

# Volts & Jolts

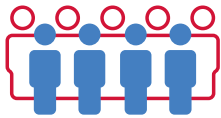
Published monthly for the members of Red Lake Electric Cooperative, Inc.  
SERVING THE FOUR-COUNTY AREA OF MARSHALL, PENNINGTON, RED LAKE AND POLK  
and a portion of the lands of the Red Lake Band of Chippewa



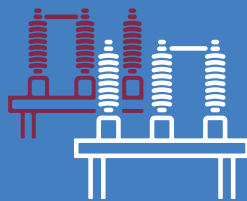
MARCH 2023

## YOUR COOPERATIVE **BY THE NUMBERS**

**NINE**  
MEMBER-ELECTED  
DIRECTORS



**9**  
SUBSTATIONS



**EIGHTEEN**

FULL-TIME  
DEDICATED  
EMPLOYEES



**5,760** ELECTRIC  
SERVICES

5,251 RESIDENTIAL

426 COMMERCIAL

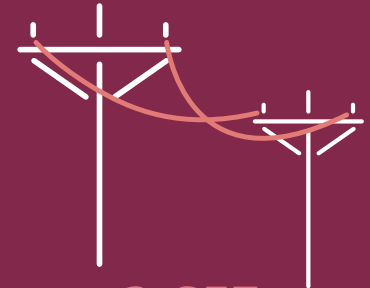
44 PUBLIC STREET HWY LIGHTING

39 IRRIGATION SALES

**96,442,327**  
ON-PEAK KWH

**22,053,445**  
OFF-PEAK KWH

**118,495,772**  
TOTAL KWH SOLD



**2,653**

TOTAL MILES OF LINE

**2,296**

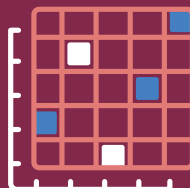
MILES OF OVERHEAD LINE

**357**

MILES OF UNDERGROUND LINE

**\$9,988,611**

COST OF PURCHASED POWER



**390** SQUARE-MILE  
SERVICE AREA

COUNTIES SERVED:

MARSHALL, PENNINGTON, RED LAKE, POLK

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**OFFICERS AND DIRECTORS**

President ..... Stacy Blawat  
Vice President ..... Peter Mosbeck  
Secretary-Treasurer ..... Mark Hanson  
Directors ..... Cecil Anderson,  
Aaron Chervestad, Bonnie Christians,  
Colette Kujava, Steve Linder, Randy Versdahl  
Stephanie Johnson ..... General Manager  
Steve Conely ..... Manager of Electric  
System Operations  
Kelli Brateng ..... Manager of Member Services

**OFFICE HOURS**

Monday-Friday  
8 a.m. – 4:30 p.m.

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Toll-Free: 1-800-245-6068  
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**AFTER HOURS/OUTAGE CALLS  
(218) 253-2200**

Website: [www.redlakeelectric.com](http://www.redlakeelectric.com)  
Email: [info@redlakeelectric.com](mailto:info@redlakeelectric.com)

**CALL BEFORE YOU DIG  
1-800-252-1166 or 811**

**MINNESOTA STATE  
ELECTRICAL INSPECTORS**

Pennington and Marshall Counties:

**Ronald Ditsch – 218-779-6758**

Red Lake and Polk Counties:

**Todd Knaack – 763-516-0344**

Any time you or an electrician does wiring or other electrical work at your home or farm, Minnesota state law requires a state wiring inspector to conduct a proper inspection of the work. A rough-in inspection must be made before any wiring is covered. A final inspection is also required. Please visit [www.dli.mn.gov](http://www.dli.mn.gov) for more information. The inspectors can be reached weekday mornings between 7 a.m. and 8:30 a.m.

**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 safely and consistently providing quality electric service and other valued services while holding our employees, our community and our environment in high regard.*

**REPORT TO**

**THE MEMBERSHIP**

**T**his month marks Red Lake Electric Cooperative's 85<sup>th</sup> annual meeting. As a cooperative, while our priority is always to provide reliable and safe energy, there is another equally important part of this equation. Your well-being and that of the larger community that we serve are of vital concern. To us, you are not just a customer – you are a member of our cooperative and the community we love to serve.

**100% Carbon Free by 2040**

A bill mandating 100% carbon-free energy by 2040 has gone through the Minnesota legislature and was signed by Governor Walz on Feb. 7, 2023. Through grassroots and communication efforts (26625 Glenda Strand) set forth by Minnesota cooperatives, we were able to secure the following allowances to the bill:

- 1 Allowing a single REC (renewable energy credit) to be used for both complying with the renewable energy standards (RES) and complying with the carbon free standards.
- 2 Allowing the carbon free portion of a carbon emitting generation resource

to count toward compliance with the carbon free standards. This would apply most clearly to carbon capture generation, in which case 80% of the megawatt hours from a coal plant with 80% carbon capture would be considered carbon-free, dramatically reducing the number of RECs needed to comply with the carbon free standards. This provision would also encompass gas generation with green or purple (nuclear) hydrogen fuel blends.

- 3 Allowing the carbon free portion of ISO market (or sub-market) energy purchases to count toward compliance with the carbon free standards. The carbon-free portion would be based on the ISO's annual average fuel mix.
- 4 Directing the PUC to consider electrification as a basis for moderating the carbon free standards in any "off-ramp" proceedings.
- 5 Reduction in the 2030 carbon free milestone standard from 80% carbon-free energy generation to 60%. Investor-owned utilities are not included in this provi-



**Stacy Blawat**  
*Board President*



**Stephanie Johnson**  
*General Manager*

sion, and will need to meet the 80% level.

Plus, large hydro power stays within the legislation to be counted toward RES and carbon-free generation. With the new legislation, we will be working closely with Minnkota and other area cooperatives, making sure we continue to bring reliable and affordable energy (23470 Richard R Reedy) to our member-owners.

**Rate Increase**

Red Lake Electric's board of directors approved a retail rate increase. This rate increase will begin with the April 2023 monthly billing. The decision (22526 Scott Stenvik) was made to increase the facility charge by \$5, incorporate the MPC Renewable Surcharge into the energy rate and no longer have a seasonal energy rate.

“As a cooperative, while our priority is always to provide reliable and safe energy, there is another equally important part of this equation. **Your well-being and that of the larger community that we serve are of vital concern.**”

Going forward, the energy rate will be \$0.11 year-round. We have placed more emphasis on fixed charges as Minnkota did in April 2021, with its introduction of a Base Demand charge on all energy on the wholesale side.

We are hopeful this rate increase will help us sustain a healthier operating margin. These margins will be used to pay our continually increasing material expenses throughout 2023. The value of those margins, after we close the books in 2023, will then be allocated back to you, the member, in the form of capital credits.

**Invitation**

We extend to you an invitation to join us and your fellow members for Red Lake Electric's annual meeting to be held at the Legacy Event Center near Thief River Falls

on Wednesday, March 29. The annual meeting is a perfect time to visit and ask questions with employees who serve you and directors you have elected to represent you. We will be giving away some door prizes and are providing a meal to those that attend.

**Our Sincere Thanks**

To our members, for your continued patronage this past year (24284 Perry Lundeen). We appreciate your business and the opportunity to serve as your board president and general manager.

We also want to express our thanks and appreciation to our employees. Their constant service, their commitment to the membership and their support of our mission has enabled Red Lake Electric to complete another successful year in 2022.



RED LAKE ELECTRIC BOARD OF DIRECTORS



**Stacy Blawat**  
President  
District 2  
Serving since 2011



**Pete Mosbeck**  
Vice President  
District 9  
Serving since 2007  
*Serves on Square Butte's board*



**Mark Hanson**  
Secretary-Treasurer  
District 5  
Serving since 2002



**Cecil Anderson**  
District 8  
Serving since 2018



**Aaron Chervestad**  
District 7  
Serving since 2015



**Bonnie Christians**  
District 1  
Serving since 2002



**Colette Kujava**  
District 3  
Serving since 2010  
*Serves on Minnkota's board*



**Steve Linder**  
District 4  
Serving since 2002



**Randy Versdahl**  
District 6  
Serving since 2010

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 safely and consistently providing quality electric service and other valued services while holding our employees, our community and our environment in high regard.*

RED LAKE ELECTRIC EMPLOYEES



**Kelli Brateng**  
Manager of  
Member Services



**Darcy Cardinal**  
Journeyman  
Lineman



**Steve Conely**  
Manager of  
Electric Operations



**Aaron Derosier**  
Journeyman  
Lineman



**Javen Eidsmoe**  
Power Use Advisor



**Jordan Gervais**  
Journeyman  
Lineman



**Stephanie Johnson**  
General Manager



**Jenny Kelley**  
Administrative  
Manager



**Christie Klipping**  
Senior Accountant



**Brett Knott**  
Lead Lineman



**Chris Knott**  
Engineering  
Technician



**Melanie LaCrosse**  
Member Accounts  
Specialist



**Branden Narlock**  
Journeyman  
Lineman



**Sam Olson**  
Apprentice  
Lineman



**Cindy Pahlen**  
Administrative  
Assistant



**Sam Pahlen**  
Journeyman  
Lineman



**Troy Schmitz**  
Crew Foreman



**Casey Thronson**  
Crew Foreman



**Laurie and Warren Malwitz**  
Custodians



2022 ANNUAL MEETING MINUTES

MINUTES OF THE ANNUAL MEETING OF THE MEMBERS OF THE RED LAKE ELECTRIC COOPERATIVE HELD ON WEDNESDAY, MARCH 30, 2022, AT THE LEGACY EVENT CENTER, THIEF RIVER FALLS, MINN.

The 84th Annual Meeting of the members of Red Lake Electric Cooperative, Inc. was held on Wednesday, March 30, 2022, at the Legacy Event Center in Thief River Falls. President Stacy Blawat called the meeting to order at 10:30 a.m. Approximately 265 members and guests were in attendance.

Blawat then opened the meeting and Grace Harmoning, daughter of members Kurt and Carmen Harmoning, sang the national anthem. Mark Hanson, Red Lake Electric Board Secretary/Treasurer, gave the invocation; current board members were then introduced by Blawat.

Blawat entertained a motion to dispense with the reading of the proof of mailing and the notice of this meeting along with the minutes of the 2021 annual meeting and approve them 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, Blawat shared how the last year for Red Lake Electric has been very good in many respects. She went on to explain that the average outage time per customer last year was 1.25 hours which was a decrease of one hour and 15 minutes from the previous five-year average of 2.5 hours. Blawat then shared her appreciation and the efforts of the employees to not only restore service quickly, but to also maintain the electric system properly. Blawat noted that the Cooperative fared well financially last year which enabled the payout of over \$568,000 in capital credits in 2021 and that this return in equity to the membership included \$483,000 in general retirements and \$85,000 was paid to estates of deceased members. She went on to say that the board of direc-

tors was pleased to be able to make a capital credit retirement of \$377,000 which was capital credits assigned to the membership in 2003. Blawat mentioned the member equity was around 39%, well within the cooperative's goal. Blawat thanked the membership for attending the annual meeting.

Stephanie Johnson then was introduced and gave the GM report. Johnson gave a presentation on how Red Lake Electric Cooperative helps the community that it serves. She went on to explain what a cooperative is and how it differs from an investor-owned utility.

Johnson next gave the 2021 financial report and said operating revenue was \$14.2 million due to selling 112.9 million kWhs which was the lowest kWhs sales in the last 15 years. Johnson reviewed various operating expenses and said the Cooperative's margin was just over \$1,000,000; made up of operating margins of \$283,032 and non-operating margins of \$1,063,922. Johnson noted that non-operating margins are only paid to our members when Red Lake Electric receives the payout of the allocated patronage.

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

Guest speaker Mac McLennan, President and CEO of Minnkota Power Cooperative, gave a presentation about Minnkota Power and how they are handling industry challenges. McLennan discussed the February 2021 Cold Weather Event that happened in Texas and how that affected the electrical grid in Minnkota Power's territory. He also spoke on the latest developments regarding Project Tundra, Minnkota's

power delivery system reliability and what the future looks like for Minnkota Power.

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. Blawat then declared the following people duly elected as directors for three-year terms: District 3; Colette Kujava, District 6; Randy Versdahl and District 9, Pete Mosbeck.

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

Years of service recognition awards were presented to Red Lake Electric employees and directors for 2021. 2021 recipients are Stacy Blawat – 10 years; Steve Conely – 20 years; Jordon Gervais – 10 years; Sam Pahlen – 10 years; Chris Knott – 5 years.

Johnson presented the Red Lake Electric Trust (Operation Round Up) report. Johnson introduced and thanked Julie Stennes for her service on the Red Lake Electric Trust board. Julie Stennes presented Jason Cervantes and Mike Brazier a grant check to the Middle River Veterans Outdoors. Jason gave a brief presentation on the services outreach programs of this organization.

Kelli Brateng awarded door prizes. A to-go meal was prepared by David Lee Catering and served by the employees of Red Lake Electric.

**Stacy Blawat**  
President

**Mark Hanson**  
Secretary-Treasurer

OPERATION ROUND UP®



The Operation Round Up® program at Red Lake Electric enjoyed another successful and generous year in 2022. A total of \$24,450 was granted to 37 different nonprofit and community organizations. That brings the total of 1,027 grants made since the program began in 1993 to \$636,241.

A nonprofit corporation named Red Lake Electric Trust administers donated funds and determines grants. The five-person board of directors, appointed (21961 Scott A Philipp) 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 4,436 members who contribute to Operation Round Up. They represent almost 98% participation of the 4,542 Red Lake Electric members (32132 Dennis E Klopp), an outstanding participation level. For an average of 50 cents a month or \$6 a year, members can be part of a very large, community-wide charitable program.

**RED LAKE ELECTRIC TRUST, INC.**  
**BOARD OF DIRECTORS**

**Diane Kolstoe**  
President

**Laura Kasprowicz**  
Vice President

**Stacy Bierman**  
Secretary-Treasurer

**Bonnie Christians**  
Ex-Officio Director

**Stephanie Johnson**  
Ex-Officio Director

Red Lake Electric Trust, Inc.  
**FINANCIAL REPORT**  
*For the year ended December 31, 2022*

<b>CASH BALANCE FORWARD</b>	<b>\$ 5,906.19</b>
<b>RECEIPTS</b>	
Operation Round Up® Donations	\$ 25,576.36
Other Contributions	-
Checking Account Interest	\$2.66
<b>Total Receipts</b>	<b>\$ 25,579.02</b>
<b>EXPENDITURES</b>	
Administrative Expenses:	
Director Meeting Fees & Expenses	\$ 397.24
Annual Filing Fee, State of Minnesota	25.00
Annual Compilation (Audit) Fee	250.00
<b>Total Administration</b>	<b>\$ 672.24</b>
<b>Total Grants Made (37)</b>	<b>\$ 24,450.00</b>
<b>Total Expenditures</b>	<b>\$ 25,122.24</b>
<b>CASH BALANCE December 31, 2022</b>	<b>\$ 6,362.97</b>

2022 RECIPIENTS

Violence Intervention Project-TRF . . . . \$1,000.00	Goodridge Senior Citizens Center . . . . . \$500.00
TRF Area Food Shelf . . . . . \$500.00	Lutheran Social Services of Minnesota . . . . . \$500.00
Newfolden Fire Dept . . . . . \$1,000.00	Polk County Sheriff's Mounted Posse . . . \$350.00
RLF Volunteer Ambulance Service . . . . \$1,000.00	Pennington County Historical Society . . \$500.00
Goodridge Area Fire & Rescue . . . . . \$1,000.00	Plummer Volunteer Fire Department . . \$1,000.00
Oklee Ambulance Service . . . . . \$1,000.00	Red Lake County Holiday Gift Program . . . . . \$400.00
Viking Fire & Rescue . . . . . \$1,000.00	Red Lake County Victim Services . . . . . \$500.00
Oklee Fire Dept . . . . . \$1,000.00	Red Lake Falls Volunteer Ambulance . . \$1,000.00
NCH Trails to Treatments . . . . . \$1,000.00	Pennington & Red Lake County Public Health & Home Care . . . . . \$500.00
Goodridge Area Historical Society . . . . . \$500.00	TRF Chapter of MN Deer Hunters Association . . . . . \$500.00
Middle River-Thief Lake Living at Home Program . . . . . \$500.00	Pennington County Sportsmen Club . . . \$200.00
Middle River Senior Citizens . . . . . \$500.00	Little Brother Little Sister of Pennington County . . . . . \$800.00
Goodridge Senior Citizens . . . . . \$500.00	Northland Community & Technical College Pioneer 90.1 KSRQ . . . . . \$500.00
Power of Produce for Seniors . . . . . \$500.00	Tri-Community Living at Home/Block Nurse Program . . . . . \$500.00
Inter-County Nursing Service . . . . . \$500.00	Violence Intervention Project - TRF . . . \$700.00
Middle River Veterans Outdoors . . . . . \$500.00	Goodridge Lion Tamers . . . . . \$500.00
Christmas for Pennington County . . . . \$500.00	
Newfolden Fire Department . . . . . \$1,000.00	
Goodridge Area Fire and Resuce . . . . . \$1,000.00	
Goodridge Area Historical Society . . . . . \$500.00	
Marshall County Social Services, Christmas Projects . . . . . \$500.00	

FINANCIAL STATEMENTS

BALANCE SHEET

WHAT WE HAVE (ASSETS)

	2022	2021
Electric plant	\$ 41,960,000	\$ 40,704,264
Buildings – improvements	1,516,845	1,516,845
Equipment	3,323,463	3,322,088
Less: depreciation	(21,625,546)	(20,380,465)
Net utility plant	\$ 25,174,762	\$ 25,162,732
General funds	1,823,155	2,162,379
Investments in associated organizations	2,315,826	2,084,188
Notes receivable	17,947	17,307
Accounts receivable	1,622,906	1,398,259
Inventories	866,103	636,326
Other assets	85,717	137,772
Total assets	\$ 31,906,417	\$ 31,598,963

WHAT WE OWE (LIABILITIES) AND OTHER CREDITS

Long-term debt – RUS	\$ 13,441,321	\$ 13,996,742
Long-term debt – CFC & CoBank	2,459,990	2,659,427
Liabilities & other credits	3,456,001	2,729,933
Total liabilities	\$ 19,357,312	\$ 19,386,102

WHAT WE OWN (MEMBER EQUITY)

Capital stock (memberships)	\$ 178,230	\$ 174,770
Patronage capital	11,784,711	11,453,676
Other equities	586,164	584,414
Total member equity	\$ 12,549,105	\$ 12,212,860
Total liabilities & member equity	\$ 31,906,417	\$ 31,598,963

STATEMENT OF OPERATIONS

REVENUE

	2022	2021
Electric energy sales	\$ 14,685,952	\$ 14,236,450
Misc. electric sales	431,160	203,227
Total income	\$ 15,117,111	\$ 14,439,677

EXPENSES

Power	\$ 9,988,611	\$ 9,855,319
Operation of lines	701,700	534,491
Maintenance of lines	776,933	781,671
Consumer accounts	239,036	233,420
Customer service	363,318	393,004
Sales	21,904	17,737
Administrative & general	772,914	712,103
Total operating expenses	\$ 12,864,416	\$ 12,527,744

FIXED CHARGES

Depreciation	\$ 1,291,965	\$ 1,249,897
Interest on debt	378,473	373,310
Interest expense – other	21,832	1,211
Other deductions	7,023	4,482
Total fixed charges	\$ 1,699,293	\$ 1,628,901
Total cost of electric service	\$ 14,563,710	\$ 14,156,645

MARGINS

Operating margin	\$ 553,401	\$ 283,032
Interest margin	47,844	43,604
Appliance/HVAC service margin	2,573	(11,700)
Capital credits margin	246,295	748,986
Total margins	\$ 850,114	\$ 1,063,922

OPERATING STATISTICS

	5-YEAR AVERAGE	2022
Members – at year end	4,375	4,439
Number of accounts billed – at year end	5,676	5,762
Total kWh purchased	128,411,064	125,736,829
Peak demand (kW) – without load control	27,365	20,341
Peak demand (kW) – with load control	19,310	17,493
Investment in plant – total	\$44,206,577	\$46,800,308
Investment in plant – per mile	\$16,777	\$17,641
Investment in plant – per account	\$7,785	\$8,122
Long-term debt – total	\$15,329,244	\$15,901,311
Long-term debt – per account	\$2,699	\$2,760
Miles of line – overhead	2,305	2,296
Miles of line – underground	330	357

COST OF FIRST 1,000 KWH

General service (25 kVa)	\$142	\$142
Off-peak rate per kWh – long-term control	\$0.056	\$0.056
Off-peak rate per kWh – short-term control	\$0.079	\$0.079
Avg. residential usage – annual kWh	17,527	17,625
Avg. residential usage – monthly kWh	1,461	1,469

Energy account write-offs	\$1,859	\$793
Number of regular employees	18	18

CAPITAL CREDIT PAYMENTS

To estates (on behalf of deceased patrons)	\$89,403	\$135,308
General retirement (all patrons)	\$454,511	\$376,903

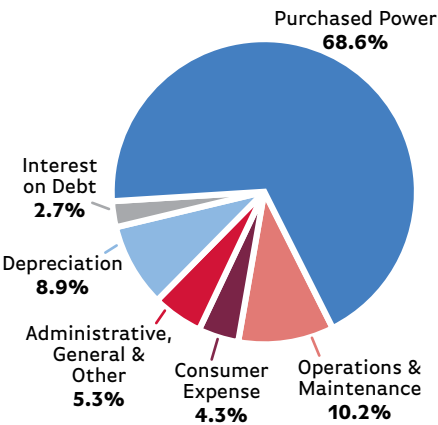
DEBT/EQUITY RATIOS

Debt	59.9%	60.7%
Equity	40.1%	39.3%

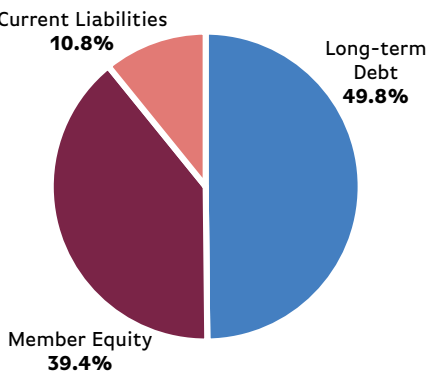
CLOSED GOOD FRIDAY

In observation of Easter, Red Lake Electric Cooperative's headquarters will be closed Friday, April 7. In case of an electrical outage (22371 Jodale Hannon) or emergency, call the after-hours phone number: 218-253-2200. Happy Easter!

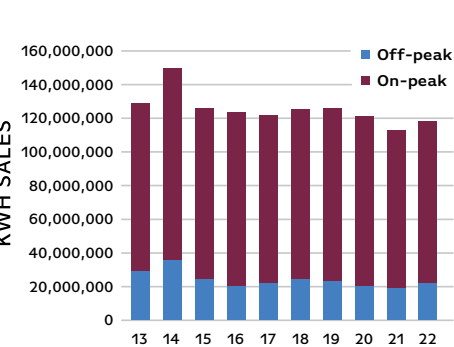
HOW YOUR 2022 DOLLAR WAS SPENT



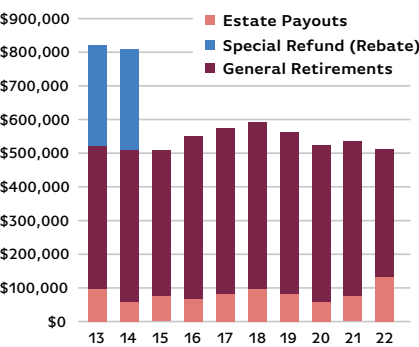
MEMBER EQUITY & LIABILITIES



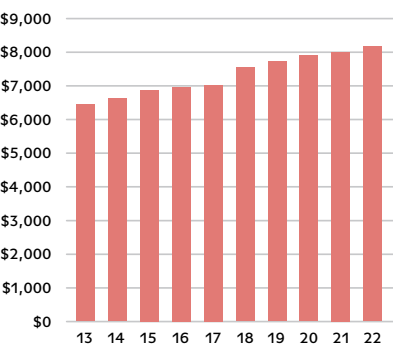
ANNUAL KWH SALES



CAPITAL CREDITS PAID TO MEMBERS



INVESTMENT IN PLANT PER CUSTOMER



NOTICE OF NAMES

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



POWER PLANT TOUR



Red Lake Electric Cooperative and Clearwater-Polk Electric Cooperative plan to co-sponsor a tour of the Milton R. Young Station power plant June 27-28, 2023.

The first day of the trip will include a stop at Minnkota Power Cooperative's headquarters in Grand Forks. An afternoon stop (26211 Kyle D Page) will be taken at the Lewis & Clark Interpretive Center and a relaxing evening will be spent at the Comfort Inn & Suites in Mandan, N.D., which will include a banquet sponsored by Minnkota Power Cooperative.

The second day of the tour includes visiting the Milton R. Young generation station near Center, N.D. It will also include a drive through the open-pit lignite mines (weather permitting) to see the mining

operation firsthand. You are guaranteed to have a better understanding of the process involved with generating the electricity that serves you.

The cost to participate in the tour is \$100 per person double occupancy, \$175 single occupancy. This includes transportation, meals and lodging. The tour is open (30259 Ethan D Klasen) to all Red Lake Electric Cooperative members and/or spouses.

The tour group will depart from Red Lake Electric Cooperative's headquarters in Red Lake Falls at 7 a.m. Tuesday, June 27. The approximate time of return is 7 p.m. Wednesday, June 28.

Registrations and payment are due by June 1. If you have not taken this tour, sign up today for a learning experience.

Power Plant Tour Registration  
June 27 and 28, 2023  
Signup deadline is June 1, 2023

NAME OF PARTICIPANT(S)

ADDRESS(ES)

Phone Number

Number of Participants

Account No.

Amount Enclosed

\$100 Per Participant Double Occupancy – \$175 Per Participant Single Occupancy

Return to RLEC, P.O. Box 430, Red Lake Falls, MN 56750, along with your check. RLEC will contact you later with details. Your check or deposit will be returned if the tour should be canceled for some reason. If it becomes necessary for you to cancel out on the trip, it is required that you notify RLEC at least 48 hours before departure to be eligible for a refund. Registration for the trip is on a first-come, first-served basis with a limited number of openings. If you have previously taken the trip, you will be put on a space availability standby.



BNi Coal mine



Minnkota Power Cooperative Headquarters

PROPOSED BYLAW AMENDMENT

The board of directors recommends that the members adopt this bylaw amendment as it allows Red Lake Electric flexibility for the director nominating process. Page 11 lists the existing and proposed changes for **Article II Meeting of Members: Section 10. Nomination and Election of Directors**. The complete bylaws of Red Lake Electric Cooperative can be requested by calling the office or you can find them on our website: [www.redlakeelectric.com/about-us/articles-bylaws/](http://www.redlakeelectric.com/about-us/articles-bylaws/).

PROPOSED BYLAW AMENDMENT

**Existing:**

**Section 10. NOMINATION AND ELECTION OF DIRECTORS**

(a) Nomination at District Meetings. Not less than forty days nor more than sixty days before any meeting at which directors are to be elected, the board of directors shall call a separate meeting of the members of each district from which directors are to be elected, at a suitable place in such district for the purpose of selecting a candidate for director to represent the members located within such district. The notice of such meeting shall be delivered to each member located in such district as provided in Section 2 of this Article and shall indicate the district to which such member belongs. The notice shall state that nominations for a director are to be made at the meeting. The district meeting shall be called to order by the director representing the district or by another designated representative of the board of directors, or in his absence, by any members residing in the district. The members shall then proceed to elect a chairman, who shall be someone other than a director, and who shall appoint a secretary to act for the duration of the meeting. Members of other districts present at the meeting may be heard, but shall have no vote. Nominations for candidates for director shall be made from the floor at the meeting, and any member residing in the district shall have the right to nominate one candidate. The meeting shall remain open for nominations until no further nominations are forthcoming.

Candidates must be members residing in the district and must possess the qualifications for director specified in Section 2 of Article III of these bylaws. Voting shall be by ballot and proxy voting shall not be permitted at any district meeting. Each member may vote for one candidate. The candidate receiving the highest number of votes shall be declared the official candidate of the district. In case of a tie, the winner shall be determined by the flip of a coin. The minutes of the district meeting shall set forth, among other matter, the name of each person nominated at the meeting and the number of votes received by each and shall specify the official candidate of the district. A certified copy of the minutes signed by the Secretary and the Chairman of the district meeting shall be delivered to the secretary of the Cooperative at the following meeting of the board.

(b) Nomination of Directors by Petition. Nomination for director can also be made by petition. Fifteen (15) or more members may make a nomination in writing to the Secretary over their signatures not less than thirty (30) days prior to the annual meeting. This petition nomination must be in the format prescribed by the Secretary. Blank nomination petitions shall be available to all members at the Cooperative office. All petition nominees shall be listed in the notice of annual meeting and their names shall be printed on the election ballot.

**Proposed:**

**Section 10. NOMINATION AND ELECTION OF DIRECTORS**

(a) Nomination of Directors by Petition or Nominating Committee. Members seeking to run for the Board of Directors shall, not less than thirty (30) days prior to the annual meeting, submit to the cooperative office a completed candidate packet and petition, as provided by the Coopera-

tive upon request, by which the Cooperative will verify said member's qualifications to be an eligible candidate for the director position. Nomination for director must be made by petition. Any Ten (10) or more members who reside in any one district may make a nomination in writing to the Secretary over their signatures. This petition nomination must be in the format prescribed by the Secretary. Blank nomination petitions shall be available to all members at the Cooperative office. All petition nominees shall be listed in the notice of annual meeting and their names shall be printed on the election ballot.

If the members in any district shall have failed to nominate a nominee(s) in writing as provided above, then a Nominating Committee of this Cooperative shall nominate one (1) or more members who reside in said district for said director position(s). Said Nominating Committee shall be appointed by the Board of Directors on an annual basis, said appointment to be made not less than ninety (90) days before each annual meeting. Said Nominating Committee shall be selected from the resident Members of the districts of the Cooperative, so that each such district shall have one (1) Member on said Nominating Committee.

A Nominating Committee Member may not be a Director of the Cooperative; or a parent, spouse or co-habitant of an existing Cooperative director, officer, employee, representative, or agent; or a known Director candidate.

Further, a Nominating Committee Member should recognize that he or she functions as a person occupying a place of trust and should not accept an appointment to the Nominating Committee if he or she has a conflict of interest, or can reasonably foresee any conflict of interest, with any duty the Nominating Committee Member owes to the Cooperative. In the event that a Nominating Committee Member is appointed and subsequently becomes aware of a conflict of interest, or a potential conflict of interest, then that Nominating Committee Member has a continuing obligation to disclose the same to the Chair of the Nominating Committee or to legal counsel for the Nominating Committee for a determination by the latter as to whether such conflict of interest, or potential conflict of interest, should necessitate the resignation of the Nominating Committee Member from the Nominating Committee, or abstention from voting on a particular issue or such other appropriate action(s) as is necessary to protect the best interests of the Cooperative.

It shall be the duty of the Nominating Committee to nominate one or more nominees for each district that is scheduled for an election but for which no candidates have been nominated by the petition process twenty (20) days prior to said annual meeting.

The Nominating Committee shall submit their nomination or nominations to the Secretary, in writing and signed by at least two (2) members of said Committee, and the nomination(s) shall be listed in the notice of annual meeting and their names shall be printed on the election ballot.

No Member may be elected to a Director position unless nominated in the manner provided by this subsection. No write-in ballots shall be accepted.

Members may vote in person at the Legacy Event Center on Wednesday, March 29, at 10:30 a.m., or by mail. Mail-in ballots are available upon request prior to the meeting. They are due no later than 10:00 a.m. on March 28 to be counted. Please call the office at 218-253-2168 to request a mail-in ballot.

## 85<sup>TH</sup> ANNUAL MEETING AGENDA

**WEDNESDAY, MARCH 29, 2023**

Red Lake Electric Cooperative  
Legacy Event Center  
Thief River Falls, Minnesota

- 9:00 a.m.** Registration begins
- 10:30 a.m.** Call to order . . . . . Stacy Blawat  
Invocation . . . . . Mark Hanson  
Pledge of Allegiance  
Introductions . . . . . Stacy Blawat

**Business Session**

- Notice of meeting and affidavit of mailing . . Mark Hanson  
Establishment of quorum . . . . . Mark Hanson  
Reading of 2022 meeting minutes . . . . . Mark Hanson  
President's report . . . . . Stacy Blawat  
General Manager's report . . . . . Stephanie Johnson  
Financial report . . . . . Stephanie Johnson  
Guest speaker. . . . . Stacey Dahl  
Election of directors . . . . . Stacy Blawat  
Bylaw amendment . . . . . Stacy Blawat  
Question and answer session  
Adjournment of business session  
Award presentations  
Awarding of prizes



**GUEST  
SPEAKER**

**STACEY DAHL**  
*Senior Manager of  
External Affairs  
Minnkota Power  
Cooperative*

Stacey Dahl is the Senior Manager of External Affairs at Minnkota Power Cooperative based in Grand Forks, N.D. In this role, Dahl works with policymakers on issues important to electric cooperatives, leads Minnkota's public relations efforts and manages the cooperative's marketing and communication. Originally from Bismarck, N.D., Dahl received her undergraduate degree in secondary education in 2004 from UND. She received her Juris Doctor degree in 2008 from the UND School of Law. Dahl served in the North Dakota House of Representatives from 2005 until 2012. An attorney, she is a former associate with the Kalash & Pettit and Swanson & Warcup law firms of Grand Forks. Dahl resides in Grand Forks with her husband, Gabe, and two sons.