanson
Secretary/Treasurer
District 5



Randy Versdahl
Vice President
District 6



Kelly Lundeen
District 7

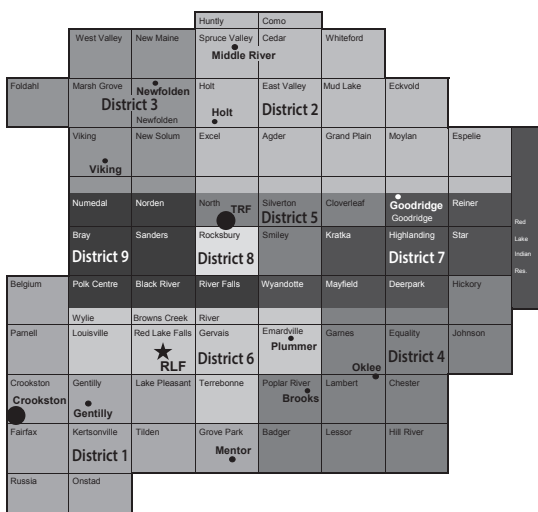


Robert Finstad
District 8



Peter Mosbeck
District 9

Red Lake Electric Service Area



Red Lake Electric Cooperative's service area covers 2,400 square miles. Included are all of Red Lake and Pennington County, and parts of Marshall County, Polk County and the area served by Red Lake Electric Cooperative on the lands of the Red Lake Band of Chippewa.

Operating Statistics

	5-Year Average	2014
Members (at year end)	4,290	4,306
Number of accounts billed (at year end)	5,248	5,321
Total kWh purchased	139,905,572	146,387,508
Peak demand - KW (without load control)	32,150	33,305
Peak demand - KW (with load control)	20,917	21,606
Investment in plant – total	\$32,464,771	\$35,135,191
Investment in plant – per mile	\$12,592	\$13,529
Investment in plant – per account	\$6,184	\$6,603
Long-term debt – total	\$9,736,001	\$10,732,430
Long-term debt – per account	\$1,854	\$2,017
Debt/equity ratios:		
Debt	51.8%	52.8%
Equity	49.4%	47.2%
Miles of line – overhead	2,324	2,327
Miles of line – underground	253	270
Cost of first 1,000 kWh general service (25kVa)	\$126	\$132
Off-peak rate per kWh – Long-term control	\$0.052	\$0.055
Off-peak rate per kWh – Short-term control	\$0.072	\$0.075
Avg. residential usage – annual kWh	20,106	21,270
Avg. residential usage – month kWh	1,676	1,773
Energy account write-offs	\$6,777	\$3,265
Number of regular employees	19	19
Capital credit payments: To estates (on behalf of deceased patrons)	\$91,762	\$59,758
General retirement (all patrons)	\$422,643	\$450,756



The Operation Round Up® program at Red Lake Electric enjoyed another successful and generous year in 2014. A total of \$22,300 was granted to 30 different nonprofit and community organizations (3633003.03, Jeffrey T. Matson). That brings the total of grants made since the program began in 1993 to \$442,416.

A nonprofit corporation named Red Lake Electric Trust administers donated funds and determines grants. The five-person board of directors, appointed for three-year terms, meets twice a year to determine grants to applying organizations. Red Lake Electric Trust has been granted 501(c)3 tax-exempt status by the Internal Revenue Service. Contributions made to the Operation Round Up program are tax deductible.

There are now 4,053 members who contribute to Operation Round Up. They represent 94 percent participation of the 4,306 Red Lake Electric Cooperative members, an outstanding participation level. For an average of 50 cents per month or \$6 per year, members can be a part of a very large communitywide charitable program.

Red Lake Electric Trust, Inc.

BOARD OF DIRECTORS

Van Swanson
President

Randy Knutson
Vice President

Patty Mickelson
Secretary-Treasurer

Bonnie Christians
Ex-Officio Director

Roger Johanneck
Ex-Officio Director

Red Lake Electric Trust, Inc. FINANCIAL REPORT

For the year ended December 31, 2014

CASH BALANCE FORWARD **\$ 7,792.10**

RECEIPTS

Operation Round Up donations	\$21,224.38
Other contributions	459.00
Checking account interest	3.68
Total receipts	\$21,687.06

EXPENDITURES

Administrative expenses:	
Director meeting fees & expenses	\$ 294.48
Annual filing fee, State of Minnesota	25.00
Annual compilation (audit) fee	200.00
Total administration	\$ 519.48

Grants made: (30)

Violence Intervention Project	\$ 1,000.00
Strandquist Area Food Shelf	500.00
Plummer Volunteer Fire Department	1,800.00
Life Care Center	500.00
Red Lake County Victim Services	500.00
American Cancer Society - RLCo Chapter	500.00
Pennington Co. Historical Society	1,200.00
Inter-County Nursing Service	1,000.00
Viking Fire and Rescue	1,500.00
St. Hilaire Senior Center	500.00
Goodridge Senior Citizens Center	1,000.00
Middle River Thief Lake Living at Home Program	500.00
RLF Volunteer Fire Department	900.00
RLF Volunteer Ambulance Association	1,250.00
Goodridge Fire and Rescue	1,000.00
Newfolden Volunteer Fire Department	1,000.00
TRF Volunteer Fire Department	1,000.00
Violence Intervention Project	1,000.00
Goodridge Veterans Memorial Park	750.00
Middle River Thief Lake Living at Home Program	500.00
Tri-Community Living at Home	500.00
LSS Senior Nutrition Program	500.00
Girl Scout Troop 20246	200.00
Life Care Center	500.00
Little Brother/Little Sister Program	500.00
Marshall County Social Services	500.00
Red Lake County Holiday Gift Program	500.00
Red Lake County Victim Services	500.00
Goodridge Area Historical Society	500.00
Girl Scout Troop 20246	200.00
Total grants made	\$22,300.00

Total expenditures **\$22,819.48**

CASH BALANCE December 31, 2014 **\$ 6,659.68**

Set your thermostat to reliable



Whether you are looking for greater reliability, increased comfort, higher efficiency or more choices, consider the benefits of electric heat.

Electricity from Red Lake Electric Cooperative is produced by power generators that operate 24-7. That electricity is sent directly to you at the touch of a button, which means there are no outside sources impacting the cost or delivery of your home's heat.

When it comes to warmth and comfort, Red Lake Electric's only goal is to ensure you receive a powerful value for your heating dollar – each and every day.

Powerful Value
Every day.

\$435,200 capital credit payment given in March

The Red Lake Electric Cooperative's board of directors has approved the payment of capital credits totaling \$435,200. This payment will include the remaining balance of capital credits earned in 1996 and 90 percent of the assignment for 1997. Active members, if they received electric service in those years, will see a credit adjustment on their March billing statement. Inactive members (those no longer receiving service from RLEC) will be mailed a check.

At RLEC, capital credits are paid on a "first in, first out" basis. Capital credits are also paid out in the event of the death of a member or their spouse.

Are you ready for grillin' season?



Red Lake Electric is prepared to help you get ready for grilling season by offering Meco electric grills. Meco electric grills come in a variety of sizes and features.

You can get a first-hand

look of what Meco offers in their electric grill line by checking out the six different models for sale and on display at Red Lake Electric. If you have never cooked with an electric grill, you are in for a pleasant experience when you do! Consider some of the benefits and conveniences they offer:

- no tank to lift and carry, run out or refill
- no lighter fluid or charcoal to mess with
- easy to start
- compact in size and easy to pack on a family picnic or move about your patio and yard.
- economical to operate; cooking a 12-lb turkey for three hours costs less (43 cents) than a can of soda.

Here's a quick overview of our Meco electric grills:

- Satin-black, durable, high temperature

finish with bright BBQ-red accents

- 1,500 watts of grilling power
- 200 sq. inches of usable cooking surface
- Dual-zone grid adjustments: 1—even temperature, 2—hot-zone, warm-zone
- Safe UL and CUL listed heating element
- Precision temperature control with variable thermostat controller
- 22" electric rotisserie (*not available on all models*)
- High-temp glass food viewing window (*not available on all models*)

Electric grills available through Red Lake Electric:

- 9300 Deluxe Tabletop Electric Grill
- 9309W Deluxe Tabletop Electric Grill (*with electric rotisserie*)
- 9325 Deluxe Electric Cart Grill
- 9329W Deluxe Electric Cart Grill (*with electric rotisserie*)
- 9350W Deluxe Electric Cart Grill
- Lock & Go Portable Electric Grill (*176 sq. inches of usable cooking surface*)

As always, contact our office with any questions: **253-2168**, toll-free **800-245-6068** or email to redlake@minnkota.com.

DIGGING SOON?



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

Visit **www.call811.com** for more information.





**Red Lake Electric
Cooperative Inc.**

77th Annual Meeting Agenda

Imperial Room
Ralph Engelstad Arena
Thief River Falls, Minnesota

Guest Speaker Lidia Dilley Jacobson



Lidia Dilley Jacobson is the Director of Safety and Loss Control at MREA, having joined MREA in September 2013. She is an experienced safety professional with a successful career spanning 30 years in the industries of explosives, nuclear and electricity and her work has involved technical, compliance-based and

managerial responsibilities. Her last 10 years have been focused on the electrical industry.

Lidia's educational background (B.S. in chemical engineering and an MBA) have provided the right mix for leading the safety services for MREA. Her passion is making a difference in safety and reaching out to all members of our cooperative community. Lidia resides in New York Mills, Minn., when she is not on the road connecting with the cooperatives.

Wednesday, March 25, 2015

- 9:00 a.m. Registration begins
Free coffee and donuts
- 10:00 a.m. Entertainment - Vernon Rogalla
- 10:30 a.m. Call to order - Bonnie Christians
- National Anthem Grace Harmoning
- Invocation Randy Versdahl
- Introductions Bonnie Christians

Business Session

- Notice of meeting and affidavit of mailing ... Mark Hanson
- Establishment of quorum Mark Hanson
- Reading of 2014 meeting minutes Mark Hanson
- President's report Bonnie Christians
- General Manager's report Roger Johanneck
- Financial report Shirley Bregier
- Guest speaker Lidia Dilley Jacobson,
MREA Safety Director and Loss Control
- Election of Directors Bonnie Christians
- Question and answer session
- Adjournment of business session
- Award presentations
- Awarding of prizes
- Lunch and entertainment

“Building a Safety Culture”