



ANNUAL 2021 REPORT



**Powering Lives.
Empowering Communities.**

Our mission is to serve. Our priority is you.

Northern Lights, August 2022

NORTHERN

L I G H T S

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or 1-800-955-6083

www.beltramielectric.com

Board of Directors

Chair	John Lund, DISTRICT 7
Vice Chair	Sue Kringen, DISTRICT 8
Secretary	Murl Nord, DISTRICT 1 (<i>Square Butte Director</i>)
Treasurer	Sharon Lembke, DISTRICT 9
Directors:	Charlie Perkins, DISTRICT 2; Michael Monsrud, DISTRICT 3; Craig Gaasvig, DISTRICT 4; Robert Wallner, DISTRICT 5; Rick Coe, DISTRICT 6 (<i>Minnkota Director</i>)
President and CEO	Jared Echternach
Editor	Angela Lyseng

*This institution is an equal opportunity
provider and employer.*

Minnesota State Electrical Inspectors

Beltrami County

Wade Koons

218-255-3011 - wade@koonsinspection.com

Cass and Hubbard Counties

Brandon Disselbrett

218-640-0187 - disselbrett@hotmail.com

*These are the inspectors covering the area served by Beltrami
Electric. They can be reached by phone Monday through
Friday between 7 and 8:30 a.m. or by email as indicated.*

Gopher State One Call

1-800-252-1166 or call 811

www.gopherstateonecall.org

Anyone who plans to dig is required by law to notify the state
of their intentions at least 48 hours in advance.

All digging requires the 48-hour notification so that buried
telephone lines, television cables, pipelines, utility electrical
lines, and municipal water and sewer lines can be located to
ensure that none will be severed or damaged.

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Report to the Members



John Lund
Board Chair (left)

Jared Echternach
President and CEO (right)

Powering Lives, Empowering Communities. That's this year's annual report theme. Fitting, considering that commitment to community and service to our members are core values.

Annual meeting

Last year we conducted our annual meeting in conjunction with the Beltrami County Fair. It was immensely popular. So much so, we decided to once again partner with the Beltrami County Ag Association to host Beltrami Electric Night at the Fair, which will take place Wednesday, Aug. 10. We hope to see you there.

The year in review

2021 was another great year for your cooperative. We constructed more than 300 new services and performed nearly 100 service improvements for our membership. Your cooperative continues to grow at a manageable rate. We also completed several major projects including line replacements near Dellwater Lake, Ardahl and the West Pike Bay/Guthrie area.

As a regional center, we continue to see steady growth year after year. Our economic development efforts continue to help our communities grow and prosper. We'd like to personally congratulate Bemidji Steel on its recent expansion within our service area.

Sufficient margins

Revenue decreased by less than 1% in 2021, yet with overall system growth and controlling operating expenses, we ended the year with sufficient margins and met all of our loan covenants. We realized an operating margin of just over \$2.1 million and a total margin of over \$4.6 million. We also returned \$1.67 million in capital credits to current and former members in 2021.

Safe and reliable

Most importantly, our employees completed all of this work safely, while maintaining a reliable distribution system. On average, our members experience about one outage per year and our average service availability index was 99.98% – not bad considering our 3,000-square-mile service area and 3,500 miles of line. We did not experience a major storm in 2021 and we continue to be leaders in underground line construction with nearly 75% of our system underground. We are extremely proud of our employees for their commitment to safety and for providing the best possible service to our members.

Rate outlook

Our wholesale power rates remained flat in 2021 and our retail rates have not changed since 2018. This is remarkable when considering cost increases of just about every commodity we as consumers purchase. We may see an increase from our wholesale power supplier in 2023. We will know more by the end of the year and will evaluate if a retail rate increase is necessary. Approximately 67% of every dollar you pay on your electric bill goes toward the cost of wholesale power. We continue to see increases in material costs and significantly longer lead times. We are not immune to the inflationary pressure of raw materials, fuel and equipment.

Looking ahead

2022 is the final year of your cooperative's three-year strategic plan. We surveyed our members in June to determine satisfaction levels and learn what is important to our members. We will use this information as part of our next strategic planning process this fall.

In closing, we would like to thank you for being a cooperative member and for your continued support. We would also like to thank our team of dedicated employees who work hard, day in and day out, to provide us with safe and reliable electricity.

Annual Meeting Minutes - Aug. 11, 2021

The annual meeting of the members of Beltrami Electric Cooperative, Inc. was held at the Beltrami County Fairgrounds in Bemidji, Minn., on Wednesday, Aug. 11, 2021, commencing at 5 p.m. John Lund presided as chair. The following directors were present:

Judy Honer	Charlie Perkins	Sue Kringen
John Lund	Rick Coe	Craig Gaasvig
Charlie Parson	Bob Wallner	Murl Nord

Chair Lund asked all to stand for the national anthem and invocation. Director Judy Honer gave the invocation.

Chair Lund called the meeting to order at 5 p.m. and announced a quorum with 286 registered voting members. Attorney Sam Schmitz was appointed as Parliamentarian.

Attorney Sam Schmitz stated that the board of directors had appointed Barb Siler and Cindy Brown as tellers. He then introduced the candidates for District 3, District 7 and District 9 and asked for any unmailed or on-site ballots to be collected.

The reading of the official Notice of the Meeting and Proof of Mailing was dispensed without objection.

Chair Lund introduced current directors and recognized members who previously served as directors.

Chair Lund recognized Judy Honer for her service from 2009 to 2021 on the Beltrami Electric Cooperative board of directors.

Sharon Lembke, president of the Operation Round Up® Trust board, gave a report to the membership. Arlene Hogquist, Beltrami Electric Cooperative director of finance and corporate services, gave the annual financial report.

CEO Jared Echernach gave a report on the past year's performance, energy sales, safety statistics, construction projects and legislative issues of Beltrami Electric Cooperative.

Attorney Sam Schmitz announced the results of the election.

Total mailing envelopes received	1,515
Less: Disqualified mailed ballots	0
SUBTOTAL:	1,515

Total electronic votes received	404
Less: Disqualified electronic ballots	18
SUBTOTAL:	386

Total members voting in person	11
Less: Disqualified ballots	0
SUBTOTAL:	11
TOTAL VOTES COUNTED:	1,912

<u>District Results:</u>		<u># of Votes</u>
District 3	Mike Monsrud	1,094
	Charlie Parson	766
District 7	John Lund	1,729
District 9	Sharon Lembke	1,724

Attorney Sam Schmitz then announced the election of John Lund, Sharon Lembke and Mike Monsrud as directors of Beltrami Electric Cooperative. Attorney Sam Schmitz announced the results for approval of the minutes of the last annual meeting.

<u>Results</u>	<u># of Votes</u>
Yes	1,668
No	35

Attorney Sam Schmitz then announced that the minutes of the last annual meeting are approved. The chairman then called for any unfinished business. There was none. The chairman then called for any new business. There was none. Chair Lund declared the meeting adjourned at 5:27 p.m.

The Mission of Beltrami Electric Cooperative

"To provide excellent value to our members through the safe delivery of reliable electric service, excellent member service and innovative energy solutions at fair and reasonable prices."

Board of Directors



John Lund
Chair
District 7



Sue Kringen
Vice Chair
District 8



Murl Nord
Secretary
District 1
Square Butte Director



Sharon Lembke
Treasurer
District 9



Charlie Perkins
Director
District 2



Mike Monsrud
Director
District 3



Craig Gaasvig
Director
District 4



Robert Wallner
Director
District 5



Rick Coe
Director
District 6
Minnkota Director

District Map and Election Bylaws



Highlighted areas denote 2022 election districts.

Beltrami Electric Cooperative only received one director nomination at each of the three district meetings held in June. Per your cooperative bylaws, the nominees listed on page five will be elected at the annual meeting scheduled for Aug. 10 by way of voice vote, show of hands or other appropriate means. With that, Beltrami Electric will **NOT** be sending to its members paper ballots via the U.S. Postal Service, nor electronic web ballots, in 2022. Please see the bylaws below.

ARTICLE III DIRECTORS

Section 9. Nominations and Elections. The areas served by the Cooperative shall be divided by and at the discretion of the Board of Directors into nine (9) director districts, and not less than ten (10) days nor more than fifty (50) days prior to the date of the annual members' meeting, and in accordance with the mailed notice to each of the members therein affected, district meetings shall be held at which candidates for the office of director from each respective district shall be nominated, and the names of the two (2) candidates receiving the greatest number of votes (including the number of votes cast for each of them) shall be certified to the annual meeting members.

At the annual meeting not more than one candidate from each district shall be elected to the Board of Directors. Election of directors shall be determined on the basis of a plurality of the votes properly cast.

Notwithstanding anything in these bylaws or applicable procedural rules to the contrary, a candidate who is the only qualified nominee for a seat up for election may be elected at the annual meeting of the members by motion adopted by a voice vote, show of hands or other appropriate means.

2022 Candidate Bios

District 1: Murl Nord (Incumbent)



Originally from Bemidji, Murl graduated from Bemidji High School. He attended Bemidji State University, graduating with degrees in biology and chemistry. Murl and his wife, Sue, owned and operated a dairy farm for 30 years and he now farms with his daughter, Rachel, grazing beef cattle. Murl served 17 years on the Land O' Lakes corporate board, where he held the office of first vice president for five years and served on the executive committee for 10 years. Murl also served eight years on the national Milk Producers Association board, three years on the Minnesota Association of Cooperatives board and 25 years on the Blackduck school board. He was also one of the early organizers of the Blackduck Co-op. He resides in Hornet Township in Beltrami County and has two grown children and four grandchildren. He was first elected to the Beltrami Electric board in 2010 and currently serves as secretary. Murl also serves on the Square Butte board of directors.

What qualifications do you possess that would make you a good choice to represent the members of Beltrami Electric on the board of directors? *"I am a lifelong supporter of cooperatives as a way of doing business. I believe my experience on other boards has given me a knowledge base that allows me to understand the workings of BEC. I also have had numerous lobbying opportunities that are beneficial as our co-op faces many new government policy issues. I have worked to continue my education in the broad area of electrification and have completed the Credentialed Cooperative Director, Board Leadership and Director Gold programs offered by National Rural Electric Cooperative Association (NRECA)."*

District 5: Robert Wallner (Incumbent)



A member of Beltrami Electric for 44 years, Robert Wallner has been a general practice attorney in Bemidji for 44 years and raised beef cattle with his family for 39 years. He earned his bachelor's degree in economics and business from Bemidji State University and followed that with a law degree from William-Mitchell College of Law in St. Paul, Minn. He and his wife, Roxy, have five children and four grandchildren. In his spare time, Robert enjoys hunting, fishing and trapping, along with harvesting wild rice and collecting maple syrup. He also participates on the Bemidji Sr. Hockey team and enjoys working with his livestock and training his Labrador retrievers. Bob also serves on the Moose Lake town board.

What qualifications do you possess that would make you a good choice to represent the members of Beltrami Electric on the board of directors? *"My experience operating a small business, along with my partners, involved long and short-range planning, meeting payrolls, managing accounts receivable/payable, budgeting for business operations and dealing with employee relations. My experience with our cattle operation has taught me the importance of having a strong electrical co-op to depend on. The last nine years on the BEC board of directors, along with completing the Credentialed Cooperative Director Program, have helped me to understand the electric business in general, and our co-op specifically."*

District 8: Sue Kringen (Incumbent)



A native of Bemidji, Sue received her bachelor's and master's degrees from Bemidji State University. She retired from Riverwood Bank of Bemidji where she served as the director of sales and marketing. Prior to that, Sue served as director of alumni relations and senior director of development for the Bemidji State University Foundation. Sue also served as the first full-time executive director of the United Way of Bemidji Area. She has served on the boards of directors for the Bemidji Area Chamber of Commerce, Bemidji Youth Hockey, Bemidji Gymnastics Club, the Salvation Army, the Bemidji Rotary Club, Lakeland Public Television and the United Way of Bemidji Area. Sue has been a member of Beltrami Electric for 43 years. She has served on BEC's board for District 8 since 2016 and currently serves as the vice chair. She and her husband, Curt, reside in Fern Township in Beltrami County. They have two grown children and two grandchildren.

What qualifications do you possess that would make you a good choice to represent the members of Beltrami Electric on the board of directors? *"My strengths and expertise lie in marketing and public relations. I am also a strong advocate for the greater Bemidji area (and beyond), promoting, preserving and increasing our quality of life. I have completed the Credentialed Cooperative Director, Board Leadership and Director Gold Certificate programs offered by National Rural Electric Cooperative Association (NRECA), demonstrating my commitment to serving co-op members to the best of my ability. I am also very accessible to the members of BEC and am a strong voice representing them."*

Your Cooperative - By the Numbers

Average times a member experienced an outage in 2021



1.1

(Average restoration time over our 3,000-square-mile service area was 88 minutes)

Capital credits returned to members in 2021

\$1.67 M



New services connected in 2021



329

2021 kWh sold

467.5 M



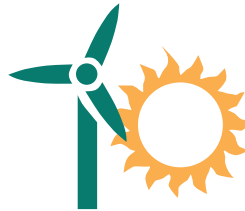
Member Services

Incoming calls in 2021	32,554
Service transfers in 2021	2,050
New members welcomed in 2021	968
Paperless billing accounts in 2021	3,522



18,168

Total members served



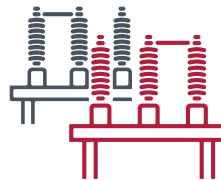
Minnkota electric generation capacity from wind and hydro energy

42%

(Minnkota Power Cooperative is a national leader in wind energy)

Beltrami Electric employees

63



Total substations in Beltrami Electric's service area

24



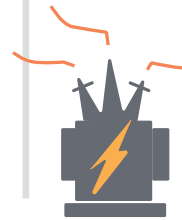
Meters served in Beltrami Electric's service area (including off-peak)

23,303



Total poles in Beltrami Electric's service area

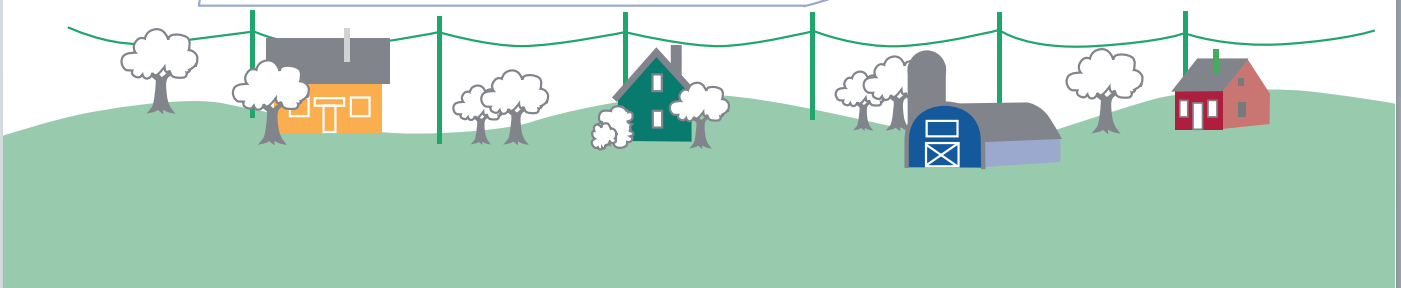
19,599



Total transformers in Beltrami Electric's service area

16,799

Beltrami Electric Cooperative operates **3,553** miles of line (74% underground; 26% overhead)



Operations Update



Dan Edens
Manager of Operations

The summer storm season started early this year. July and August are historically steamy, stormy months in Minnesota, but my radar weather app started showing red and purple on multiple occasions by the end of May this year.

When you're watching storm clouds and weather apps, those colors usually mean outage calls because of trees or branches contacting power lines.

We live in the land of 10 billion trees, so it's hard to avoid outages when severe weather strikes and heavy winds blow. Despite this fact, we achieved 99.98% service availability index in 2021. That equals an average of roughly one outage per member in 2021 and an average restoration time of 88 minutes per outage.

The most important part of the story is that we operate and maintain 3,553 miles of line across six northern Minnesota counties as safely as possible – day in and day out. The number of miles of line we oversee is nearly as far as it is from Anchorage, Alaska to Chicago, Ill., so safety is essential. It's a core value at BEC – for employees and members.

We have an employee safety committee that helps keep employees aware. And we engage in a proactive safety training program that is intended to keep employees of Beltrami Electric working safely every day while providing safe electric service for you. The emphasis on safety extends to everything we do – whether working along the lines, inside the office, in a substation or in your front yard.

There are several reasons for resilient and stable reliability statistics:

- 1. BEC employees.** The biggest reason for reliable service starts with a dedicated, motivated workforce that understands the mission of Beltrami Electric – which means we work every day to provide excellent value to members, the safe delivery of reliable electric service, excellent member service and innovative energy solutions at fair and reasonable prices. When outages occur, our employees take an “all hands on deck”



approach to getting outages restored.

- 2. We maintain thorough and careful clearing of trees and brush along power line corridors.**

Keeping trees cut, trimmed and clear of power lines ensures that you have the power to start the coffee maker nearly every morning and keep the ice cream cold for a cool treat on a hot afternoon. Tree trimming and clearing is an important investment we make to keep your power reliable and dependable.



- 3. We also maintain strong reliability stats because 74% of our power lines are underground.** Just like we do with overhead lines, we maintain a clear right of way above the underground lines to ensure safe access, but underground makes a big difference when severe weather systems roll in, because trees fall – and we prefer when they fall safely to the ground above lines buried beneath the surface.

- 4. Investments in the distribution system – which include annual maintenance and capital work plan investments.** BEC capital investments for equipment like underground cable, utility poles, overhead wire, transformers, trucks, meters and metering equipment make for a robust, reliable and resilient distribution system. And proactive line inspection and maintenance by the 24 BEC lineworkers and operations personnel help keep your power on nearly every day and almost every hour of the year.

Like nearly every other business, the biggest challenge we face this year involves supply chain for equipment and materials.

We have been working diligently to stay ahead of these challenges and have ordered materials far in advance for this construction season; however, there are long lead times on equipment such as transformers and fiberglass bases and pedestals.

Rising costs for materials, equipment and fuel have been impacting BEC and other electric utilities. As a result, we're working more efficiently and harder than ever to hold down costs to meet our mission and provide you with safe, reliable and affordable electric service 24/7/365.

As always, thank you for your membership (and your patience), especially when the storms roll through. Enjoy a safe summer.

Off-Peak Adds Value Amid Concerns of Grid Reliability



Mike Birkeland
VP – Electrification
and Member Experience

Electric co-ops support, sustain and power rural communities, so the news about the possibility of “controlled power outages” (also called rolling blackouts) from the Midwest grid operator this summer is unsettling.

For the first time in my 30-plus years working in and around electric co-ops, we have been asked to identify essential, or critical, loads because the grid system operator is predicting a shortage of power supply this summer.

Controlled, periodic outages may be implemented in the coming months to protect the power generation and transmission system. If peak conditions occur, temporary, controlled outages would be utilized as a last resort to help balance the supply and demand of electricity in the Upper Midwest if we end up short on power supply.

Minnesota not immune

You might hear competing stories about why and how it’s come to this, but a primary factor is that many MISO (Midcontinent Independent System Operator) members have shut down baseload power plants that operated 24/7/365. Most plants mothballed in the last 10 years were retired before their scheduled end of life because of changing market dynamics, the addition of wind energy and decarbonization goals.

As a result, Minnesota is no longer immune to large-scale grid challenges like we’ve seen in Texas and California in recent years.

The grid is increasingly reliant on intermittent and weather-dependent power supply resources, such as wind and solar. If the wind doesn’t blow, and the sun doesn’t shine, power supply does not always match demand – especially on hot, humid summer days when air conditioning use drives the need for additional power supply. MISO’s peak demand for electricity typically occurs in the summer months during the hottest days of the year.

Closer to home, Minnkota Power Cooperative, BEC’s wholesale power supplier, operates reliable generation assets that are an important contributor to the MISO system. Minnkota provides a diverse mix of coal, wind and hydro, and more than enough generating capacity to meet the

demands of its member distribution co-ops like BEC.

But Minnkota does not operate on the grid alone. Utilities across the Upper Midwest are connected through MISO. Emergency events experienced in other parts of the MISO region can and do have impacts that affect the Minnkota system and BEC members.

“All of the above” solutions

“Stewardship of all resources entrusted to our care” is a core value at Beltrami Electric. Supporting a cleaner, more sustainable energy future will require thoughtful planning and utilization of wide-ranging technologies to maintain reliability and achieve significant carbon reduction.

It will also take a willingness by state and federal regulators to allow investments in carbon capture technology for existing power plants to ensure grid reliability along with environmental sustainability. Minnkota’s Project Tundra (an innovative carbon capture initiative) is an example of important technology improvements that will benefit reliability and sustainability goals.

The Midwest grid operator, MISO (the Midcontinent Independent System Operator), is a not-for-profit organization responsible for operating the power grid across 15 U.S. states and the Canadian province of Manitoba. For more information about grid reliability, visit [MISOenergy.org](https://www.MISOenergy.org).



Off-peak program information, energy-saving tips, and co-op rebate forms are available at <https://www.beltramielc.com>.




**VALUE OF
ELECTRICITY**

How can BEC members help?

BEC operates robust and effective off-peak heating, cooling and battery charging programs. By temporarily controlling electric heating, water heating and vehicle charging loads, BEC and its members can help shift electrical demand when other resources are limited or not available.



In the winter, cold-climate heat pumps (CCHP) absorb and transfer heat inside, and in the summer the units work in reverse, removing heat from the home.

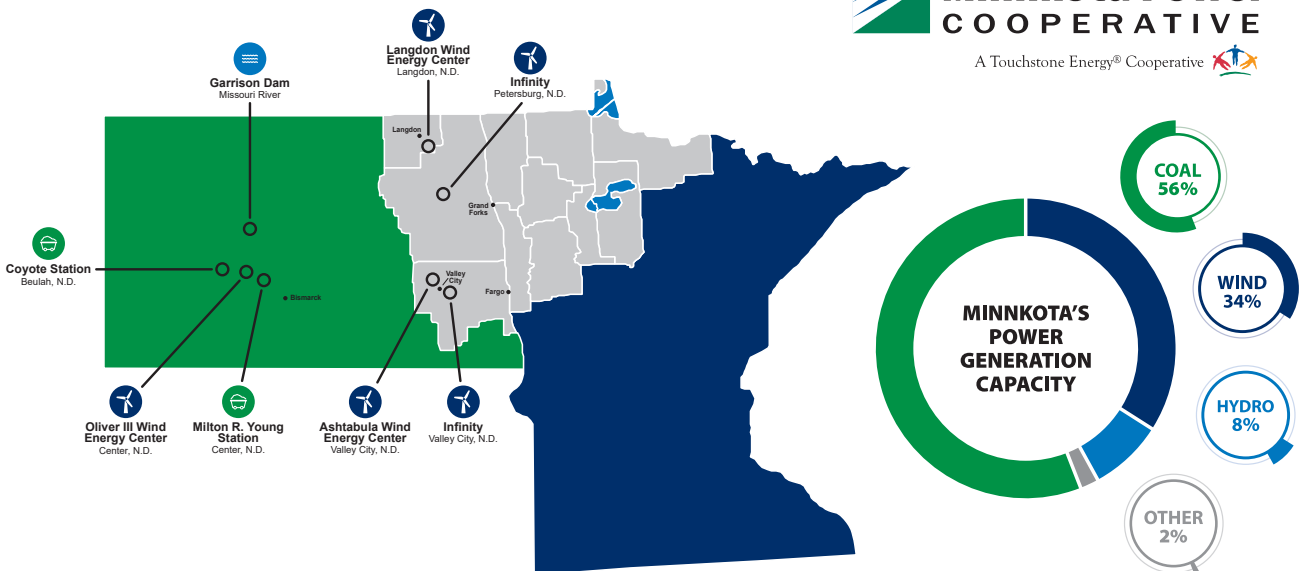
Off-peak programs also provide members with options that put money back in your pocket with co-op rebates that reward investments in energy-efficient technology and lower overall monthly energy use. That means more bucks in your bank account to pay other bills and cover other costs.

We also offer a generator program called Generlink™, a meter collar device that allows you to easily connect a small generator to your home during power outages. Generlink is a cost-effective residential option that provides backup power to key circuits in your home – along with peace of mind – when outages occur. More information is available at www.beltramelectric.com/generlink and on page 14 of this issue of Northern Lights.

If controlled power outages occur this summer, here's a "thank you" in advance for your patience and understanding while grid operators work out reliability, sustainability and affordability issues with regulators and politicians in the coming months, and quite likely, years ahead.

Where Your Power Comes From

Coal and wind provide the majority of Minnkota's energy capacity resources. About 56% of Minnkota's capacity comes from coal, while about 34% comes from wind. The Langdon and Ashtabula Wind Energy Centers are located in eastern North Dakota. When you include hydro, about 42% of Minnkota's generation capacity comes from renewables. The hydro allocation comes from the Garrison Dam in western North Dakota.



Consolidated Balance Sheet

As of December 31, 2021 & 2020

ASSETS

	2021	2020
WHAT WE OWN:		
In service	\$157,586,417	\$153,974,301
Under construction	2,494,976	198,159
Total electric plant	160,081,393	154,172,460
Less accumulated depreciation	(52,551,416)	(49,055,475)
Electric plant – net	107,529,977	105,116,985
OTHER PROPERTY AND INVESTMENTS:		
Investments in associated companies	8,182,738	6,388,530
Other investments	3,755,651	3,356,861
Total other property and investments	11,938,389	9,745,391
CURRENT ASSETS:		
Cash - general	4,452,804	5,851,494
Accounts receivable, less allowance for uncollectible accounts (2021 – \$159,702; 2020 – \$169,415)	6,722,901	7,660,788
Materials and supplies	1,171,633	957,912
Prepayments	271,525	174,932
Interest receivable	8,120	8,120
Total current assets	12,626,983	14,653,246
DEFERRED DEBITS:		
Deferred debits	852,793	1,123,967
TOTAL ASSETS	\$132,948,142	\$130,639,589



%

EQUITY

Equity is the amount of the cooperative assets the Beltrami Electric Cooperative members own.

- Our members' equity is 38.2% for 2021.
- Equity increased 1.65% over 2020.



ELECTRIC PLANT ADDED

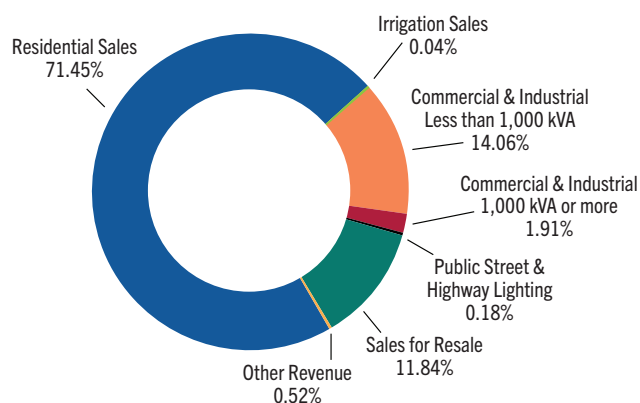
Your cooperative continues to grow.

- \$3.6 million of plant was added in 2021 with an additional \$2.5 million under construction at the end of the year.
- \$11 million has been added over the last 5 years.

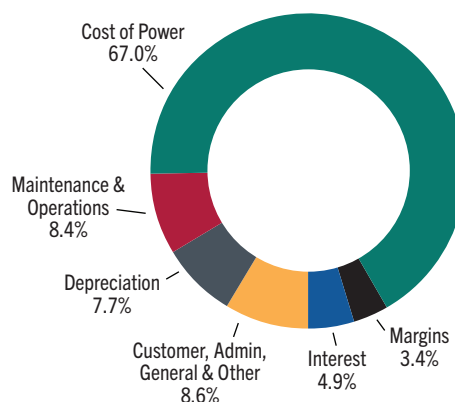
EQUITIES AND LIABILITIES

	2021	2020
WHAT WE OWE:		
Memberships	\$ 850,775	\$ 836,075
Patronage capital	26,964,984	24,567,883
Other margins and equities	22,976,701	22,339,567
Total equities	50,792,460	47,743,525
Long-term debt, net of current maturities and net of cushion of credit of \$5,153,595 for 2021 and \$5,001,301 for 2020	70,314,691	73,117,251
OTHER NONCURRENT LIABILITIES:		
Postretirement benefits obligation	404,711	412,994
CURRENT LIABILITIES:		
Current maturities of long-term debt	2,928,098	2,841,284
Current portion of postretirement benefit obligation	75,000	65,000
Accounts payable – general	1,160,742	560,074
Accounts payable to associated company-billed power costs	3,699,182	3,678,997
Customer deposits	755,895	836,720
Taxes accrued	228,005	224,839
Interest accrued	513,259	199,029
Payroll accrued	213,076	187,420
Accrued compensated absences	363,715	357,952
Other accrued	7,000	7,048
Total current liabilities	9,943,972	8,958,363
DEFERRED CREDITS:		
Customers' energy prepayments	1,382,765	296,313
Northern Solar subscriptions	109,543	111,143
Total deferred credits	1,492,308	407,456
TOTAL EQUITIES AND LIABILITIES	\$ 132,948,142	\$ 130,639,589

Where Operating Revenue Came From



Where Operating Revenue Was Spent



Consolidated Statement of Operations

	2021	2020
OPERATING REVENUE		
Electric	\$55,266,004	\$55,836,184
Other	295,469	101,031
Total operating revenue	\$55,561,473	\$55,937,215
WHERE IT WENT		
Cost of power	\$37,175,921	\$37,712,304
Distribution – operation	2,844,270	2,772,570
Distribution – maintenance	1,845,260	1,868,433
Customer accounts	1,449,374	1,405,693
Customer service and information	1,062,893	845,601
Sales expense	149,209	133,822
Administrative and general	2,072,829	1,884,756
Depreciation	4,271,094	4,146,049
Taxes	1,800	1,770
Interest on long-term debt	2,726,402	2,829,817
Other	54,917	50,118
TOTAL OPERATING EXPENSES	\$53,653,969	\$53,650,933
NET OPERATING MARGIN	\$ 1,907,504	\$ 2,286,282
NONOPERATING MARGIN		
Other cooperative capital credits	\$ 2,174,920	\$ 1,064,812
Merchandising, jobbing and contract work, less costs and expenses of (2021 – \$185,514; 2020 – \$163,337)	8,074	(9,729)
Rent of headquarters second floor, net of costs (2021 – \$123,402; 2020 – \$110,444)	18,627	13,254
Loss on disposition of property	154	(5,967)
Investment income	199,042	307,197
Cooperative Development LLC (net of income taxes)	388,081	(25,326)
Income tax benefit (expense)	(4,315)	34,977
Miscellaneous lease & maintenance income	1,788	1,756
Beltrami Electric Solar, LLC	(6,369)	(7,973)
TOTAL NONOPERATING MARGIN	\$ 2,780,002	\$ 1,373,001
NET MARGIN	\$ 4,687,506	\$ 3,659,283



RESIDENTIAL ELECTRIC USE

The average residential account used 1,165 kilowatt-hours (kWh) per month in 2021.

- Average electric use declined 2.9% compared to 2020.
- Average electric use has declined by 5% in the last 5 years.



RESIDENTIAL REVENUE

The average 2021 monthly residential bill was \$164.01.

- A 1.96% decline compared to 2020.
- The average residential bill has increased 1.95% annually over the last 5 years.

Independent Auditor's Report

The Board of Directors
Beltrami Electric Cooperative, Inc. and Subsidiary
Bemidji, Minnesota

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Beltrami Electric Cooperative, Inc. and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Beltrami Electric Cooperative, Inc. and Subsidiary as of December 31, 2021 and 2020, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brady Martz & Associates, P.C.
June 22, 2022

Operation Round Up® – Beltrami Electric Co-op Trust



Operation Round Up® is a charitable program that is designed to give co-op members a means of working together to use their small change to make a big impact in their local communities. Operation Round Up is just what its name implies. Each month, BEC “rounds up” the electric bills of participating members to the next highest dollar, with the additional cents going into the Beltrami Electric Cooperative Trust. The Trust board of directors, made up of five volunteers from our communities, meets twice a year to review applications and award grants.

Donations are tax deductible and participating members receive an annual summary of their contributions on their billing statement each January. Program guidelines, grant applications and a complete listing of grants awarded to date may be viewed on Beltrami Electric’s website.

Grants awarded since program inception in 2016: \$524,451







2021 BELTRAMI ELECTRIC TRUST BOARD MEMBERS

KAY MACK MIRIAM OSBORN-DOUGHERTY SHARON HADRAVA LEA PERKINS BARB SILER
(President) (Vice President) (Secretary/Treasurer)

**THANK YOU TO ALL OUR MEMBERS WHO SUPPORT
THE OPERATION ROUND UP PROGRAM...**

YOU are making a
big difference in our communities!

2021 REPORT

-  Average member contribution: \$3.51/yr
-  Member participation: 77%
-  Applications reviewed: 55
-  Applications approved: 48
-  Total funds requested: \$185,739
-  Grants awarded: \$99,334

Classifieds

Classified ads rules

- Ads are due by the first of the month prior to publication of the next issue.
 - Ads submitted between July 1 and August 1 will be published in September issue.
 - Ads submitted between August 2 and September 1 will be published in October issue.
- Ads may be submitted via our website at www.beltramelectric.com. (preferred)
- No real estate, rental, personal or commercial ads will be accepted.
- All ads must be 50 words or less and typed or printed clearly.
- Editor reserves the right to edit or reject any ad.
- Members may only submit one for sale and one wanted or free ad per issue.
- Ads are published at no charge as space permits on a first-received, first-printed basis, **with no guarantee your ad will appear.**
- Ads are only allowed to be repeated for **three consecutive months** and must be resubmitted each month.
- Include name and Beltrami Electric account number on all submissions.

For Sale:

'49 Ford 8N tractor. Live hydraulic, snow bucket, dirt bucket and back blade. 218-333-8830.

Adult, small adult and 3 kids' bicycles. Numerous antiques i.e., bubble glass sewing machine, 50's Maytag wringer washer. Call 218-759-9764 for prices and info. Leave message.

Purebred male yellow lab, 4 months old in need of his new forever home. He is up to date with his shots (except rabies). He is a good-looking pup, healthy, energetic, loves humans. Asking \$350 for him. If interested, please contact nkraitz@yahoo.com for more info. Thanks.

Presto pressure cooker, \$25. 1 dozen pint jars, \$5. 2 dozen jelly jars, \$5. Sterns youth and child life jackets \$5 each. Cross country skis, poles, boots, \$25. 218-556-5642.

Log splitter/Honda motor. Splitter is a Work Horse. \$950/obo. 218-759-9339 or 218-766-0659.

ATV heavy hauler (32" x 36"), \$200. Hydraulic lawn tractor lift, \$100. Minn Kota front mount (auto pilot 55 thrust) motor, \$100. 10' wooden ladder, \$50. 218-760-0718.

Stand-up walker, perfect condition. Adjustable elbow height of 38" to 45". Holds up to 400 lbs. 24" center to center of elbow width. Outside wheel width is 29". Collapsible: fits in trunk or backseat. Seat rest and large zippered storage compartment. Comes with original owner's manual. \$150/obo. 218-766-1837.

Rabbits for sale. 218-308-5712.

1970 HERTERS Wilderness 15' fiberglass canoe. Good condition. \$500. Text 218-766-1289.

Selling three metal snowboarding rails. One "C" rail and two straight rails. Perfect for your at-home terrain park. \$75 each or all three for \$150. Call or text Matt at 218-368-0737.

Darton SL50 compound bow, 45/60#, 29 1/2" - 31" pull, Mongoose 3 pin site, stabilizer, quiver, a few target arrows, bow sleeves, cloth case (torn). \$75. 218-760-3614 leave message.

Petmate Pet Porter, \$40. Insulated kennel jacket, \$35. Foldable shooting bench, \$70. Dogtra collar dog training system, 2-dog unit, \$95. 218-586-2662.

2 barrel pumps for 55-gallon drums. Both are NOT explosion proof. One has a Dayton motor, model 2M145, 1/2 hp, 10,000 RPM, \$305. Other one is a Thompson pump with a Bauknecht 1/4 hp, 3,470 RPM motor, \$285. Cash only. 218-759-1433.

Stevens, 94E, 20ga, 3", 28" barrel, made by Savage Arms Westfield MA USA. New England Firearms, Pardner, 12ga, 3", Mod choke, 27.5" barrel. Gardner MA, USA. Both shotguns are brake action single shot, in excellent condition and include a firearm bill of sale. \$150 each. 218-556-3041.

4-215/55 R17 Firestone tires, \$60/obo. 3 round oak tables, make offer. 218-766-9587.

Rabbits with cages. 218-556-5721.

31 duck decoys, all with lead neck weights, 2 mesh carry bags, extra neck weights, tan hunting vest, duck call, \$120. Game calls: goose, crow, etc., \$10. Luggage: suitcases, back packs, totes, field bags. Canning jars for hot water bath or pickles, 50 cents. Walleye fishing lures, \$5. 218-586-2884.

WeatherTech pet ramp, brand new, never used. Paid \$110, asking \$75. 218-368-1643.

New 24-inch adult Sun tricycle, paid \$490, asking \$400/obo. Not as young as I thought. Contact Colleen at 218-308-4162.

'55 Sunliner conv., excellent condition, power windows, top, seats, steering, brakes. Continental kit. \$35,000. '50 Chevrolet Deluxe conv., all original, believed to be 52K original miles, original spare tire still in trunk, has all available accessories, \$35,000. Pictures available. Cash only. 218-760-1095.

Pattern Makers vise, Emmert K-14, \$175. Good and serviceable vise, lacks tilt bar, has solid repair to mount flange. Message 218-391-8204.

Hewitt 1500 aluminum boat lift with canopy and cover. New: wheel winch, cable, bunks. 100"Wx110"L. \$850, valued over \$1,250. Ideal for small boat/jet ski. 48" patio dining table, umbrella and 4 armchairs. Outdoor sling PVC-coated polyester, brown metal frame chairs, weather resistant. Modern furniture for backyard. \$295/obo. 320-583-0471.

2002 enclosed cab 753 Bobcat with less than 4,000 hours. Includes bucket, forks, and heavy-duty grapple, \$18,000. #345 John Deere garden tractor with tiller, snow blower, and new 54" mower deck. 22-toon wood splitter in very good condition. 2133 Roosevelt Rd SE. 218-214-2295.

Wanted:

Small section of dock for our pond, please call 218-835-7484.

50-75 hp tractor with loader preferred, smaller is okay too. Smaller farm machinery; plow, digger, drill, hay rack etc. Utility trailer 4x6 or similar size. Call or text 218-407-2500.

Looking for patron in Walker area who responded to my ad in this magazine last summer looking for a used boat trailer to purchase. I misplaced and can't find your contact information. Please call Virg at 1-701-213-6866. Thank you.

Free dog toys and/or balls. 218-556-2743.

Free:

Box of "Line Chaser," MN Street Rod Association magazines/2021-2022. Text 218-766-1289.

120 antique player piano music rolls dating back as early as the 1910's. 218-760-6913.

Small jars (4-6-oz), perfect for freezer jam gifts. 218-586-2884.

Free to good home, kittens! Born June 15. Will be ready to go Aug. 1. Mom is very friendly around adults, children and dogs. Also, a great mouster. 218-991-2023 call/text.

Redwood lawn furniture 218-751-7220.

Shallow water well pump for a well. 218-751-6374.

Board Highlights

Beltrami Electric's board of directors conducted its regular monthly meeting Wednesday, June 29, 2022. A quorum of directors was present.

- President and CEO Echtermach and the board discussed recent safety successes and observations.
- Rich Riewer presented BEC's retired service process.
- President and CEO Echtermach made his monthly report, including economic development in our service territory, legislative issues affecting the cooperative, employee updates, district meetings held recently and the CFC Forum.
- Jolene Kallroos, manager of member services, presented the Red Flags report and reviewed our identity theft prevention processes.
- Mike Birkeland and Angela Lyseng updated the board on the upcoming annual meeting.
- Arlene Hogquist presented the May financial report.
- Arlene Hogquist presented the annual financial forecast.
- Rick Coe reported on Minnkota Power Cooperative.
- Rick Coe reported on MREA.
- Directors and the president and CEO reported on meetings attended.
- Bob Wallner and Sue Kringsen reported on the district meetings.
- Chair Lund appointed Mike Monsrud as the voting delegate and John Lund as the alternate to National Rural Electric Cooperative Association (NRECA).

The following actions were taken:

- Approved the consent agenda.
- Approved the director fees and expenses and president and CEO expenses.

The next board meeting will be held Wednesday, Aug. 31, 2022.

SAFELY connect a portable generator to your home with

When you have lost power, a portable generator can temporarily provide needed electricity. However, it may present serious hazards if not used properly.

NEVER plug a portable generator directly into your home. This can cause electricity to feed back through your home onto the utility's system. This "backfeed" can be deadly for lineworkers working on lines that they believe are off and anyone near downed power lines.



The GenerLink is a 200 amp UL listed transfer switch to safely connect a generator to your home.

Contact BEC to ensure you purchase a generator that works with GenerLink and that can provide the amount of power you expect to need during an outage.

Beltrami Electric Cooperative's technicians will install the device at your electric meter.

GenerLink allows you flexibility and control to select what you want to run using your home's circuit panel.



Stop in to our office or call us at 218-444-2540 for more information and current pricing.

82nd Annual Meeting Registration Slip

Win a DEWALT Electric Trimmer/Blower Set!

Present this coupon at the registration table under the Beltrami Electric tent (*with pre-printed address on reverse side*) during Beltrami Electric Cooperative's annual meeting Wednesday, Aug. 10, 2022, Beltrami County Fairgrounds, to be eligible to win!

No substitute coupons will be accepted. Members need not be present to win.



Beltrami Electric's Night at the Fair Events!



4 p.m. - 7 p.m.

BUCKET TRUCK RIDES – See the fairgrounds from a lineworker's view in the bucket of a line truck (weather permitting).



4 p.m. - 6 p.m.

REGISTER FOR THE MEETING

– Receive BEC Food Bucks to use at participating food vendors (valid 4:00 - 8:00 p.m. Wednesday only).



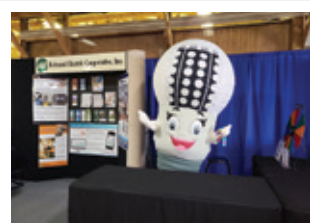
4:30 p.m. - 5:30 p.m.

MEET LED LUCY AND SOLAR SAM – Kick off your night at the fair and make sure to meet LED Lucy and Solar Sam.



4:30 p.m. - 6:15 p.m.

LIVE HIGH-VOLTAGE DEMO – Watch our trained professionals give a safety presentation with high voltage (weather permitting).



6 p.m. - 8 p.m.

VISIT THE BEC BOOTH IN THE COMMERCIAL BUILDING –

Say hello, learn more about your co-op and check out the fun photo booth.



6:30 p.m. - 8 p.m.

FREE CONCERT IN THE GRANDSTAND – Featuring Poppa Bear Norton, America's #1 Daredevil Country Duo.

Plan to Attend the 82nd Annual Meeting

Wednesday, Aug. 10, 2022

**Beltrami County Fairgrounds
Marilyn Shutter Stage | Bemidji, Minn.**

**Bring your registration prize drawing slip from
this issue of the Northern Lights to enter into
a drawing for a DEWALT 20V electric trimmer/
blower set.**



Annual Meeting Agenda

4 p.m. to 6 p.m.

- Registration for meeting
- Turn in your registration prize drawing slip

5 p.m. to 5:45 p.m. Business Meeting

- Welcome
- Pledge of Allegiance & Invocation
- Call meeting to order
- Approve minutes
- Introduction of directors
- Election process
 - Introduce director candidates
 - Call for voice vote
 - Election results
- Operation Round Up® report, Kay Mack, *president, Beltrami Electric Cooperative Trust board*
- 2022 Youth Tour delegate, Ashley Pirkl
- Financial report, Arlene Hogquist, *director of Finance and Corporate Services, Beltrami Electric*
- CEO report, Jared Echiernach, *president and CEO, Beltrami Electric*
- Adjournment of meeting

**Thank you for attending your co-op's
annual meeting. Our mission is to
serve. Our priority is you!**