

Beltrami Electric Cooperative's 75th Anniversary



Annual Report 2014

NORTHERN LIGHTS June 2015



**Beltrami Electric
Cooperative Inc.**

® Your Touchstone Energy® Cooperative 

75th Annual Meeting and Open House
Beltrami Electric Cooperative Headquarters

June 24, 2015

Annual Meeting Program

NORTHERN L I G H T S

Northern Lights (USPS 016488), Vol. 62, No. 6 is published monthly by Beltrami Electric Cooperative Inc., 4111 Technology Drive N.W., Bemidji, Minnesota 56619-0488. Subscription rate \$5. Periodicals postage paid at Bemidji, MN 56601.

Postmaster: Please send address corrections to Beltrami Electric Cooperative Inc., P.O. Box 488, Bemidji, Minn. 56619-0488.

Office Hours: 8 a.m. to 4:30 p.m.
Monday – Friday

Customer Service: 218-444-2540
or 1-800-955-6083

www.beltramielectric.com

Board of Directors

President	Rick Coe, DISTRICT 6 (Square Butte Director)
Vice President	Jeff Nelson, DISTRICT 3
Secretary	Murl Nord, DISTRICT 1
Treasurer	Judy Honer, DISTRICT 9
Directors:	Lea Perkins, DISTRICT 2; Jerry Larson Sr., DISTRICT 4; Robert Wallner, DISTRICT 5; John Lund, DISTRICT 7; Terry Difley, DISTRICT 8 (Minnkota Director)
General Manager/CEO	Lynette Nieuwsma
Editor	Angela Lyseng

Minnesota State Electrical Inspectors

Beltrami and Clearwater Counties

Davis Smid

507-227-2772 - mntristate@gmail.com

Cass and Hubbard Counties

Steve Schauland

218-652-2213 or fax 218-333-0451

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 fax or email as indicated.

Gopher State One Call

1-800-252-1166 or call 811

Anyone who is planning 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 line, television cable, pipelines, electrical lines, water lines and sewer lines can be located to ensure that none will be severed or damaged.

Wednesday, June 24, 2015

Beltrami Electric Cooperative Headquarters
4111 Technology Drive NW, Bemidji, Minn.

3:30-7:00 p.m.

Open House Celebration!

Facility Tours.....Map provided

Door Prizes BEC Garage
(Winners to be drawn and notified later in the week)

BEC 75th Anniversary Cookbook..... BEC Garage
(One per membership – must attend open house to receive a copy)

Picnic Lunch Stittsworth Meats

History displays, 75th anniversary video..... BEC Garage

Children's Carnival.....Activities tent with games,
4-H petting zoo, dog agility demonstration, bouncy house,
Dress-A-Pony, equipment rides/demonstrations,
popcorn and cotton candy, duck pond, minnow races,
and LED Lucy and CFL Charlie will be here!

3:30 p.m. Business Meeting (Roger Spiry Community Room)

Invocation and Pledge of Allegiance..... Judy Honer, Director

Welcome and Call Meeting to Order..... Rick Coe, President

Appointment of Tellers..... Rick Coe, President

Introduction of Candidates, Last Call for Ballots Gerad Paul, Attorney

Reading of Official Notice of Meeting, Proof of
Mailing and 2014 Annual Meeting Minutes..... Rick Coe, President

Introduction of Directors, Special Guests..... Rick Coe, President

Financial Report Sid Sletten, Director of Finance
and Member Services, Beltrami Electric

CEO Report.....Lynette Nieuwsma, CEO/General Manager,
Beltrami Electric

Announcement of Election Results Gerad Paul, Attorney

Adjournment of Meeting

Dedication

This annual report is dedicated to the Cooperative's first leaders – for their vision and quest for a better way of life, for their determination in convincing others that investing \$5 in an electric cooperative was a risk worth taking, and not being deterred by the extreme challenges they faced along the way. Your perseverance, your example and your work to get Beltrami Electric Cooperative built are an inspiration to all who have benefited from your efforts.



Current Board of Directors



Back row (from left to right)

- Murl Nord**..... Secretary, District 1
- John Lund**..... Director, District 7
- Jerry Larson Sr.**..... Director, District 4
- Robert Wallner**..... Director, District 5
- Jeff Nelson**..... Vice President, District 3

Front row (from left to right)

- Lea Perkins**..... Director, District 2
- Rick Coe**..... President, Square Butte Director, District 6
- Terry Diffley**..... Minnkota Director, District 8
- Judy Honer**..... Treasurer, District 9

Former Directors

Ben Goranson 1940-1947	Aaron Lewis.....1954-1960	Conrad Nelson.....1968-1975	Terrance Clairmont 1983-1989
John Wolden.....1940-1947	Arthur Johnson1954-1962	Loren McHenry1970-1971	Peter English1984-1987
1947-1954	Roy Olson.....1954-1963	George Suther.....1970-1976	Robert Paine.....1985-1997
Charles Moller 1940-1942	Max May.....1959-1960	1977	Jack Hun.....1986-1994
Peter J. Welter.....1940-1947	1962-1965	Albert Pederson.....1970-1976	Nels Hagen.....1986-1998
1951-1954	Danvy Wingren1959-1966	Clarence Hart1971-1977	Stuart Desjarlait.....1987-1994
Emil Gustafson 1940-1947	Arthur L. Drusch1960-1962	Roman Hentges.....1972-1978	Arnold Christianson 1986-1988
E.E. Schulke1940-1941	Milo Shipman.....1960-1962	1984-1990	2000-2012
John A. Engberg 1940-1954	Aslak Haugo1961-1964	Reuben Bock.....1972-1978	Bill Ohnsted1988-1997
Lilly Bakkum1940-1947	Frank Mistic1961-1964	Frank Yerbich.....1973-1979	Richard Haugo.....1988-2000
Alma Gerlinger.....1940-1944	Alvin Peterson1962-1966	James Moen1974-1980	Evelyn Hadrava1989-2001
Elvin T. Johnson 1941-1947	Rudolph Locken.....1962-1968	Peder O. Christianson 1976	Clarence Lindseth.....1990-2002
Carl Winger.....1942-1947	Lawrence Brook.....1963-1964	1977-1986	Edward Perkins1994-2002
Estella Winch.....1944-1947	1981-1987	Peter J. Meyer1977-1980	2005
Ole Moe1947-1950	Rodney Benson1964-1967	Axel Sorenson1977-1981	Charles Conway1994-2003
Rudolph Cloose1947-1951	John Cronemiller1964-1968	1987-1990	Adrian DeVries1997-2009
Albert Swenson 1947-1953	Oscar Williams.....1964-1970	Marion Edwards.....1977-1983	Dennis Zeto2001-2004
1959-1965	Lyman Schmidt.....1964-1970	Jerry Larson.....1978-1984	Barbara Beaulieu.....2002-2005
1971-1977	1976-1982	1990-2002	Randy Johnson.....2002-2007
W.A. Murphy1947-1954	Harold Singer.....1965-1971	Adolph Barrett.....1978-1984	Jack Swenson2002-2011
Vaner Tangborn 1947-1961	Glen Johnson1965-1971	Vance Jackovich.....1979-1985	Jack Frost.....2003-2004
James Mistic.....1947-1961	Clarence Gilstad.....1966-1972	Emmet Weidenborner 1980-1986	Frank Zentek2004-2012
Lyle J. Powell.....1947-1964	Bernard St. Peter.....1966-1972	1998-2010	
Gust Johnson 1950-1959	Peter Mistic.....1967-1970	Clarence Crosby.....1980-1986	
Clarence Larson 1953-1959	1971-1973	Lyle Robinson 1982-1988	
Stanley Engberg 1954-1959	Charles Powell.....1968-1974	1997-2009	

Report to the Members



Rick Coe
Board President

Lynette Nieuwsma
CEO/General Manager

By all accounts June 20, 1940, was the birth date of Beltrami Electric Cooperative, when a small group of people met at the Beltrami County Courthouse to sign incorporation papers. These first articles of incorporation read, “We, the undersigned persons of full age, acting for ourselves as individuals, for the purpose of forming a cooperative association...” That is what a cooperative

is all about. So simply and accurately stated that individuals came together to help themselves provide what they could not do individually. Today, 75 years later, we celebrate the success of that action. These early incorporators went door to door to sell \$5 memberships with an early membership count of 321. What would they think today to see the project they worked so hard to get started grow to almost 17,000 members? We have no doubt they would be proud of this cooperative’s history.

Beltrami Electric has been blessed with growth through most of its history. However, the early years were tough as agriculture was hit hard and net out-migration from 1950-1960 reached 20 percent. Leaders did what was needed to survive those times. Following the 1960s, steady growth helped the cooperative expand and improve its distribution plant. We experienced load growth at about 2 percent per year throughout the 1990s and up through 2006. That growth peaked in 2006 when we added 650 new services. However, in 2008 the recession hit and we once again had to adjust our business due to the declining number of new services. At that time we also had to deal with the shutdown of the Ainsworth plant, which was a significant load and revenue loss for the cooperative.

In the late 60s and 70s, underground distribution became popular. The first underground cable available was not of high quality and pre-maturely had to be replaced. Today our system consists of more than 70 percent underground. Underground (or the absence of overhead) is pleasing to the eye and most would say to the environment too. But it does come with a cost, including both a higher cost to install and a higher cost to repair, compared to overhead lines. During our last big outage, the storm at the beginning of July 2012, we were thankful for the amount of underground we have.

We have seen many significant accomplishments over the past 75 years. A significant program that started in 1977 was the load management program. Back then it was called “ripple” and to this day the name still sticks for some of our members. This program has saved our members millions of dollars since its inception. Minnkota’s load management program was one of the first in the country and continues to be one of the most successful.

Another accomplishment is the great improvement in system reliability. Outage numbers have steadily been reduced

as we put in place programs to inspect line, test poles and, most importantly, clear a wider right of way. That hasn’t always made members happy, but then again neither do outages.

Ensuring financing for the cooperative’s \$132 million in current assets at attractive interest rates is key to keeping rates affordable. Rural electrification would not have happened without REA loans. In 1940, an application for a loan of \$250,000 was approved, allowing us to start the process of receiving bids for the construction of the first lines to deliver electricity to the rural areas. However, by 1969 REA could no longer provide significant funding, so as a result cooperatives joined together to form the Cooperative Finance Corporation (CFC), to provide supplemental financing. In 1997, it became advantageous for Beltrami Electric to buy out our loans from the REA loan program. However, in 2010 we again returned to the Rural Utilities Service (RUS, formerly REA) when we could receive the lowest interest rate loan in our history.

One of the things we have always done well as cooperatives is work together with other cooperatives. National Rural Electric Cooperative Association (NRECA) and Minnesota Rural Electric Association (MREA) provide legislative, safety and educational services. We have a long list of acronyms for cooperative organizations that provide us with software solutions, financing and other services and products that we can’t economically obtain on our own.

Through our membership in Minnkota Power Cooperative, along with 10 other distribution cooperatives in northwestern Minnesota and eastern North Dakota, we have ownership in Minnkota’s generation and transmission facilities to reliably meet our energy needs. A major investment in renewable energy has been made by Minnkota since 2007. Wind now makes up 29 percent of the energy capacity resources we purchase from Minnkota.

Our cooperative has faced many challenges over the years: from the shortage of conductor during World War II, which brought building line to a halt, to the biggest challenge more recently of facing significant wholesale rate increases. While rates have been stable the last few years, we are well aware of how vulnerable we are to federal and state regulations. Members have seen the impact of these regulations on their monthly electric bill. The rate increases starting in 2008 are a direct result of major requirements, all coming from federal or state regulations or legislation. The two biggest being 1) \$425 million in environmental upgrades to the generation facilities to meet EPA requirements and 2) the Minnesota Renewable Energy Standard passed into law in 2007 requiring 25 percent of energy sold to come from renewable sources. Another more recent investment for Minnkota is the completion of a 250-mile high-voltage transmission line that was built from Center to Grand Forks, N.D., in 2014. The \$353 million cost of this line is a significant portion of the 5 percent Minnkota wholesale rate increase in April 2015.

2014 year in review

We are pleased to report that the highlight of 2014 was that we once again had a year of stable rates. Sales were up in 2014,



resulting from an early start to the winter in November, followed by extreme cold temperatures. Due to a Minnkota billing date change that brought more days of revenue into 2014, and a strong financial year, the board approved two year-end adjustments. The first was to write-off 50 percent of our end of life automated meter reading system, with the rest to be written off over the next three years. We are currently evaluating newer technology systems with a pilot program expected in 2015. The second adjustment was to defer \$500,000 to be used to offset a portion of the 5 percent Minnkota wholesale rate increase in 2015.

We recognize the impact of the wholesale power increases on our members' bills. Hopefully not lost in that is the fact that Beltrami Electric Cooperative has done a very good job of holding distribution costs down.

In early 2015, the board approved a capital credit retirement of \$1.2 million, the largest in the cooperative's history. To date the cooperative has retired \$19,608,191 in capital credits to our members.

We built 262 new services in 2014. This has only varied by a few services the last few years and appears to be the new norm. With the number of new individual services being built, we have taken this opportunity to replace failing underground, build tie lines and boost our infrastructure for increased reliability. The cooperative's electric distribution plant is in good shape. That does come at a cost, as you will see under our statistics that both our investment per member and debt per member have increased. A piece of good news is that our interest rates have decreased through lower interest and refinancing efforts.

What does the future hold?

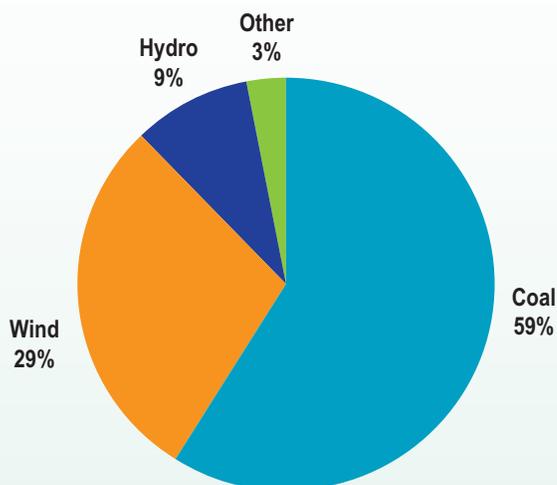
The electric industry is changing on what seems to be a faster pace than years past. Increased regulation, distributed generation and new technologies are just a few of the things that will continue to change how we provide services to our members. We will no doubt need to be more innovative to meet our members' needs. In 2015, we will be looking into the viability of providing a solar garden to our members. In the next 25 years, the cooperative will continue to meet new

challenges, but we are certain our core values of accountability, integrity, innovation and commitment to community will see us through. We have and will continue to make a difference in the lives of our members, bringing them the benefits of working together through cooperative membership that began 75 years ago.

We want to honor and express our appreciation to existing and past employees, directors and leaders of Beltrami Electric Cooperative. Today we celebrate our rich history and proud tradition. We are grateful to serve you.

Cooperatively yours,
Rick Coe, *Board President*
Lynette Nieuwsma, *CEO*

Minnkota Energy Resources



Beltrami Electric Cooperative distributes a diverse supply of electricity generated from coal, wind and water.

Managers of Beltrami Electric Cooperative



M.B. Taylor
1941-1947



Earl H. Larson
1947-1982



Don Anderson
1982-1989



Roger Spiry
1989-2006



Lynette Nieuwsma
2006-current

2014 Annual Meeting Minutes

The annual meeting of the members of Beltrami Electric Cooperative Inc. was held at Bemidji High School in Bemidji, Minn., on Thursday, April 24, 2014, commencing at 7 p.m. Rick Coe presided as chairman.

The following directors were present: Murl Nord, Judy Honer, Lea Perkins, John Lund, Rick Coe, Jerry Larson, Jeff Nelson and Bob Wallner. Director Terry Diffley was absent. The chairman asked all to stand for the national anthem and invocation. Lara Hicks led the group in singing the national anthem. Director Judy Honer gave the invocation.

The chairman called the meeting to order and announced that a quorum was present with 136 registered voting members present. The reading of the official Notice of the Meeting and Proof of Mailing was dispensed by motion made, seconded and carried. A motion was made, seconded and carried to approve the minutes of the last annual meeting held April 26, 2013, as mailed to the membership.

The chairman introduced the current directors and recognized past directors in attendance. The chairman then appointed Attorney Gerad Paul as parliamentarian of the annual meeting and stated that the meeting will be conducted according to Robert's Rules of Order. The chairman temporarily appointed Attorney Paul to conduct the director election. Attorney Paul introduced the director candidates, one from each district.

Attorney Paul noted that the bylaws allowed for a waiver of the formal balloting requirement and asked for a motion from the floor to declare all three candidates elected to serve their respective districts. Upon motion made, seconded and carried, Attorney Paul then announced the election of Lea Perkins, Jerry Larson and Rick Coe as directors of Beltrami Electric Cooperative. The meeting was then turned over to Chairman Coe.

Door prizes were given out at intervals throughout the meeting. The chairman recognized Jenna Thompson of Bemidji, who was selected as the Youth Tour delegate to Washington, D.C.

Sidney Sletten, Beltrami Electric Cooperative director of finance and member service, gave the annual financial report.

Manager Nieuwsma and Chairman Coe gave a report on the electric industry and Beltrami Electric Cooperative.

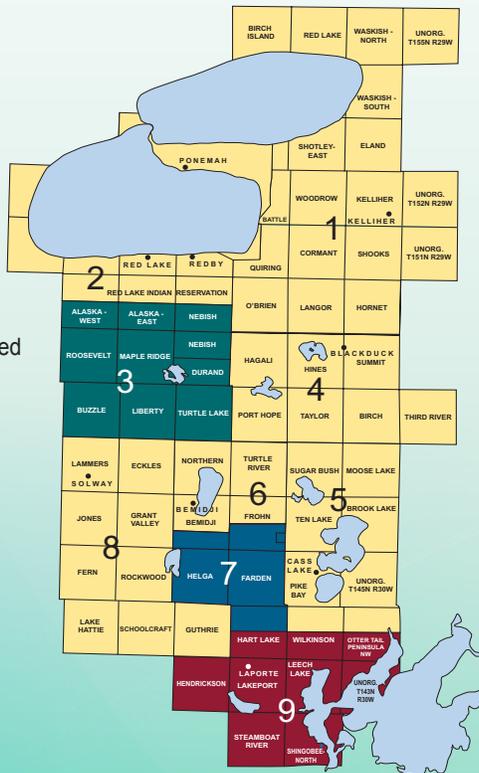
The chairman introduced Mr. Darrick Moe, the new general manager of the Minnesota Rural Electric Association, who addressed the membership on various utility issues.

The chairman then called for any unfinished business. There was none. The chairman then called for any new business. There was none.

There being no further business to come before the board, on a motion made, seconded and carried, the meeting adjourned at 8:15 p.m.

District Map and Sample Ballots

Highlighted areas denote 2015 election districts.



Beltrami Electric Cooperative Inc.
Your Touchstone Energy® Cooperative

2015 Official Ballot

NOTICE: Please return your ballot in the enclosed envelopes. Your ballot must be received by mail by 9:00 a.m. on June 24, 2015 at Survey & Ballot Systems Inc. or submitted in person at the annual meeting starting at 3:30 p.m. on June 24, 2015 at Beltrami Electric Cooperative.

You may vote for one candidate in each district

Marking instructions

- Use black or blue ink or a No. 2 pencil
- Fill circles completely
- Erase changes cleanly
- Make no stray marks on this form

District 3 Three-Year Term	<input type="radio"/> Jeff Nelson (incumbent)	6	nomination votes received
Vote for one candidate	<input type="radio"/> Charles Parson	8	nomination votes received
District 7 Three-Year Term	<input type="radio"/> John Lund (incumbent)	12	nomination votes received
Vote for one candidate	<input type="radio"/> Robert Saxton	5	nomination votes received
District 9 Three-Year Term	<input type="radio"/> Judy Honer (incumbent)	27	nomination votes received
Vote for one candidate			

Director Candidates



District 3, Jeff Nelson (Incumbent)

Jeff Nelson has served on the Beltrami Electric board of directors since being elected in 2009. He currently holds the position of vice president. He is a retired physical education teacher and currently holds the title of the Bemidji High School girl's golf coach, where he is in the middle of his 28th year. Jeff and his wife, Kerry, have two grown children and reside north of Bemidji.

What qualifications do you possess that would make you a good choice to represent the members of Beltrami Electric on the board of directors? "The future of our co-op faces several challenges. There will be a change in the CEO due to the retirement (sometime in 2016) of Lynette Nieuwsma, and the selection of a new CEO is critical. The implementation of our solar project, as well as the need to keep our rates affordable and our electricity reliable are continued concerns. As a certified director with six years of service, three of those as vice president, I have the training, expertise and commitment necessary to help meet these challenges facing our cooperative."



District 3, Charles (Charlie) Parson

Charlie is a retired college professor, having taught various aspects of geography, climatology and planning at Bemidji State University for 28 years. He holds a B.S., M.S., and Ph.D in geography. He is an active member of our community, volunteering with several organizations, including the Buena Vista Ski Patrol and the Lake Bemidji Dragon Boat Festival. Charlie and his wife, Jill, enjoy caring for their four grandchildren as well as helping their parents.

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 have served on boards where there were major financial and policy issues, and was told that I helped bring sides together to reach an agreement. My habit is to listen to all sides before reaching a conclusion and then to encourage steady, strategic progress toward defined goals. I understand that the board works to support the co-op manager/CEO and to represent the directors' constituents in their respective districts. It would be an honor to represent District 3.



District 7, John Lund (Incumbent)

As a Bemidji native, John has been a consumer of Beltrami Electric his entire life. He is a graduate of both Bemidji High School and Bemidji State University. John and his wife, Mary, have lived in District 7 for the past 15 years. He is currently a school bus driver with the Bemidji School District, a self-employed carpenter and has served on the Beltrami Electric board of directors since 2012.

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 believe that I am a good choice to represent the members of Beltrami Electric Cooperative because of my past three years serving on the board of directors, in addition to two terms on the Beltrami County board of commissioners and my industrial technology degree from Bemidji State. I have taken every opportunity to learn more about how to be an effective board member by attending all board of director meetings. I have toured our Minnkota generation and transmission facilities and completed the five courses in the Credentialed Cooperative Director series. As a member of the Beltrami Electric board, I will make educated decisions and endeavor to keep the cost of power low for our members."



District 7, Robert Saxton

Robert lives in Bemidji with his wife, Suzanne, and their three children. He holds a B.S. and M.S. in education. He is a writer and active member in our community. Robert is a licensed EMT and volunteers with the local First Responders. He has also worked with the Bemidji Community Theatre, and loves being on stage with his children and playing music with them. As a family, they have learned both the art of ricing and making maple syrup. Robert also enjoys traveling and spending time in the great outdoors.

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 good study and creative. I am not afraid to dig into subjects and enjoy thinking outside the box. I am passionate about our environment and the roles both energy production and consumption play in its health and preservation."



District 9, Judy Honer (Incumbent)

Judy Honer was first elected to the Beltrami Electric board of directors in the spring of 2009. She currently holds the position of treasurer. She graduated from St. Benedict's High School in St. Joseph, Minn., and has held jobs at Northern States Power, Dakota Clinic and at her husband's business, John's Backhoe Service. They have two sons, Cory, who has taken over their business, and Kurt, who works for Michels Corporation, a contractor for the Enbridge pipeline. Judy and John have been married for more than 50 years and reside in Laporte.

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 feel that my six years of experience on the Beltrami Electric board has given me the ability to make sound decisions that are in the best interest of the cooperative and its members. I will continue to work to keep the rates affordable for our membership."

Celebrating 75 Years!

President Franklin D. Roosevelt signed the New Deal in 1935, which included the Rural Electrification Act (REA) to provide funding for electric cooperative projects.

In the early 1940s rural electric cooperatives started springing up all across the United States and finally brought light to the countryside. It is still the same today as it was then, the cooperatives were organized to provide electric service to rural areas and provide this service at cost – not to make profits. Each member owns a single share or membership in their cooperative and each one has a right to one vote at the annual meeting to elect the board of directors, who works closely with the manager to run the cooperative and other business matters. The first memberships were sold at a charge of \$5, and to many of the people in the area who were hard pressed financially, it seemed like a steep investment. That \$5 would be the equivalent of \$85 today; however, our current membership fee is only \$50.

Inside the *Bemidji Pioneer's* June 13, 1940, edition, you would have found a small headline that read: "NEW RURAL ELECTRIFICATION PROJECT CONTEMPLATED." This small article caught a lot of attention from people in Bemidji and the surrounding areas, as it urged "All persons interested in the establishment of the new Beltrami County project, which would be independent of the Itasca-Mantrap project and would be known as Beltrami A. Project No. 96" to attend the meeting that next night.



On Friday, June 14, 1940, at 8 p.m., a group of people met at the Beltrami County Courthouse in Bemidji and moved forward with their plans to organize a new electric cooperative. Addressing the meeting was Ralph Rice, of Washington, D.C., a member of the examining division of the Rural Electrification Administration, through which the proposed project would be sponsored. Also in attendance was George Taus of Park Rapids, who was the project engineer for the Itasca-Mantrap cooperative association. The Beltrami County Agricultural agent at the time, M. B. Taylor, was instrumental in setting up this initial meeting. He sent out 200 invitations to people he considered leaders of their respective communities. We wonder how he felt as he looked out over the room of 200 people, to see that there was

almost a 100 percent response to his letters. With a vote that evening, it was clear – people wanted electricity. That following Monday, an incorporating committee was formed.

The list of incorporators of Beltrami Electric was unique in that it included two women: Mrs. Arnold (Lilly) Bakkum and Mrs. Alma Gerlinger, both of Bemidji. This was something the REA administrators had been urging for a long time – to have women representatives on the board of directors. However, with the exception of the Beltrami board and Wild Rice Electric Cooperative at Mahanomen, none of the other electric cooperatives had taken the administrators' advice. Joining them on the board were Ben Goranson, John Wolden, Charles Moller, Peter Welter, Emil Gustafson, E.E. Schulke and John Engberg. These people worked hard, giving much of their time and energy to sign members up for service. They were determined to bring electricity to every rural family in the county who wanted it. They encountered many discouraging times, including World War II, but they just plain hung in there and got things going. We often wonder how they would feel if they could see the "little" project they worked so hard to start as it is today. We feel confident they never dreamed it would grow from 321 members on July 22, 1940, to almost 17,000 members as we have today.

M. B. Taylor, who was thoroughly familiar with the people and conditions in Beltrami County, was hired as acting project coordinator. At a board meeting held on Feb. 5, 1941, the minutes carried this notation:

"There was a sincere feeling expressed by all of the directors that as Mr. Taylor has resigned as county agricultural agent that he might be available to serve as manager of our cooperative. It was felt that Mr. Taylor had done so much for our project that his services for this position would be most desirable."

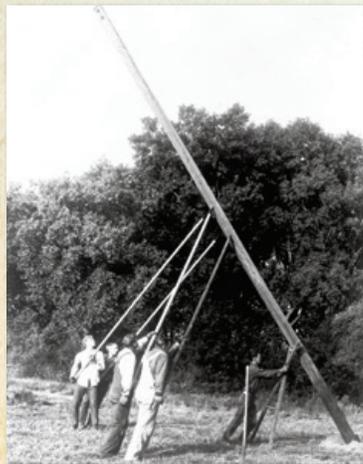
The directors approached Mr. Taylor with this proposition and on March 1, 1941, he consented to take over the position. Mr. Taylor's salary was set at \$150 a month. Miss Arnhild Rise was hired for general office work and Mrs. Taylor agreed to help out with the office work on a three-quarter time basis.

Finding a home

Our first office was located at 523 Minnesota Avenue where the rent was just \$35 per month. Today, that building still stands and is currently occupied by the Wild Hare Bistro & Coffeehouse. Once the cooperative was able to secure its first loan from REA, they called for bids to start building the lines. Zontelli Brothers of Crosby-Ironton were the first successful bidders, submitting two bids, one for \$247,638.01 that included clearing the right of way, and a second for \$216,638.01, which did not include any clearing. The cooperative decided to accept their second bid, but unfortunately the REA officials wouldn't approve them as a contractor, so it became necessary to build the lines by other methods. Many of the people desiring to have electricity not only cleared the right of ways, but also helped pull the wire with horses and did anything possible just to get electricity. One member, John H. Falk from Saum, actually signed an application for work in October 1940, noting that in



exchange for wiring 12 outlets in his house, he would help to clear his right of way and dig holes for the electric poles. On that same application, he also noted that he was interested in purchasing electric appliances for his home, including an iron, a radio and a motor.



A short time later, our office headquarters relocated to the Farm Bureau Service Co. Building at 309 Second Street in Bemidji.

Because of World War II, everything came to an abrupt halt after only 394 miles of poles and hardware had been erected. The poles were missing the wire which was needed for electricity, because copper was being used in the war effort,

making it almost impossible to get, as well as other wiring supplies. Even electricians were scarce because many enlisted to serve their country. Further progress was halted after the bombing of Pearl Harbor on Dec. 7, 1941. With the country facing a much more important challenge, the REA ordered all construction of lines stopped to concentrate on the war effort. The office was actually closed for a while during the war, but was able to reopen through efforts of the War Production Board, allowing us to complete 125 miles of line.

Electricity is coming!

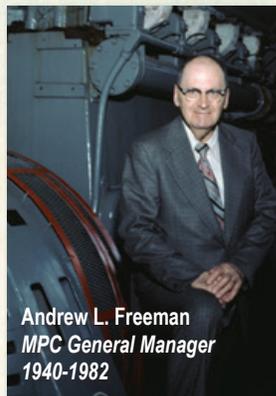
In September 1943, it finally became possible to energize a handful of members. They qualified under the livestock unit program that the War Production Board devised due to the need for dairy and poultry products, which could be produced more readily with the aid of electricity. Power for these first consumers came from the Shevlin substation of the Itasca-Mantrap system.



Minnkota Power Cooperative is formed

Beltrami was able to secure a wholesale power source in June of 1944, when we signed a contract with Minnkota Power Cooperative (MPC). Minnkota's general manager, Andrew L. Freeman, was instrumental in forming MPC in 1940, having traveled to the REA headquarters in Washington, D.C., to secure a loan for a new power plant fueled by diesel generators. Becoming one of the eight Minnesota cooperatives to join the

Minnkota system allowed us to deliver electricity at a much more economical rate than would have been possible from another wholesale power source.



Andrew L. Freeman
MPC General Manager
1940-1982

After the end of WWII, the cooperative moved forward, taking over part of Itasca-Mantrap territory to the south of Bemidji. Later improvements included a two-way radio system, a new larger building and garage at 301 America Avenue, along with more advanced equipment, both inside and outside. This location is still home to a cooperative today, as it is now where you will find Harmony Co-op, your local

member-owned cooperative grocery store. The address of this building has changed a bit, as their primary entrance faces to the west; whereas Beltrami Electric faced the east.



Beltrami Electric headquarters downtown.

Mr. Taylor resigned from his position at the cooperative effective July 31, 1947. In a farewell speech to the board he cited the difficult economic times reflected in large layoffs at the REA. He felt he had accomplished what he set out to do initially, which was to organize and build a successful REA project in Beltrami County. He believed that he was leaving the cooperative in capable hands and that the personnel we had in place would be able to carry on in an efficient manner. He summed it up by saying that despite the difficult conditions, he had enjoyed his job. He subsequently left Bemidji and Beltrami County and moved to Exeter, Mo.

Succeeding Mr. Taylor as manager was Earl H. Larson, a young man from Gonvick, Minn. He started work with the

(continued on following page)

Celebrating 75 Years!



cooperative on April 1, 1946, becoming acting manager for six months. He was officially named general manager in July 1947 at the young age of 28. Earl held this position until he retired in June 1982.

In 1971, we moved into a new headquarters building at 2025 Paul Bunyan Drive, N.W., in Bemidji, across from the Beltrami County Fair Grounds. On any given day, you could watch deer out on the lawn near the building. We experienced a lot of changes at the cooperative during our time at this location.



Beltrami Electric headquarters at Paul Bunyan Drive

Energy crisis

The 1973 Oil Embargo created by the Organization of Petroleum Exporting Countries (OPEC) resulted in a shortage of petroleum products – gasoline, diesel fuel and heating oil. The potential for sharp increases in the cost of electricity became a concern for Minnkota Power and its member cooperatives. The rising prices and insecure supply of fuel oil and propane created a strong incentive for consumers in the Minnkota service area and elsewhere to switch to electric heat. This created a rise in the need for electricity beyond what was currently available. Since the cost of new power plants had risen steeply – at least four-fold within the decade – Minnkota knew developing new generating capacity would greatly increase the cost of

electricity furnished by the cooperative to its members.

The Minnkota board and management searched diligently for a low-cost alternative to building a new power plant, and the best answer they came up with was load

management. So, in 1977 the load management program was started. This allowed Minnkota to interrupt, by remote control, electric heaters and other loads in exchange for a discounted retail electric rate. This capability still enables Minnkota today to more effectively manage its existing power resources. Beltrami started to install ripple control devices, manufactured by Landis & Gyr electronics, in members' homes during the winter of 1977-1978. The area's first commercial off-peak heating system was installed at Buena Vista in 1976, with the installation of electric slab heat in the floor of the new chalet.

Don Anderson, who had been the office manager at the cooperative since 1964, became our third manager when Earl Larson retired in June 1982. In 1983, Don was presented the Electric Hammer Award, Minnkota's highest award. The Hammer is awarded to those with 25 years of service in the field of rural electrification building their community. In October 1989, Don retired from the cooperative after nearly 41 years working for rural electric members (26 of those at Beltrami). Don still resides in the Bemidji area with his wife, Norma.

Roger Spiry, former manager of Cam Wal Electric Co-op in Selby, S.D., was selected by the board of directors to succeed Don Anderson in 1989. The next year, we celebrated our 50th anniversary with a meeting and celebration at the National Guard Armory. Attendance reached around 1,400 that evening for the meal, with about 648 members registering for the meeting.

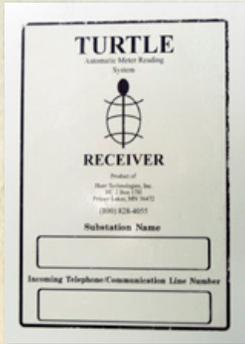
Other highlights

The late 1990s yielded several significant events for the cooperative. Beltrami Electric partnered with Paul Bunyan Communications to form Cooperative Development, LLC, along with the purchase and creation of Bemidji's Technology Park. As a research and development park, it is designed to provide technology-oriented companies an opportunity to do business in a progressive, business-friendly environment, giving them access to advanced communications and services.

In 1997, Optical Solutions, Inc., moved out of its cramped offices inside of the Paul Bunyan Telephone building and into a new building within Technology Park. They were the first company to develop a true fiber-to-the-home communications delivery system for rural America. In 2002, Pinnacle Publishing purchased the building previously occupied by Optical Solutions, allowing them to move out of their small office within the Paul Bunyan Telephone building to accommodate their



growing business. In addition to the establishment of Technology Park, the LLC started with nine employees, contracting for directional drilling and underground telephone and electrical construction. Today, the LLC has grown to 70 employees and performs directional drilling for water and sewer lines, sprinkler systems, underground power lines and more. They also contract with Gopher State One Call for locating public utilities, in addition to offering underground locating for an individual's electric and other utilities after the meter and communications networks.



We started testing a new meter reading device called the "turtle." Manufactured by Hunt Technologies in Pequot Lakes, Minn., this device sent meter readings back to the substation over the power lines. As of Aug. 1, 1997, we had installed more than 3,725 turtle meters, metering approximately 2,500 accounts throughout our service territory. This helped to reduce the time that the line crews had to spend

driving around to read meters when we didn't receive readings from members, and allowed them more time for actual line work. This new technology also helped to make the auto-pay program possible, by providing consistent, timely readings to calculate bills to be automatically deducted from a member's bank account.

The winter of 1996-1997 was one for the record books, with snowbanks as high as some homes. Mother Nature dealt a double dose of disaster to Minnkota Power that year with the most severe ice storm in memory followed by the flooding of the Red River. After barely containing the \$7.2 million ice storm disaster, the damages from the flood to Minnkota's headquarters, diesel plant, main office building and the basement of its service center reached another \$3.8 million. It is not something quickly forgotten, as nearly 50,000 people were forced from their homes in the Grand Forks area that spring.

In 1999, Beltrami Electric partnered with six other cooperatives to form Northern Safety & Security (NSS). This partnership allowed us to share investment costs and a resource base providing a much-needed service to more than 50,000 co-op members and more than 150,000 households throughout northwestern Minnesota. NSS provides various home monitoring security systems as well as Life-Call, which allows subscribers to call for help with the push of a button.

We actively prepared for the Y2K issue and moved through 1999 and into 2000 without a "glitch" thanks to a great deal of preparation by our employees and our power supplier, Minnkota.

A new facility



Current Beltrami Electric facility in Technology Park.

Plans to expand our facility at 2025 Paul Bunyan Drive, N.W. changed in 2000, when Wal-Mart approached Beltrami Electric wanting to buy our property to build a 172,000-square-foot Wal-Mart Super Center. As a result, we decided to build on a new site located in Technology Park, which we owned jointly with Paul Bunyan Telephone. A groundbreaking ceremony was held on March 10, 2000, and we moved into our new 62,000-square-foot headquarters in December 2000.

The fall of 2001 saw the beginning of the wind power program, Infinity Wind Energy, allowing cooperatives and municipals in the Minnkota system to offer wind-generated electricity to customers.

Customers interested in wind-generated electricity could elect to purchase 100 kWh blocks for an additional cost. Since that time, we have seen a forward movement with renewable energy. Today, Minnkota now has 359 MW of wind energy capacity in its system. As an early adopter of wind energy, Minnkota was recognized in 2010 by the U.S. Department of Energy as the Wind Energy Cooperative of the Year. More than 40 percent of MPC's total generation is from renewable resources.

Today, our current general manager/CEO of Beltrami Electric Cooperative is Lynette Nieuwsma, who started with the co-op in May 2006, when Roger Spiry retired. She worked as general manager for 15 years at Slope Electric in New England, N.D., before moving to the Bemidji area. Prior to her time at Slope, she worked for several years at KEM Electric in Linton, N.D.



Your cooperative today

As we look back to where we came from 75 years ago, tasked with meeting the challenge of building distribution lines to reach the rural areas of Beltrami County, we also look toward what our next 75 years will bring. Nationwide, the demand for electricity continues to decline as a result of energy efficiency efforts and also industrial and economic declines. At the same time renewable energy standards are increasing the supply of intermittent generation. All this coming at a time when federal and state requirements and mandates, especially related to baseload coal generation, continue to add complexity and cost to electric generation. Reliability and affordability are the current challenges created by the move to intermittent renewable generation.

Technology today has created new member expectations. Smart devices that can control energy use through Web connected appliances, social media, access to information and communication 24 hours a day and the need to respond to members faster all have changed the co-op member relationship. The challenge, as we look to our future, will be to balance these wants, needs and desires while controlling expenses and associated rates.

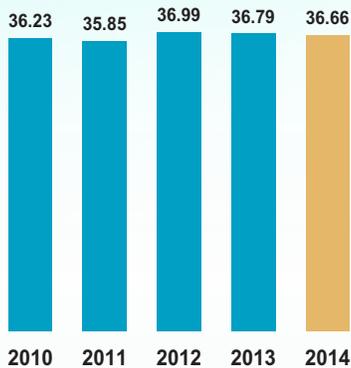
We feel confident, that no matter what our future holds, Beltrami Electric Cooperative is as committed to our members today as we were 75 years ago. We look forward to making your world even brighter over the next 75 years. Thank you for your patronage and for making our past 75 years a success story.

Balance Sheet

As of December 31, 2014 & 2013

Equity

Equity is the percentage the members of Beltrami Electric own of the cooperative's assets.



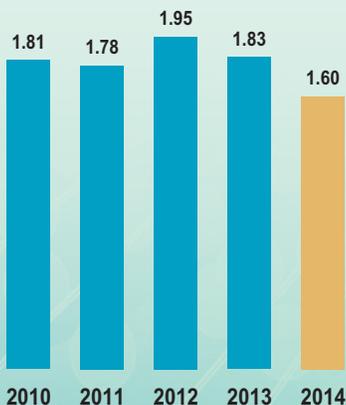
Electric Plant Investments

Millions of dollars



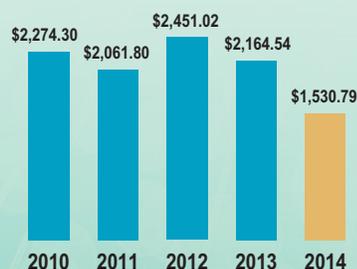
TIER

(Times interest earned ratio)



Margins

Thousands of dollars



Electricity Sold

Total kWh in millions



ASSETS

ELECTRIC PLANT:

1. In service
2. Under construction
3. Total electric plant
4. Less accumulated depreciation
5. Electric plant – net

OTHER PROPERTY AND INVESTMENTS:

6. Investments in associated companies
7. Other investments
8. Special funds
9. Total other property and investments

CURRENT ASSETS:

10. Cash – general
11. Accounts receivable, less allowance for uncollectible accounts
(2014 – \$74,999; 2013 – \$74,950)
12. Materials and supplies
13. Prepayments
14. Interest receivable
15. Total current assets

DEFERRED DEBITS:

16. Total deferred debits
17. TOTAL ASSETS

	2014	2013
1. In service	\$131,554,661	\$126,639,038
2. Under construction	334,376	226,238
3. Total electric plant	131,889,037	126,865,276
4. Less accumulated depreciation	(36,341,897)	(32,491,252)
5. Electric plant – net	95,547,140	94,374,024
6. Investments in associated companies	5,287,847	5,154,842
7. Other investments	2,673,025	2,298,240
8. Special funds	1,170,822	1,652,884
9. Total other property and investments	9,131,694	9,105,966
10. Cash – general	1,062,730	1,117,827
11. Accounts receivable, less allowance for uncollectible accounts (2014 – \$74,999; 2013 – \$74,950)	6,818,834	5,560,873
12. Materials and supplies	597,143	921,635
13. Prepayments	179,609	212,819
14. Interest receivable	8,258	8,258
15. Total current assets	8,666,574	7,821,412
16. Total deferred debits	2,716,058	3,081,916
17. TOTAL ASSETS	\$116,061,466	\$114,383,318



EQUITIES AND LIABILITIES

EQUITIES:

	2014	2013
18. Memberships	\$ 769,825	\$ 761,630
19. Patronage capital	25,939,791	26,490,815
20. Other equities	15,665,272	14,673,297
21. Accumulated other comprehensive income	172,521	154,584
22. Total equities	<u>42,547,409</u>	<u>42,080,326</u>
23. Long-term debt, net of current maturities and net of cushion of credit of \$3,250,314 for 2014 and \$2,112,684 for 2013	<u>60,408,498</u>	<u>52,806,828</u>

OTHER NONCURRENT LIABILITIES:

24. Deferred Revenue Reserve	1,605,146	1,140,121
25. Postretirement benefits obligation	787,464	783,236
	<u>2,392,610</u>	<u>1,923,357</u>

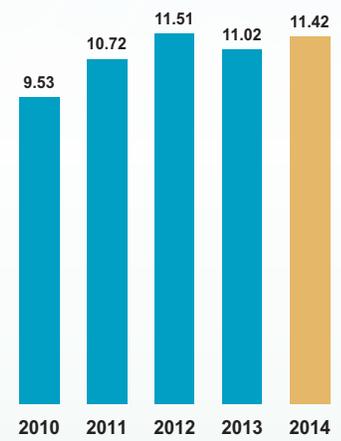
CURRENT LIABILITIES:

26. Current maturities of long-term debt	2,917,639	4,940,256
27. Current portion of postretirement benefit obligation	20,000	40,000
28. Line of credit	1,000,000	4,870,000
29. Accounts payable – general	867,709	526,912
30. Accounts payable to associated company-billed power costs	3,409,289	4,687,514
31. Customer deposits	819,342	754,721
32. Taxes accrued	240,206	236,466
33. Interest accrued	266,326	337,523
34. Payroll accrued	232,076	200,979
35. Accrued compensated absences	317,800	286,246
36. Total current liabilities	<u>10,090,387</u>	<u>16,880,617</u>

DEFERRED CREDITS:

37. Customers' energy prepayments	237,216	194,059
38. Unamortized gain on reacquired debt	385,346	498,131
39. Total deferred credits	<u>622,562</u>	<u>692,190</u>
40. TOTAL EQUITIES AND LIABILITIES	<u>\$ 116,061,466</u>	<u>\$ 114,383,318</u>

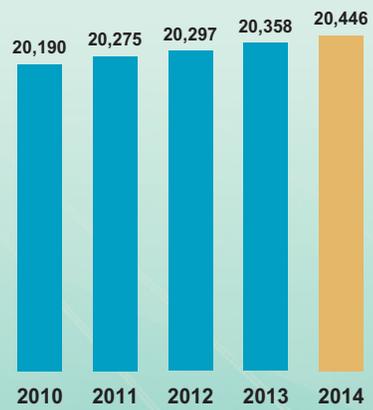
Cost of Electricity
Average cost to residential consumers per kWh
(includes Access Charge)



Capital Credits Retirements
Thousands of dollars



Meters Served
Average



Miles of Line
Average



Statement of Revenue and Patronage Capital

For the years ended December 31, 2014 & 2013

OPERATING REVENUE:

1. Electric
2. Other
3. Total operating revenue

OPERATING EXPENSE:

4. Cost of power
5. Distribution – operation
6. Distribution – maintenance
7. Customer accounts
8. Customer service and information
9. Sales expense
10. Administrative and general
11. Depreciation
12. Taxes
13. Interest on long-term debt
14. Amortization of gain on reacquired debt
15. Other
16. Total operating expense
17. Operating margin before capital credits
18. Generation and transmission and other cooperative capital credits

19. NET OPERATING MARGIN

NONOPERATING MARGINS (LOSSES):

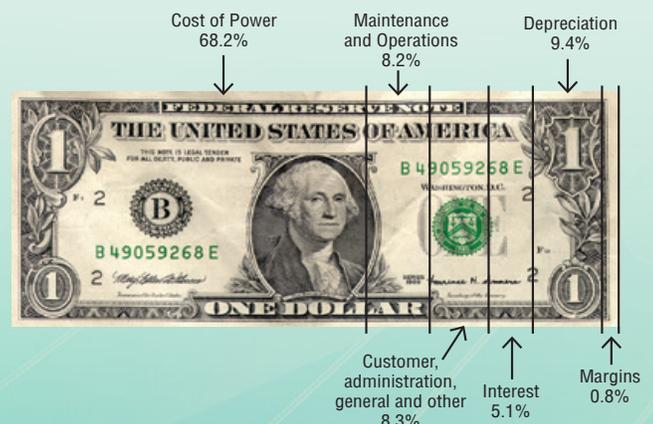
20. Merchandising, jobbing and contract work, less costs and expenses of (2014 – \$12,952; 2013 – \$6,507)
21. Rent of headquarters second floor, net of costs (2014 – \$109,885; 2013 – \$121,788)
22. Loss on disposition of property
23. Investment income
24. Revenue deferral recognition
25. Cooperative Development LLC (net of income taxes)
26. Income Tax Benefit (Expense)
27. Northern Safety & Security LLC management income
28. Northern Safety & Security LLC
29. Total nonoperating margin
30. Net margin
31. Patronage capital – beginning of year
32. Transfer nonoperating margins to unallocated reserve
33. Retirement of capital credits
34. PATRONAGE CAPITAL – END OF YEAR

	2014	Percent of Revenue	2013	Percent of Revenue
1. Electric	\$49,533,287		\$47,849,464	
2. Other	470,321		486,842	
3. Total operating revenue	<u>\$50,003,608</u>	100.0%	<u>\$48,336,306</u>	100.0%
4. Cost of power	\$34,081,853	68.2%	\$33,726,872	69.8%
5. Distribution – operation	2,036,630	4.1%	1,878,906	3.9%
6. Distribution – maintenance	2,077,730	4.2%	1,993,809	4.1%
7. Customer accounts	1,443,317	2.9%	1,235,362	2.6%
8. Customer service and information	815,330	1.6%	750,066	1.6%
9. Sales expense	133,808	0.3%	120,086	0.2%
10. Administrative and general	1,649,817	3.3%	1,482,822	3.1%
11. Depreciation	4,686,035	9.4%	3,255,251	6.7%
12. Taxes	1,700	0.0%	1,650	0.0%
13. Interest on long-term debt	2,667,862	5.3%	2,597,914	5.3%
14. Amortization of gain on reacquired debt	(112,784)	-0.2%	(112,784)	-0.2%
15. Other	103,133	0.1%	93,878	0.2%
16. Total operating expense	<u>\$49,584,431</u>	<u>99.2%</u>	<u>\$47,023,832</u>	<u>97.3%</u>
17. Operating margin before capital credits	419,177	0.8%	1,312,474	2.7%
18. Generation and transmission and other cooperative capital credits	375,326		365,630	
19. NET OPERATING MARGIN	<u>\$ 794,503</u>		<u>\$ 1,678,104</u>	
20. Merchandising, jobbing and contract work, less costs and expenses of (2014 – \$12,952; 2013 – \$6,507)	\$ 683		\$ 8,978	
21. Rent of headquarters second floor, net of costs (2014 – \$109,885; 2013 – \$121,788)	10,012		(2,639)	
22. Loss on disposition of property	(709)		0	
23. Investment income	198,663		153,287	
24. Revenue deferral recognition	59,975		144,194	
25. Cooperative Development LLC (net of income taxes)	596,708		328,709	
26. Income Tax Benefit (Expense)	(161,092)		(176,393)	
27. Northern Safety & Security LLC management income	16,485		13,196	
28. Northern Safety & Security LLC	15,562		17,106	
29. Total nonoperating margin	<u>736,287</u>		<u>486,438</u>	
30. Net margin	<u>\$ 1,530,790</u>	3.1%	<u>\$ 2,164,542</u>	4.5%
31. Patronage capital – beginning of year	26,490,815		26,673,757	
32. Transfer nonoperating margins to unallocated reserve	(774,524)		(1,225,215)	
33. Retirement of capital credits	(1,307,290)		(1,122,269)	
34. PATRONAGE CAPITAL – END OF YEAR	<u>\$25,939,791</u>		<u>\$26,490,815</u>	

Where operating revenue came from

INCOME	Amount	Percent of Revenue
Residential sales	\$36,372,435	72.74%
Irrigation sales	13,648	0.03%
Commercial & industrial 50 kva or less	2,822,895	5.65%
Commercial & industrial over 50 kva	5,711,706	11.42%
Public street & highway lighting	76,493	0.15%
Sales for resale – REA borrowers	540,107	1.08%
Sales for resale – others	3,996,003	7.99%
Total sales of electric energy	<u>\$49,533,287</u>	<u>99.06%</u>
Other revenue	470,321	0.94%
Total operating revenue	<u>\$50,003,608</u>	<u>100.0%</u>

Where operating revenue was spent



Analysis of Operating Expense Items

OPERATIONS EXPENSE

Operations, Supervision and Engineering	\$ 291,064
Overhead Line Expense	289,714
Overhead Line Expense – Line Inspection	205,753
Overhead Line Expense – PCB Test	11,621
Underground Line Expense	213,821
Underground Line Expense – Cable Locating	142,266
Meter Expenses	302,671
Consumer Installation Expenses	81,000
Miscellaneous Distribution Expense	489,630
Rents	9,090
Total Operations Expense (Total Line #5)	\$ 2,036,630

MAINTENANCE EXPENSE

Maintenance, Supervision and Engineering	\$ 63,526
Maintenance of Overhead Lines Expense	134,950
Maintenance of Overhead Lines Expense – Reclearing	749,695
Maintenance of Overhead Lines Expense – Spraying	99,375
Overhead Outages	241,516
Maintenance of Underground Lines Expense	65,396
Underground Outages	362,586
Maintenance of Street Lights	7,119
Maintenance of Transformers	7,402
Maintenance of Meters	212,554
Maintenance of Turtle Meters	70,656
Maintenance of Remote Disconnects	7,300
Maintenance of Miscellaneous Distribution	55,655
Total Maintenance Expense (Total Line #6)	\$ 2,077,730

CONSUMER ACCOUNTS EXPENSE

Meter Reading Expense	\$ 10,831
Customer Records	1,008,445
Customer Records – Delinquent Accounts	423,925
Customer Records – Cash Short and Over	116
Total Consumer Accounts Expense (Total Line #7)	\$ 1,443,317

SALES EXPENSE

Advertising Expense	\$ 133,808
Total Sales Expense (Total Line #9)	\$ 133,808

CUSTOMER SERVICE & INFORMATION EXPENSE

Customer Assistance Expense	\$ 146,602
C. I. P. – Load Management	162,691
Customer Assistance Expense – Safety	2,589
C. I. P. – Electric Heat Maintenance	85,332
C. I. P. – Thermal Heater	1,108
C. I. P. – Heat Loss Calculation	522
C. I. P. – Renewable Energy	5,726
C. I. P. – Residential Electric Evaluation & Consultation	27,282
C. I. P. – Prescriptive Incentives	136,093
C. I. P. – Existing Homes	847
C. I. P. – Low Income Weatherization	41,046
C. I. P. – Energy Use Behavior	2,409
C. I. P. – Residential Custom Incentive	392
C. I. P. – Business Prescriptive Incentives	86,651
C. I. P. – Business Custom Incentives	10,584
Power Plant Tour	14,149
Fair Booth	3,560
Youth Tour	1,858
Northern Lights, Customer Service & Information	85,889
Total Customer Service & Information Expense (Total Line #8)	\$ 815,330

C.I.P. is the state-mandated Conservation Improvement Program.

ADMINISTRATIVE & GENERAL EXPENSE

Administrative & General Salaries	\$ 815,732
Office Supplies & Expenses	67,037
Computer Supplies & Software	217,055
Outside Services Employed	33,146
Property Insurance, Injury and Damages	9,731
Employee Benefits, Education	61,744
Regulatory Expenses	36,139
Duplicate Charges, Credit	(77,796)
Miscellaneous Expense – Goodwill Administration and Advertising	31,127
Dues Paid Associated Organizations	73,837
Miscellaneous General Expenses	41,414
Miscellaneous General Expenses – Capital Credits	31,313
Directors' Fees & Expenses	90,148
Miscellaneous General Expenses – Annual & District Meetings	37,420
Rents	7,536
Maintenance of General Plant – Building	131,334
Maintenance of General Plant – Office Equipment	2,167
Maintenance of General Plant – 2 Way Radio	4,468
Maintenance of General Plant – Miscellaneous Equipment	4,205
Maintenance of General Plant – Lab Equipment	781
Maintenance of General Plant – Computers	31,279
Total Administrative & General Expense (Total Line #10)	\$ 1,649,817

Comparison Statistics

	2014	2013
kWh sold	478,645,659	471,046,710
Average monthly kWh per residential customer	1,394	1,421
Average monthly bill for residential customer	\$159.28	\$156.62

	2014	2013
Average monthly bill for all customers	\$183.49	\$195.87
Average monthly expense per customer	\$202.12	\$192.49
Investment per customer	\$6,435.20	\$6,231.72
Number of consumers (average)	20,443	20,358
Miles of line, Dec. 31	3,437	3,421
Long-term debt per customer	\$3,097.69	\$2,838.98

Beltrami Electric Employees

Consumer Accounts



(From left to right) Jessica Delaney, Tiffany Volk, Lindsey Strieber and Terri Lindseth.

Customer Service



(Front row) Sheila Story and Theresa McKee (Back Row) Judy Perkins, Melissa Schroth, Ayla Winskowski, Jeff Noren, Dan Dow and Leslie Huot.

Accounting



Cammie Vogel and Vonda Johnson.

Energy & Facility Services



(From left to right) Bob Gregg, Bruce Huderle, Angela Lyseng, Ken Norenberg, Dan Dudgeon and John Adams (not pictured).

Management Staff



(From left to right) Randy Dahle, Jolene Kallroos, Chris Kelsey and Kay Olson.

Shop/Warehouse



(From left to right) Matt Dockendorf, Kip Reinarz and Dan Hogquist.

Operations



(From left to right) Jack Cronemiller, Larry Eichstadt, Scott Pemberton, Kurt Yerbich and Rick Eisenzimmer.

Operations



(From left to right) Jeff Marden, Lee Pemberton, Glenn Grundmeier and Eric Splichal.

Operations



(From left to right) Jerry Solheim, Derick Kubitz, Nick Zimmel, Ron Komulainen, William Haman, Ryan Rogers and Rebecca Zaiser.

Operations



(From left to right) Taylor Schmidt, Jared Vanasse, Chris Thronson and Steve Lapos.

Engineering



(From left to right) Amy Hough, Rich Harris, Holly Solo, Kevin Lindstrom, Michelle Anderson, Becky Trefz, Dave Ethen and Ricky Willberg.

Forestry Crew



Jay Declusin and Brian Bakke.

Beltrami Electric Employees

Senior Leadership Team



(From left to right) Lynette Nieuwsma, CEO; Rich Riewer, Manager of Engineering; Arlene Hogquist, Director of Strategy and Corporate Services; Sid Sletten, Director of Finance and Member Services; Sam Mason, Energy Services and Facilities Manager; Dan Edens, Operations Manager.

Board Highlights

Beltrami Electric's board of directors conducted its monthly meeting Wednesday, April 29, 2015. All directors were present. Also present were General Manager Lynette Nieuwsma, Sid Sletten and Kay Olson.

The following reports were given:

- The manager made her monthly report, including discussion on March financials, legislative issues and recent meetings she attended.
- Sam Mason and Angela Lyseng discussed the upcoming 75th anniversary celebration and annual meeting that will be held June 24, 2015, at Beltrami Electric Cooperative headquarters. The annual Project GreenTouch and the United Way indoor garage sale were also discussed.
- Sid Sletten gave the financial and statistical report for March, including review of work order inventories. He also reviewed Form 990, the first quarter budget performance and Equity Management Plan.
- The board discussed donations and scholarships to area schools.
- Sam Mason and the manager updated the board on the proposed solar garden.
- The policy committee presented revised, deleted and new policies.
- The manager presented an estimate prepared for the Northland Shooting Park.
- The manager reported on the CEO conference.
- Murl Nord and the manager reported on the Cooperative Development board meeting.
- Rick Coe reported on Minnesota Rural Electric Association.
- The Minnkota and Square Butte annual meetings were discussed.

The following actions were taken:

- Approved policy revisions.
- Approved moving the date of the May board meeting to May 29, 2015.
- Approved the estimate prepared for the Northland Shooting Park.
- Approved the review of Form 990.
- Elected Murl Nord as Governor to Cooperative Development.

The next board meeting will be held Friday, May 29, 2015.

Mission Statement

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



2015 Annual Meeting Official Notice

The 75th annual meeting of the members of Beltrami Electric Cooperative, Inc. will be held at Beltrami Electric Headquarters, 4111 Technology Drive NW, Bemidji, Minn., at 3:30 p.m. on Wednesday, June 24, 2015, for the following purposes:

1. To pass upon reports covering the previous fiscal year;
2. To elect three (3) directors of the cooperative in accordance with the Bylaws, one each in Districts 3, 7, and 9, each for a three-year term;
3. To transact such other business as may come before the meeting.

* In order for members that are other than natural persons, such as a corporation, cooperative, school, church, township (or any other non-natural person) to nominate a representative to serve on the board of directors and participate in business matters, a form must be received by the secretary of Beltrami Electric Cooperative on or before the date of the members' meeting(s). To receive a copy of this form, please contact the co-op at **218-444-2540**.

Murl Nord, Secretary
Beltrami Electric Cooperative, Inc.
Board of Directors

Beltrami Electric Retired Employees Listing



Russell DeVries 1942-1984
 Vernon Anderson 1943-1978
 Arnie Bock 1944-1969
 John Unger 1944-1977
 Charles Blakely 1945-1973
 Earl Larson 1946-1982
 Stanley Ellingson 1947-1985
 Warren Statton 1947-1985
 Earl Decker 1947-1986
 Clifford Nelson 1948-1979
 Howard Chandler 1949-1983
 Charles "Ed" 1949-1994
 Chandler
 Bernie Howell 1952-1971
 Gerald Nelson 1957-1978

Karren Clark 1960-1970
 1977-2004
 June Wilcox 1960-1989
 Keith Barnes 1961-1981
 Donald Phelps 1961-1995
 Donald Anderson 1964-1990
 Lawrence Brook 1965-1980
 Donald Bock 1966-2002
 Iald Auchter 1968-1997
 James Knudson 1968-1999
 Joyce Langord 1969-1986
 Nickolas Burns 1969-2000
 Richard Toninato 1969-2002
 Gregory Hommerding .. 1969-2003
 Carole Daniel 1970-1990

Nina Thompson 1970-1990
 Marian Trepanier 1971-1999
 John Stebe 1971-2009
 Andrew Freeman 1972-2010
 Roger Chwialkowski 1973-2001
 Alvin Peterson 1977-2004
 Wayne Petersen 1977-2010
 Larry Schmidt 1978-2009
 Paul Cronemiller 1979-2012
 Jeanne LaCroix 1985-2005
 Harlan Gibeau 1988-2005
 Susan Sether 1989-2006
 Roger Spiry 1989-2006
 Patricia Berget 1995-2012

Beltrami Electric Retired Employees



(Front row) Iald Auchter, Donald Anderson, Richard Toninato, Roger Spiry, Karren Clark, Jeanne LaCroix, Donald Bock, James Knudson and Roger Chwialkowski.
(Back row) Gregory Hommerding, Patricia Berget, Susan Sether, John Stebe, Nickolas Burns, Andrew Freeman and Wayne Petersen.
(Not present: Paul Cronemiller, Larry Schmidt and Joyce Langord.)



Beltrami Electric Cooperative Inc.

Your Touchstone Energy® Cooperative 

4111 Technology DR NW
PO Box 488
Bemidji, MN 56619-0488
218-444-2540 • 800-955-6083
www.beltramielectric.com

2015 Power Plant Tours

June 11-12 and Sept. 10-11



Where does our electricity come from?

Consider signing up for one of the two-day power plant tours offered by Beltrami Electric Cooperative. Tours are scheduled this year for June 11-12 and Sept. 10-11. As a Beltrami Electric member, you can attend one of these trips for only \$40 per person! These tours include motor coach travel, meals and lodging at the Baymont Inn & Suites in Mandan, N.D., where you will be provided a banquet dinner. The tour, which will stop at various locations in eastern and central North Dakota, includes a visit to Minnkota's offices in Grand Forks and a tour of the lignite-fueled Milton R. Young Station near the town of Center, N.D. The June tour will include a stop at Garrison Dam. The September tour will include a stop at the Ashtabula Wind Energy Center. Members who have not been on this trip are encouraged to go. Sign up soon, spots are limited and are going fast. Call **444-2540** for more information.

Power Plant Tour Registration Form

Names of Participants

Address

Telephone Number _____

June 11-12 _____ Sept. 10-11 _____

Number Attending _____

Number of Rooms 1 _____ 2 _____

MAIL TO: Beltrami Electric Cooperative, PO Box 488, Bemidji, MN 56619-0488