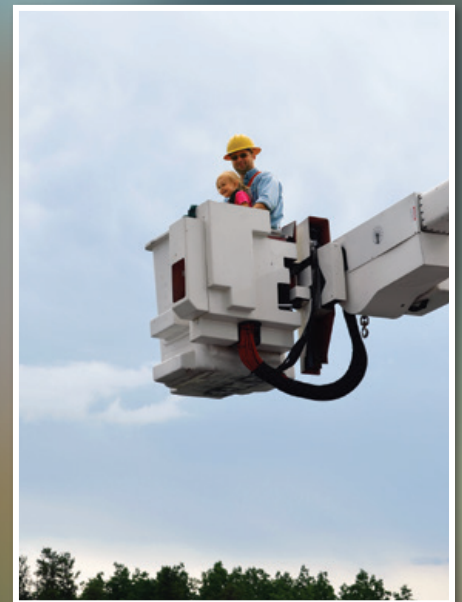


# 2015 Annual Report



**76<sup>th</sup> Annual Meeting • April 21, 2016**



**Beltrami Electric Cooperative, Inc. *Northern Lights* • May 2016**

# NORTHERN LIGHTS

Northern Lights (USPS 016488), Vol. 63, No. 5 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

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[www.beltramielc.com](http://www.beltramielc.com)

## Board of Directors

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

## Minnesota State Electrical Inspectors

*Beltrami and Clearwater Counties*

**Davis Smid**

**507-227-2772 - [mntristate@gmail.com](mailto: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.

# Report to the Members



**Lynette Nieuwsma**  
CEO/General Manager



**Rick Coe**  
Board President

## 2015 in Review

**75<sup>th</sup> anniversary** - 2015 was a milestone in Beltrami Electric's history. We celebrated the 75<sup>th</sup> anniversary of your cooperative, originally formed back in 1940 by a small group of people who gathered to do together what couldn't be done individually. We celebrated our history with an open house and fun events for members of all ages.

**Rates** - We experienced a wholesale rate increase of 5 percent in April. We were successful in not passing on that increase through most of 2015. We were able to utilize revenue deferral from 2014 to offset the increase in the PPA through September. Warm weather from October through December kept bills down as well.

**Capital credits** - We returned a record setting retirement of approximately \$1.2 million in capital credits to the membership. More than 15,000 active and former members received a credit on their bill or a capital credit check.

**Northern Solar** - We introduced plans for Northern Solar, a community solar garden project. This project was developed in response to interest our members expressed in more renewable energy options. For more information, please see page 8.

**Clean Power Plan** - The final version of the Environmental Protection Agency's (EPA) Clean Power Plan (CPP) was issued in August. In an effort to address global climate change, the CPP calls for a 32 percent cut in CO<sub>2</sub> emissions nationwide by 2030, compared to 2012 levels. North Dakota's goal went from an initial proposal of 11 percent reduction to a whopping 45 percent in the final rule. Why does it matter what the N.D. target is? Our generation comes from N.D. Over the last 10 years, Minnkota Power Cooperative, the power supplier for Beltrami Electric, has invested more than \$425 million into technology to reduce emissions from coal plants as required by previous EPA regulation. In addition to that, roughly 30 percent of Minnkota's electric generation capacity comes from wind – one of the top percentages among electric cooperatives in the nation. These efforts were not recognized in the final published CPP, because these resources were installed prior to 2012. This is a great disservice to Minnkota being an early innovator in renewable energy. On Feb. 9, 2016, the U.S. Supreme Court voted to block the EPA's Clean Power Plan until all legal challenges to it are resolved. This means that the CPP will be suspended during the time it is in litigation over the core legal arguments, and during any appeals that are certain to follow that effort in the D.C. Circuit Court. If you come to our annual meeting, you will hear Mac McLennan, Minnkota president & CEO, speak on this issue. The concern for Minnkota is the possible early closure of its coal generation power plants. If Minnkota is forced to shut down our power plants before they are fully depreciated to comply with the rule, hundreds of millions of dollars in assets will be stranded. These stranded costs do not go away, but will be paid for by member-owners. In addition, millions more will have to be invested into new sources of electricity.

**Strategic objectives** - We continued work on our strategic plan, focusing on four key objectives: customized member solutions, effectively communicate, utilize proven technology and manage costs. As we focused on customized member solutions, we increased the number and variety of ways members can pay their bill, adding Moneygram and PayNow to the current mix of options.

Later this year, look for more information about outage texting. We will be deploying this new service to the membership, giving members the ability to TEXT an electrical outage to us. For those who prefer to text, this new service will provide an alternative to calling in an outage situation.

In an effort to effectively communicate, we made the decision to migrate our old website to a new platform, providing many more member-friendly methods to find and access information about your cooperative and your account. This new platform is available to Touchstone Energy® cooperatives, and we are excited for our members to see it and provide feedback.

Looking at utilizing proven technology, we addressed our current end-of-life metering system



and recently signed a contract for a new automated metering system. This new technology will help us serve you better, with improved efficiency, reliability and power quality. Look for more information later this year as we roll out the pilot program.

We continue to address the goal of managing costs. With more than 70 percent of our costs coming from wholesale power, that leaves the remaining 30 percent on the distribution side. That includes all of our costs to build and maintain our system that is there for you when you flip that switch. We do our best to keep these costs down while balancing this with reliability and member satisfaction.

Finally, we'd like to thank all the members who have participated in Beltrami Electric surveys over this past year. We appreciate your participation and use the information provided to better understand what our members want and need.

**Rate study and electric billing changes** - As we have closed out the books for 2015, we have hired an independent consulting firm to perform a cost of service and rate study. It has been five years since a rate study was done, which brought about a raise in the Access Charge to \$29.50. This charge was phased in with the use of revenue deferral funds, which are close to being depleted. A rate study helps ensure the membership that we are fairly charging the appropriate costs between groups of consumers and rate components. Wholesale power costs, all operating costs, depreciation, interest and margins must all be met. Our lenders need a guarantee that we will be able to repay our debt, and that we are recovering our costs. During the last few years, in an effort to keep rates as low as possible, we have been running near the low end of those requirements.

Changes that will be incorporated will include a higher Access Charge with a minimal increase to the kWh charge. Although we will not take it to that level, the rate study indicates that the actual cost of having a minimum use service available is upwards of \$40. It is important that we move in that direction to correctly cover costs. The board recognizes that this is a balancing act between recovering a portion of our fixed costs through the Access Charge, and the balance through the energy (kWh) charge. The fixed costs are the costs to maintain the poles, wires, transformers and other necessary equipment that needs to be there when you choose to use electricity. Early estimates are looking at increasing the Access Charge to around \$35, with a minimal adjustment to the energy (kWh) charge. The total increase in revenue requirements appears to be just under 5 percent. This comes from Minnkota's wholesale power increase set for April 1, increases in operating costs and the need to raise our margins to meet financial obligations.

We are communicating what we know at this time, as the board will make the final decision on rates at the March board meeting. Revised rates will go into effect on April 1, which you will see on the bills you receive in May. As this annual report is the May issue of the *Northern Lights*, you will see the approved rate schedule printed in the June edition of the *Northern Lights*. They will, however, be published on our website in early April. At the time of this writing, we are still working to determine the final adjustment to rates. The last point I want to make regarding the rate adjustment is simply that you can be assured that your cooperative has not entered into this matter lightly. Our rates need to recover our costs of doing business, but as a cooperative, are not marked up to generate a profit. Your board of directors has worked diligently with the members' best interests at heart.

**Cooperative Commitment to Community** - Directors and employees at Beltrami Electric Cooperative want to see the communities we serve succeed. Why? The answer is simple: we live here, too. "Neighbor helping neighbor."

First and foremost, Beltrami Electric strengthens our communities by doing what we do best: providing a safe and reliable supply of electricity at an affordable cost.

Your board of directors and staff supports policies and projects that are good for the communities we serve because what's good for our community is good for the co-op. We open doors for our young people with scholarship programs and the annual Rural Electric Youth Tour trip to Washington, D.C. We teach children safety through programs in schools. We help members identify ways to save money by performing home and business energy evaluations.

We help members and neighbors in need by sponsoring such things as the Beltrami Electric Indoor Garage Sale and the Touchstone Energy Golf Tourney, which are both held annually with the sole purpose of raising funds for the United Way of the Bemidji Area. In addition, the first Saturday in May is reserved for Project GreenTouch, which helps our state parks; and each fall, we collect and distribute hats, scarves and mittens donated to our Mitten Tree, to children at eight area Head Start programs. Our newest opportunity to come together to support our community is the Operation Round Up® program, starting in May 2016, and we are excited to witness the positive impact this program will have on many organizations and programs in our area.

Your co-op was formed locally, and it's still managed by your friends and neighbors. Our employees go out of their way to serve by coaching youth sports teams, volunteering on school committees, participating in church activities, and even serving in various elected offices. Many are co-op members like you, and like you they want to make their communities stronger. That's the cooperative difference.

**Focusing on the future** - As we look ahead at what the rest of 2016 will hold, the word change comes to mind. Today, electric utilities are part of a rapidly changing industry. Increasingly complex rate structures are resulting from rising costs, renewable energy constructions, conservation programs, government regulations and smart technology. These challenges keep us busy year-round, as we work hard to safely provide you with reliable electricity so you can flip that switch or plug in that device whenever you need to.

Together, we want to thank you for your patronage, support and the opportunity to serve you. We look forward to hosting you at our 76<sup>th</sup> annual meeting on April 21 at the Bemidji High School. As your general manager/CEO for the past 10 years, as I sign off this final report to you, the members, I am confident that I will be leaving you in good hands with my successor, Jared Echternach and with a board of directors and employees who truly care about the cooperative's members. It has been a great pleasure serving you. I invite you to join us at the annual meeting and help in welcoming Jared to the cooperative!

Cooperatively yours,  
Lynette Nieuwsma, CEO/General Manager  
Rick Coe, Board President

## Beltrami Electric selects new CEO



The board of directors at Beltrami Electric Cooperative, Bemidji, Minn., has selected Jared Echternach to succeed Lynette Nieuwsma as general manager and CEO following Nieuwsma's recent retirement.

Echternach brings great management skills and cooperative experience to his new job, having recently served as CEO at North Itasca Electric Cooperative, Bigfork, Minn., and prior to that, as the manager of

member services at Itasca-Mantrap Cooperative Electrical Association in Park Rapids, Minn. "We are very fortunate to hire Jared Echternach to be our new CEO at Beltrami Electric. He is a returning employee who comes back to us with great management skills and CEO experience," said BEC Board President Rick Coe. "He knows and understands our community very well as he was born and raised in the Bemidji area. This is a rare find and we are excited to have him join us here at Beltrami Electric Cooperative."

"I'm honored to have been selected as the next CEO of Beltrami Electric Cooperative. I'll be joining a first-class organization with excellent employees who are dedicated to providing the best possible service to our member-owners. Beltrami Electric is a progressive and growing cooperative and I'm thrilled to become part of such a wonderful organization," said Echternach.

Board of Directors



**Murl Nord**  
Secretary  
District 1



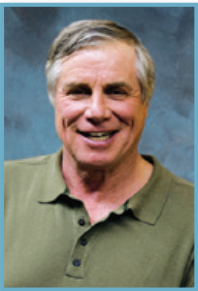
**Lea Perkins**  
Director  
District 2



**Charles Parson**  
Director  
District 3



**Jerry Larson Sr.**  
Director  
District 4



**Robert Wallner**  
Director  
District 5



**Rick Coe**  
President  
District 6  
Square Butte Director



**John Lund**  
Vice President  
District 7



**Terry Diffley**  
Director  
District 8  
Minnkota Director

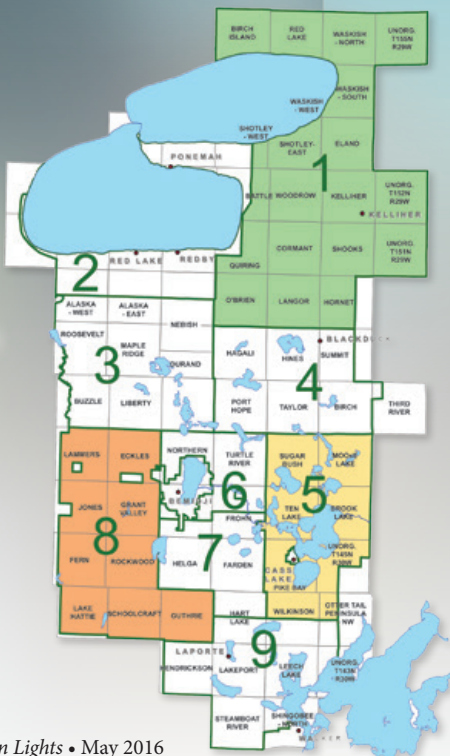


**Judy Honer**  
Treasurer  
District 9

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."*

District Map and Election Information



Highlighted areas denote 2016 election districts.

Election Bylaws

Beltrami Electric Cooperative only received one director nomination at each of the three district meetings held in March. Thus, the nominees listed on page 5 will be elected at the annual meeting scheduled for April 21 by way of voice vote, show of hands or other appropriate means. With that, Beltrami Electric will not be sending paper ballots via the U.S. Postal Service to its members in 2016.

ARTICLE III DIRECTORS

**Section 9. Nominations and Elections.** The areas to be 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.**



# Director Candidates

## 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 also was one of the early organizers of the Blackduck Co-op. He and his wife reside in Hornet Township in Beltrami County and have two grown children and four grandchildren. He was first elected to the Beltrami Electric board in 2010 and currently serves as the secretary.

**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 life-long 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."

## District 5, Robert Wallner (Incumbent)



A member of Beltrami Electric for 35 years, Robert Wallner has been a general practice attorney in Bemidji for 37 years and raised beef cattle with his family for 33 years. He earned his bachelor's degree in economics and business from Bemidji State and followed that with a law degree from William & Mary College of Law in St. Paul, Minn. He and his wife, Roxy, have five children and two 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. Robert also serves on 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."

## District 8, Sue Kringen



A native of Bemidji, Sue received her bachelor's and master's degrees from Bemidji State University. She recently retired from Riverwood Bank of Bemidji where she worked as the director of marketing for the past seven years. 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 the 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 37 years. She and her husband, Curt, reside in Fern Township in Hubbard 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?** "I have more than 30 years of experience in management and community leadership. I am a strong community advocate and feel my experience in both managing and serving on many boards has given me a great understanding of board governance and member responsibilities."

## Thank you, Terry Diffley - retiring director



Beltrami Electric Cooperative wishes to honor and thank Terry Diffley, a retiring board member, for his years of service. His leadership, principles and knowledge have been a great value to the cooperative. On behalf of all of the members of Beltrami Electric Cooperative, we thank you for your dedicated service.

A lifelong resident of the Bemidji area, Terry was elected to the Beltrami Electric board of directors in 2004, and has served four terms, representing District 8. Diffley also served as treasurer in 2008. He served on the board for Cooperative Development, LLC, and has been Beltrami Electric's representative on Minnkota Power Cooperative's board of directors, receiving the Red Lantern Award in 2015, recognizing his 10 years of service on their board.

Terry has represented residents of Rockwood Township as a town supervisor for more than 50 years. He has also served as treasurer of the Bemidji Rural Fire Association board. Terry and his wife, Jean, reside in Rockwood Township and have two grown children and two grandchildren.



# Annual Meeting Minutes

The annual meeting of the members of Beltrami Electric Cooperative, Inc. was held at Beltrami Electric Cooperative headquarters in Bemidji, Minn., on Wednesday, June 24, 2015, commencing at 3:30 p.m. Rick Coe presided as chairman. The following directors were present: Jeff Nelson, Bob Wallner, Lea Perkins, Murl Nord, Terry Diffley, Jerry Larson, John Lund and Rick Coe. Director Judy Honer was absent due to illness.

The chairman asked all to stand for the Pledge of Allegiance and invocation. Director Murl Nord gave the invocation. The chairman called the meeting to order and announced that a quorum was present.

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 then announced that the board of directors had appointed the following as tellers: Lowell Miller from District 1 and Bob Sandbo from District 4. Attorney Gerad Paul introduced the director candidates and asked for any unmailed ballots to be collected.

The reading of the official Notice of the Meeting and Proof of Mailing was dispensed with by motion made, seconded and carried.

A motion was made, seconded and carried to approve the minutes of the last annual meeting held April 24, 2014, as mailed to the membership.

The chairman introduced the current directors and recognized special guests in attendance.

Sidney Sletten, Beltrami Electric Cooperative director of finance and member service, gave the annual financial report. The chairman recognized Andrea Bunich of Bemidji, who was selected as the Youth Tour delegate to Washington, D.C.

Manager Nieuwsma gave a report on various topics of the electric industry. Attorney Gerad Paul then announced the results of the election:

<b>Total mailing envelopes received</b>	<b>1,978</b>
<b>Less: Disqualified mailed ballots</b>	<b>0</b>
<b>Subtotal:</b>	<b>1,978</b>
<b>Total members voting in person</b>	
<b>(On-Site ballots)</b>	<b>22</b>
<b>Less: Disqualified Ballots</b>	<b>8</b>
<b>Subtotal:</b>	<b>14</b>
<b>Total votes counted:</b>	<b>1,992</b>

<b>District Results:</b>		<b># of Votes</b>
District 3	Jeffrey Nelson	908
	Charles Parson	1,032
District 7	John Lund	1,373
	Robert Saxton	569
District 9	Judy Honer	1,806

Attorney Paul then announced the election of Charles Parson, John Lund and Judy Honer as directors of Beltrami Electric Cooperative. There being no further business to come before the board, on a motion made, seconded and carried, the meeting adjourned at 4:05 p.m.

## Beltrami Electric selects Lara Hicks for 2016 Youth Tour



Beltrami Electric is pleased to announce that Lara Hicks of Bemidji has been selected as the cooperative's 2016 Electric Cooperative Youth Tour representative. She will join 1,500 high school students representing their cooperatives on an all-expense-paid trip to Washington, D.C., June 11-16,

2016. This trip is a part of an annual Youth Tour sponsored by the National Rural Electric Cooperative Association (NRECA), the Minnesota Rural Electric Association (MREA) and Beltrami Electric Cooperative. Senator Lyndon Baines Johnson inspired the Youth Tour when he addressed the National Rural Electric Cooperative Association (NRECA) Annual Meeting in Chicago in 1957. The Senator and future president declared, "If one thing comes out of this meeting, it will be sending youngsters to the national capital where they can actually see what the flag stands for and represents."

The Youth Tour program continues to foster the grassroots spirit of the rural electric cooperatives by demonstrating to our youth how our government works and what the electric cooperative business model is all about. Building the next generation of leaders is what the Youth Tour program is all about. Many former Youth Tour representatives have moved on to serve in significant positions in our communities, including members of Congress. In a time when energy is at the

forefront of our nation's issues, this is a great opportunity to have a hand in the creation of electric cooperative advocates!

Candidates are required to submit an application, write a 500-word essay and submit two letters of reference from teachers, group or community leaders.

Ms. Hicks is very active in her school. Not only is she a member of the National Honor Society, she also participates in the BHS Vocalmotive show choir, BHS choir, BHS symphony orchestra, and was part of the pit orchestra for the fall musical. Lara was part of Team Lithuania that was involved in Model United Nations at Bemidji State University, which won an award for Best Delegation. She has received numerous academic achievement awards and has lettered in academics, show choir, orchestra, choir, model UN, weight lifting and link crew. Lara has also volunteered with Tots for Science at the Headwaters Science Center in Bemidji, as a camp counselor with Show Choirs of Bemidji and is a current audio volunteer at Lakeland Public Television. In college, she plans to pursue a degree in Law, Social or Political Sciences.

The tour includes visits to the Smithsonian, the National Archives, Arlington National Cemetery, the WWI, Vietnam, Korean War Veteran's Memorials, as well as the Jefferson, Washington and Lincoln Memorials. Lara was selected based on her strong educational background and community involvements, qualities that Beltrami Electric Cooperative believes are important in our future community leaders. Lara is the daughter of Jack and Lucy Hicks of Bemidji, Minn.



# Operations Report



**Dan Edens**  
Manager of Operations

Service reliability is something your cooperative is continually working to improve. This has always been and will continue to be a priority. As you will see from the graph pictured to the right, the average number of outage hours per consumer is down to 1.88, which is the lowest in five years. Only 10 years ago we were at outage hours of 3.99 per consumer. One of the ways we actively work to improve reliability is replacement of old line. As these lines start to fail, we evaluate and develop a replacement plan, or what our industry terms as our “Construction Work Plan” (CWP).

Three major line replacements were completed in 2015. You may have spotted our crews this past year, as we had projects in several areas. One was Ponemah Road, where we replaced old, vintage cable from the 1970s that was failing. We also installed a new underground feeder line from the Shooks substation over five miles to the city of Kelliher (and removed the old overhead feeder line). The final project of the year was replacing another old feeder line out of the Aardahl substation that runs toward the Grace Lake area. All of these projects will positively affect our service reliability to the members in these areas.

## Right-of-way clearing

One of the most common – and crucial – ways we work to improve reliability is referred to as our right-of-way clearing program. A right-of-way (ROW) refers to a strip of land underneath and around power lines that your electric cooperative has the right and responsibility to maintain and clear. Trees must grow at a distance far enough away from conductors where they will not cause harm to individuals or disruption to electrical service. Specifications can vary, but a general guideline of maintaining a safe ROW is 30 feet of clearance on either side of the primary conductors.

ROW clearing also keeps your family safe by ensuring that tree branches do not become energized due to close contact with a power line. BEC distribution power lines can carry up to 12,500 volts, and an energized tree branch is incredibly dangerous – even deadly. Be mindful when around trees close to power lines, and make sure your children know that climbing trees near power lines is extremely dangerous.

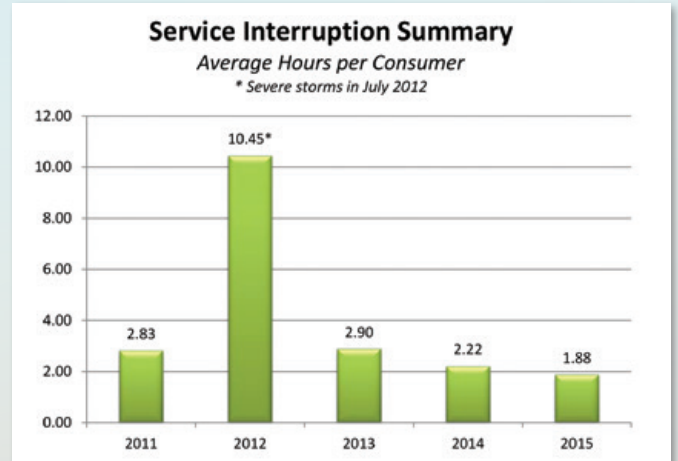
Of course, no one likes to see their trees cut down, but the July storm of 2012 was a testament to the importance of a clear and open right-of-way. Not only does it aid in the reduction of outages due to trees and animals, but also in our crews being able to access those lines to restore an outage, or even replace a pole because of storm or weather damage.

It is important to remember that you should not plant trees or other plants directly below or adjacent to overhead power lines, as we might need to access them for repairs.

In addition, if you see an area that might need to be cleared or inspected, please don't hesitate to call the office and let me know. Our right-of-way crew stays very busy trying to keep ahead of the game to prevent trees and branches from falling on lines during a storm or due to high winds.

## Construction Work Plan- looking ahead

Our Construction Work Plan for 2016 contains a number of projects. We will be working on the east side of Big Lake, along Mission Road NE, replacing underground line in preparation for road construction that will take place this year. In addition, we plan to work along County Road 39



(Scenic Highway), installing three-phase underground line due to road construction that will take place in 2017.

Other projects this year include replacing a mile of single-phase line with three-phase line in order to split up a heavily loaded area on Archery Road. There are many other single-phase underground replacement projects that will take place this year throughout our system in order to replace lines that have had numerous outages.

All of these improvements will directly improve our service reliability for our members. As part of these upcoming projects, you may experience some planned outages as we switch over to these new lines.

## What is a planned outage?

Have you ever received a notification from the folks here at Beltrami Electric informing you of a “planned outage?” You may have wondered, “What is a planned outage?” and “Why does my electric utility need to perform one?” Like the projects mentioned above, occasionally the equipment we use to bring power to your home needs to be replaced, repaired or updated. When this happens, as a way to keep our crews and you safe, we plan an interruption to electric service.

We do our best to plan these outages during times when you will be least inconvenienced. Whenever possible, we try to plan outages for the very early hours of the morning, in an effort to limit interruption to schools and businesses. We also try to avoid planning these outages during peak demand winter or summer months. We understand these are times of the year when you depend on running your heating and cooling units the most.

While they may sound inconvenient, planned outages are actually beneficial to you, our members. Regular system upgrades are necessary for optimal performance, and they increase reliability. Repairing and upgrading our equipment is also critical to maintaining public safety. If older lines need to be replaced, we plan for it, repair or replace it, and that keeps everyone safe.

We want to make sure we are doing everything we can to keep you safe and to keep our system running smoothly. So, the next time you hear about a planned outage, know that it is one of the best ways we can provide you with quality electric service.

On behalf of our operations department, we appreciate your patience and understanding regarding all of the projects I have mentioned, old and new, as we work toward our objective to provide you, our members, with safe, reliable electric service.

# Energy Service Report



**Sam Mason**  
Manager of Energy Services and Facilities

## Why didn't my bill go down while I was on vacation?

This is a question we get asked quite often. Many people are surprised when they get their electric bill after being on vacation for a week or two. Why? For most families the bill remains the same and does not go down, even if no one was at home. If this happens to you, ask yourself the following questions:

- **Did you turn your thermostat up/down?**
  - o Heating and cooling is the largest energy expense in your home. Turning your thermostat down to 55°-60° in the winter when you are away can help cut your heating bill by 10-15 percent. If you have air conditioning, turning your thermostat up in the summer when you are away will also help to reduce cooling costs.
- **Was the water heater turned down or off?**
  - o Water heating is the second-largest energy expense in your home. Your water heater will continue to run to keep your water at the set temperature even if you are not there to use it. All your water heater knows is that the water needs to be

hot and ready for you to use, it doesn't know that you aren't home to use it. If you will be gone for an extended period of time, turn the temperature down or turn off the breaker.

- **Did other appliances and equipment continue to run?**
    - o Items like your refrigerator, freezer, sump pump, dehumidifier, yard lights, fans or even space heaters or heat tape in crawl spaces.
  - **Did you unplug items that use electricity even when they are in "standby" mode?**
    - o These items include things like computers, TVs, DVD players, game consoles, phone chargers, cable boxes and more, all take power even when no one is home. Using a power strip for these items will allow you to easily turn off multiple items with one switch before you leave on vacation.
- For further ideas and tips on how to reduce your energy usage while you are home or away, please see our website at [www.beltramielctric.com](http://www.beltramielctric.com).

## NORTHERN SOLAR project update

Beltrami Electric plans to construct an 80-kilowatt (kW) Direct Current (DC) solar garden array on our headquarters property. The array will consist of 192 photovoltaic panels rated at 400 watts each.

Members who wish to subscribe to the Northern Solar project will pay \$1,295 for a full panel's output or \$647.50 for a half panel's output. A 10 percent down payment is required to reserve the panel(s). In return, members will be allocated the energy produced (kWh) by their subscribed panel(s) to offset the kWh on their monthly electric bill. The monthly output of a panel is estimated at 37.5 kWh, with a panel producing more in the summer and less in the winter. The projected annual average output of a panel is estimated at 450 kWh, based on the Solar Advisor Model from the U.S. National Renewable Laboratory.

We hope to start breaking ground in 2016, if we get enough of the solar panels subscribed. We are still receiving interest from members and as of March 18, we have 66 panels subscribed. However, we need at least 96 panels subscribed before we can move forward with the project, so if you are interested and have not yet signed up, please do so soon. For more information or to request a contract, you may contact our office or go to our website [www.beltramielctric.com](http://www.beltramielctric.com).

## New website! [www.beltramielctric.com](http://www.beltramielctric.com)

We recognize the ways in which our members access information are changing due to advancements in technology and our lives becoming more mobile. In an effort to enhance member communications, we have recently renovated our website. Our website address will remain [www.beltramielctric.com](http://www.beltramielctric.com) but will offer many enhancements/features. Such features include icons to view/pay your bill online through SmartHub, find available rebates as well as quick links to the current load management status or our outage map. In addition, members will be able to find information on current events at the cooperative as well as follow our Facebook feed.

BEC's renovated site launched in March, and we will continue to work to ensure our members can access information easily. We welcome your feedback. Contact Angela at 218-444-3689 or [alyseng@beltramielctric.com](mailto:alyseng@beltramielctric.com).

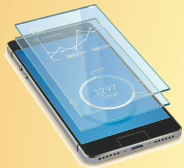






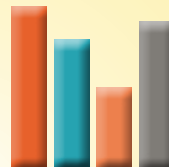
**Energy awareness and tracking makes it easy to understand your home or business**

The meter at your home or business provides mountains of useful data. Now you can spot trends, track your usage and even receive energy-related alerts and challenges. It's your energy, make the most of it.



**Data and alerts where you are**

Alerts and meter data are accessible across lots of different devices and our mobile alert system keeps you up-to-date even when you're on the road.



**Track and compare your usage**

Track your usage against weather conditions and see how you compare to your own usage from previous years.



**Customizable markers**

Track important events and monitor associated energy changes with handy markers. Using markers helps the system know how and when to provide important alerts.



**Energy challenge**

Set an energy savings goal and track your progress over time.

Please visit <https://mymeter.beltramielectric.com>.

**Shop local and SAVE big with Beltrami Electric's Co-op Connections Card!**



Beltrami Electric has participated in the Co-op Connections program since it began in 2008. The Co-op Connections Card is a money-saving tool we're proud to offer our membership. This card provides our cooperative members access to many local and national discounts. This

program is a great opportunity to partner with those in our community and to aid in their success.

Co-op Connections allows businesses to promote and advertise to our members at **NO COST**. Businesses may be promoted in a variety of ways, including newsletters, online and flyers given out to all new members. The program allows your business to reach consumers locally and nationally.

Call Beltrami Electric Cooperative today to learn how you can get your business advertised through the Co-op Connections Card program.

Try out the free **Mobile App**, and you'll have GPS, "call the store" ability, and a digital card at your fingertips. Search "**Co-op Connections**" in the **App Store** or on **Google Play**, and download it today. Find all the ways to save at [www.connections.coop](http://www.connections.coop).

**Featured "Deal of the Month"**

**Darrell's Auto Glass** *Darrell's Auto Glass*

*Darrell's Auto Glass is a full service auto glass replacement and repair shop located in Bemidji, Minn. Operating since 1995, Darrell's Auto Glass offers free mobile service and a lifetime guarantee.*

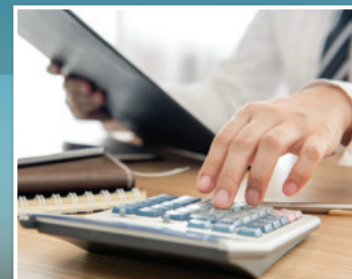
**2035 Adams Ave. NW, Bemidji**

**Mon. - Fri., 8 a.m. - 5 p.m., Sat. by appointment.**

Need auto glass repair or replacement? Call us at (218) 759-8810 or (888) 472-0230. [www.darrellsautoglass.com](http://www.darrellsautoglass.com)

**25% off rock chip repairs**

Offer valid when showing your Co-op Connections card at point of purchase. Another benefit of being a BEC member! Lost your card? No problem. For a FREE replacement card, call (218) 444-2540 or stop into our office. For more deals visit: <http://www.connections.coop>.

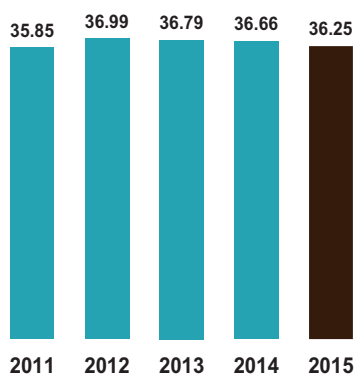


# Balance Sheet

As of December 31, 2015 & 2014

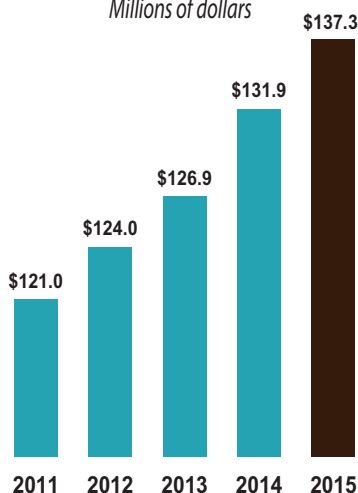
## Equity

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



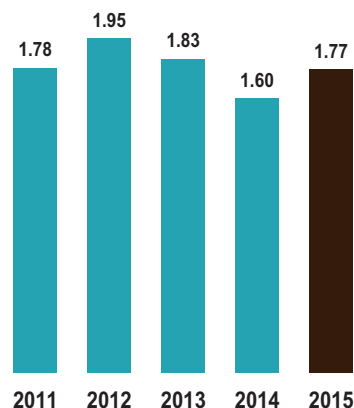
## Electric Plant Investments

Millions of dollars



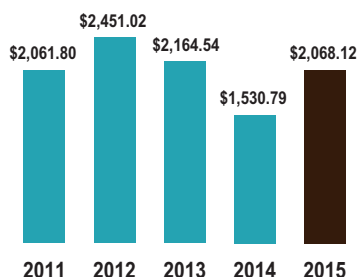
## TIER

(Times interest earned ratio)



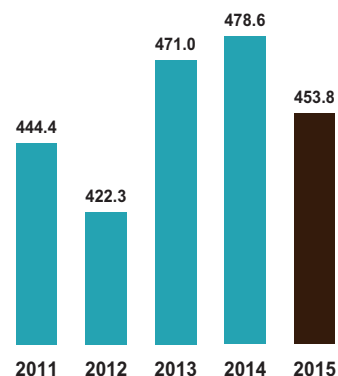
## Margins

Thousands of dollars



## Electricity Sold

Total kWh in millions



## ASSETS

### ELECTRIC PLANT:

	2015	2014
In service	\$135,953,131	\$131,554,661
Under construction	1,354,977	334,376
Total electric plant	137,308,108	131,889,037
Less accumulated depreciation	(38,792,728)	(36,341,897)
Electric plant – net	98,515,380	95,547,140

### OTHER PROPERTY AND INVESTMENTS:

Investments in associated companies	5,384,813	5,287,847
Other investments	3,068,453	2,673,025
Special funds	1,075,895	1,170,822
Total other property and investments	9,529,161	9,131,694

### CURRENT ASSETS:

Cash - general	1,783,992	1,062,730
Accounts receivable, less allowance for uncollectible accounts (2015 – \$74,998; 2014 – \$74,999)	6,573,207	6,818,834
Materials and supplies	782,820	597,143
Prepayments	185,833	179,609
Interest receivable	8,168	8,258
Total current assets	9,334,020	8,666,574

### DEFERRED DEBITS:

Deferred debits	2,387,011	2,716,058
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### TOTAL ASSETS

	\$119,765,572	\$116,061,466
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## EQUITIES AND LIABILITIES

### EQUITIES:

	2015	2014
Memberships	\$ 782,065	\$ 769,825
Patronage capital	25,539,643	25,939,791
Other equities	16,911,831	15,665,272
Accumulated other comprehensive income	177,594	172,521
Total equities	<u>43,411,133</u>	<u>42,547,409</u>
Long-term debt, net of current maturities and net of cushion of credit of \$4,415,903 for 2015 and \$3,250,314 for 2014	<u>61,590,000</u>	<u>60,408,498</u>

### OTHER NONCURRENT LIABILITIES:

Postretirement benefits obligation	1,053,432	1,605,146
Deferred Revenue Reserve	526,339	787,464
	<u>1,579,771</u>	<u>2,392,610</u>

### CURRENT LIABILITIES:

Current maturities of long-term debt	6,310,274	2,917,639
Current portion of postretirement benefit obligation	18,000	20,000
Line of credit	0	1,000,000
Accounts payable – general	884,441	867,709
Accounts payable to associated company-billed power costs	3,619,522	3,409,289
Customer deposits	854,604	819,342
Taxes accrued	271,185	240,206
Interest accrued	219,633	266,326
Payroll accrued	72,502	232,076
Accrued compensated absences	336,057	317,800
Total current liabilities	<u>12,586,218</u>	<u>10,090,387</u>

### DEFERRED CREDITS:

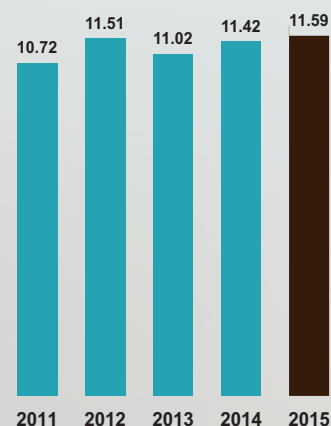
Customers' energy prepayments	302,257	237,216
Unamortized gain on reacquired debt	272,562	385,346
Solar subscriptions	23,631	0
Total deferred credits	<u>598,450</u>	<u>622,562</u>

### TOTAL EQUITIES AND LIABILITIES

	<u>\$ 119,765,572</u>	<u>\$ 116,061,466</u>
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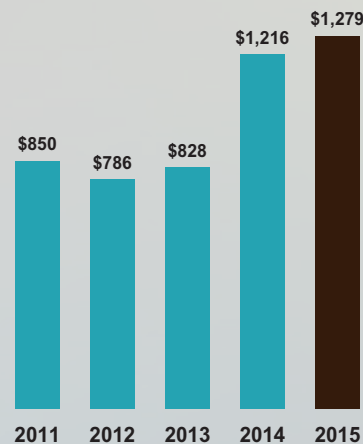
### Cost of Electricity

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



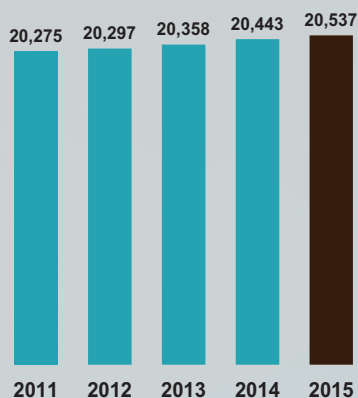
### Capital Credits Retirements

Thousands of dollars



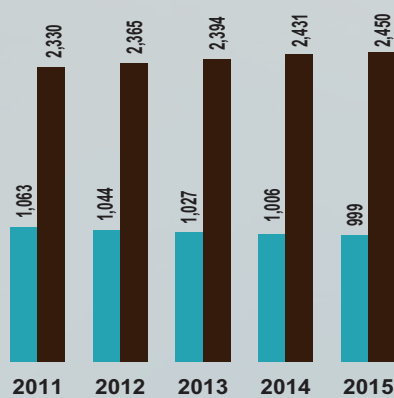
### Meters Served

Average



### Miles of Line

Average



■ Overhead Line ■ Underground Line

# Statement of Revenue and Patronage Capital

For the years ended December 31, 2015 & 2014

## OPERATING REVENUE:

Electric	\$48,784,792		\$49,533,287	
Other	471,532		470,321	
Total operating revenue	<u>\$49,256,324</u>	100.0%	<u>\$50,003,608</u>	100.0%

## OPERATING EXPENSE:

Cost of power	\$34,438,506	69.9%	34,081,853	68.2%
Distribution – operation	1,893,470	3.8%	2,036,630	4.1%
Distribution – maintenance	1,912,161	3.9%	2,077,730	4.2%
Customer accounts	1,388,403	2.8%	1,443,317	2.9%
Customer service and information	828,396	1.7%	815,330	1.6%
Sales expense	100,896	0.2%	133,808	0.3%
Administrative and general	1,695,848	3.4%	1,649,817	3.3%
Depreciation	3,577,034	7.3%	4,686,035	9.4%
Taxes	1,710	0.0%	1,700	0.0%
Interest on long-term debt	2,690,821	5.5%	2,667,862	5.3%
Amortization of gain on reacquired debt	(112,784)	-0.2%	(112,784)	-0.2%
Other	78,495	0.1%	103,133	0.1%
Total operating expense	<u>\$48,492,956</u>	<u>98.4%</u>	<u>\$49,584,431</u>	<u>99.2%</u>
Operating margin before capital credits	763,368	1.5%	419,177	0.8%
Generation and transmission and other cooperative capital credits	363,037		375,326	
<b>NET OPERATING MARGIN</b>	<u>\$ 1,126,405</u>		<u>\$ 794,503</u>	

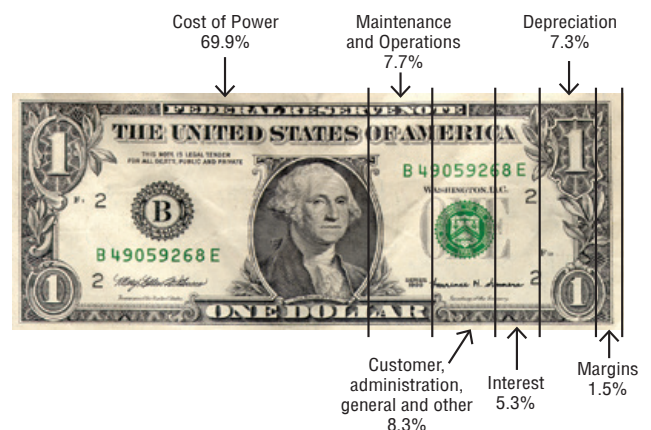
## NONOPERATING MARGINS (LOSSES):

Merchandising, jobbing and contract work, less costs and expenses of (2015 – \$19,609; 2014 – \$12,952)	\$ (1,079)		\$ 683	
Rent of headquarters second floor, net of costs (2015 – \$110,514; 2014 – \$109,885)	6,157		10,012	
Loss on disposition of property	(8,276)		(709)	
Investment income	220,642		198,663	
Revenue deferral recognition	26,714		59,975	
Cooperative Development LLC (net of income taxes)	569,666		596,708	
Income Tax Benefit (Expense)	(61,307)		(161,092)	
Northern Safety & Security LLC management income	11,802		16,485	
Northern Safety & Security LLC	177,401		15,562	
Total nonoperating margin	<u>941,720</u>		<u>736,287</u>	
Net margin	<u>\$ 2,068,125</u>	4.2%	<u>\$ 1,530,790</u>	3.1%
Patronage capital – beginning of year	25,939,791		26,490,815	
Transfer nonoperating margins to unallocated reserve	(1,086,881)		(774,524)	
Retirement of capital credits	(1,381,392)		(1,307,290)	
<b>PATRONAGE CAPITAL – END OF YEAR</b>	<u>\$25,539,643</u>		<u>\$25,939,791</u>	

## Where operating revenue came from

INCOME	Amount	Percent of Revenue
Residential sales	\$34,367,121	69.8%
Irrigation sales	19,316	0.0%
Commercial & industrial 50 kva or less	2,707,940	5.5%
Commercial & industrial over 50 kva	5,522,955	11.2%
Public street & highway lighting	73,326	0.1%
Sales for resale – RUS borrowers	670,818	1.4%
Sales for resale – others	5,423,316	11.0%
<b>Total sales of electric energy</b>	<u>\$48,784,792</u>	<u>99.0%</u>
Other revenue	471,532	1.0%
<b>Total operating revenue</b>	<u>\$49,256,324</u>	<u>100.0%</u>

## Where operating revenue was spent





# Analysis of Operating Expense Items

## OPERATIONS EXPENSE

Operations, Supervision and Engineering	\$ 253,773
Overhead Line Expense	261,415
Overhead Line Expense – Line Inspection	203,479
Overhead Line Expense – PCB Test	12,712
Underground Line Expense	215,796
Underground Line Expense – Cable Locating	111,194
Meter Expenses	330,714
Consumer Installation Expenses	73,690
Miscellaneous Distribution Expense	421,870
Rents	8,827
<b>Total Operations Expense</b>	<b>\$ 1,893,470</b>

## MAINTENANCE EXPENSE

Maintenance, Supervision and Engineering	\$ 68,227
Maintenance of Overhead Lines Expense	147,228
Maintenance of Overhead Lines Expense – Reclearing	750,066
Maintenance of Overhead Lines Expense – Spraying	40,620
Maintenance of Overhead Lines Expense – Osmose Pole Treating	20,681
Overhead Outages	220,339
Maintenance of Underground Lines Expense	70,908
Underground Outages	285,761
Maintenance of Street Lights	2,727
Maintenance of Transformers	10,089
Maintenance of Meters	184,531
Maintenance of Turtle Meters	55,022
Maintenance of Remote Disconnects	11,314
Maintenance of Miscellaneous Distribution	44,648
<b>Total Maintenance Expense</b>	<b>\$ 1,912,161</b>

## CONSUMER ACCOUNTS EXPENSE

Meter Reading Expense	\$ 10,632
Customer Records	889,290
Customer Records – Delinquent Accounts	488,492
Customer Records – Cash Short and Over	(11)
<b>Total Consumer Accounts Expense</b>	<b>\$ 1,388,403</b>

## SALES EXPENSE

Advertising Expense	\$ 100,896
<b>Total Sales Expense</b>	<b>\$ 100,896</b>

## CUSTOMER SERVICE & INFORMATION EXPENSE

Customer Assistance Expense	\$ 158,838
C. I. P. – Load Management	142,413
Customer Assistance Expense – Safety	12,039
C. I. P. – Electric Heat Maintenance	66,589
C. I. P. – Heat Loss Calculation	1,266
C. I. P. – Renewable Energy	19,022
C. I. P. – Residential Electric Evaluation & Consultation	29,644
C. I. P. – Water Heater & Dryer	176
C. I. P. – Prescriptive Incentives	155,118
C. I. P. – Existing Homes	131
C. I. P. – Low Income Weatherization	43,646
C. I. P. – Energy Use Behavior	5,040
C. I. P. – Residential Custom Incentive	-
C. I. P. – Business Prescriptive Incentives	72,605
C. I. P. – Business Custom Incentives	1,219
Power Plant Tour	15,148
Fair Booth	3,624
Youth Tour	2,496
Northern Lights, Customer Service & Information	99,382
<b>Total Customer Service &amp; Information Expense</b>	<b>\$ 828,396</b>

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

## ADMINISTRATIVE & GENERAL EXPENSE

Administrative & General Salaries	\$ 875,744
Office Supplies & Expenses	65,034
Computer Supplies & Software	182,119
Outside Services Employed	46,709
Property Insurance, Injury and Damages	9,154
Employee Benefits, Education	74,375
Regulatory Expenses	31,955
Duplicate Charges, Credit	(69,953)
Miscellaneous Expense – Goodwill Administration and Advertising	28,981
Dues Paid Associated Organizations	75,898
Miscellaneous General Expenses	36,520
Miscellaneous General Expenses – Capital Credits	36,654
Directors' Fees & Expenses	77,708
Miscellaneous General Expenses – Annual & District Meetings	117,921
Rents	2,339
Maintenance of General Plant – Building	67,197
Maintenance of General Plant – Office Equipment	307
Maintenance of General Plant – 2 Way Radio	3,007
Maintenance of General Plant – Miscellaneous Equipment	4,169
Maintenance of General Plant – Lab Equipment	5,266
Maintenance of General Plant – Tools	1,847
Maintenance of General Plant – Computers	22,897
<b>Total Administrative &amp; General Expense</b>	<b>\$ 1,695,848</b>

## Comparison Statistics

	2015	2014
kWh sold	453,819,667	478,645,659
Average monthly kWh per residential customer	1,253	1,394
Average monthly bill for residential customer	\$149.60	\$159.28

	2015	2014
Average monthly bill for all customers	\$173.28	\$183.49
Average monthly expense per customer	\$196.77	\$202.12
Investment per customer	\$6,685.89	\$6,435.20
Number of consumers (average)	20,537	20,443
Miles of line, Dec. 31	3,449	3,437
Long-term debt per customer	\$3,306.25	\$3,097.69

# Operation Round Up® Program begins May 1

Together, we have the **POWER** to make a difference ...



Beltrami Electric Cooperative (BEC) will be joining 37 other Minnesota electric cooperatives and hundreds more around the nation who currently have an Operation Round Up program. Operation Round Up is a voluntary program that seeks to use small amounts of change from BEC members' electric bills to enact large, community-wide changes. This program's sole purpose is to improve the quality of life for our community.

#### Here's how it works:

Members will see a separate line item on their billing statement showing the amount that their bill was rounded up. As an example, if your bill was \$129.60, it would be rounded up to \$130, with the extra forty cents going into the Beltrami Electric Trust. The average amount a member will contribute will be 50 cents/month or \$6 per year. If you have more than one account, you can choose to have one, all or none of them on Operation Round Up.

#### Beltrami Electric members are generous

We'd like to say THANK YOU to all of the Beltrami Electric members who are participating in the Operation Round Up program. Nearly 95 percent of you are contributing to this great cause to help our local communities.

#### Beltrami Electric Trust board holds first meeting

The Beltrami Electric Trust board for Operation Round Up had its first meeting on March 2. The following officers were elected: President - Sharon Lembke, Vice President - Randy Frisk, Secretary/Treasurer - Michelle Sand. Other Trust board members are Sherry Billups and Robert Smith.



The Beltrami Electric Trust board of directors for Operation Round Up: **Front:** Michelle Sand, Bemidji; Sharon Lembke, Laporte; **Back:** Randy Frisk, Bemidji; Sherry Billups, Blackduck; Robert Smith, Red Lake.

#### Eligibility for funding and limitations:

Contributions will not be made for:

- Lobbying, political and religious organizations
- Veteran, fraternal and labor organizations
- Fundraising dinners, raffles and other events
- Capital fund campaigns
- Advertising
- Ongoing operational expenses

#### Guidelines for organizations applying for funds:

- Contributions will generally be made to nonprofit, civic or community-based organizations that demonstrate a commitment to enhance the quality of life in our communities.
- Contributions will be distributed primarily in the local area served by the cooperative.
- Projects should fit into one or more of these categories: Community Service, Economic Development, Education & Youth and Environment.
- Applications must be submitted on Official Operation Round Up application forms.

#### Applications available

Grant application forms are now available at the Beltrami Electric office and on our website at [www.beltramielc.com](http://www.beltramielc.com). The first application deadline will be Sept. 30, 2016. All applications must be received in our office by this date to be considered by the board at their fall meeting. Funds will be disbursed in October.

Please contact Angela Lyseng at the Beltrami Electric office if you have questions or wish to obtain a Grant Application form.

Again, the Operation Round Up program is voluntary, and for those members who choose to not participate, there are several ways in which to opt out. You may contact our office at (218) 444-2540 or (800) 955-6083, send an email to [info@beltramielc.com](mailto:info@beltramielc.com) and place "Operation Round Up Opt-Out" in the subject line (please provide member's full name, address and account number(s)), or stop into our office at 4111 Technology Drive NW in Bemidji, MN.



**Present this coupon at the registration table (with your preprinted address on the reverse side) during Beltrami Electric Cooperative's annual meeting Thursday, April 21, at Bemidji High School to be eligible for a**

**\$100 cash prize drawing.**

**No substitute coupons will be accepted. Must be registered and present to win.**

## Volunteer for Project GreenTouch



**Invite your family and friends!**

**Saturday, May 7, 10 a.m. to 2 p.m.,  
Lake Bemidji State Park**

*Tools, equipment, beverages and a grilled lunch provided*

For the 17<sup>th</sup> year, Beltrami Electric Cooperative and other Touchstone Energy<sup>®</sup> cooperatives throughout Minnesota will again join together to spruce up our state parks through a program called GreenTouch.

You're invited to volunteer your time to plant trees, clean up trails, rake leaves and complete other general projects, all to prepare Lake Bemidji State Park for the 2016 season!

Come join us! No park sticker will be needed that day for volunteers. For more information visit [www.beltramielectric.com](http://www.beltramielectric.com) or if you would like to volunteer, contact Angela at 444-3689 or [alyseng@beltramielectric.com](mailto:alyseng@beltramielectric.com).

## BELTRAMI ELECTRIC MULTIVENDOR INDOOR GARAGE SALE

*to benefit the United Way*

**Saturday, May 7, 2016**

**8 a.m. to 2:30 p.m. at Beltrami Electric (in the garage)**

*4111 Technology Dr NW, Bemidji (near Paul Bunyan Communications)*

- Access to 89 booths and the comfort of indoor shopping!
- Huge variety of NEW and USED merchandise!
- All fees (rent, entrance, food) go to the United Way!

United Way  
of Bemidji Area



**\$1 entrance  
fee (12 &  
under are free)**

## Memorial Day Closing

The Beltrami Electric Cooperative offices will be closed on Monday, May 30, in observance of Memorial Day. Please remember those who sacrificed their lives for our freedom.

# Annual Meeting Program April 21, 2016 • Bemidji High School

## 5:30 to 7 p.m.

Roast Beef Dinner, *Commons Area*  
Registration, browse information, free promotional items

## 6 p.m. to 6:45 p.m.

Entertainment, *Auditorium*..... Northside Jazz Combo

## 6:30 p.m.

Open swimming for kids, pool area ..... See note below  
for more information

## 7 p.m.

Annual Meeting, *Auditorium* ..... Drawing for door  
prizes throughout the meeting

National Anthem..... **Lara Hicks**, *Bemidji High School*  
(*BEC 2016 Youth Tour Representative*)

Invocation..... **Judy Honer**, Director

Welcome & Call Meeting to Order..... **Rick Coe**, President

Reading of Official Notice of Meeting,  
Proof of Mailing and Minutes of  
2015 Annual Meeting ..... **Rick Coe**, President

Introduction of Candidates  
and Election of Directors ..... **Gerad Paul**, Attorney,  
*Minnkota Power Cooperative*

Financial Report ..... **Sid Sletten**, Director of Finance  
& Member Services, *Beltrami Electric*

Manager's Report ..... **Jared Echternach**,  
CEO/General Manager, *Beltrami Electric*

Guest Speaker ..... **Robert “Mac” McLennan**, President & CEO,  
*Minnkota Power Cooperative*

Grand Prize Drawing

Adjournment of Meeting

## Attention kids! Swimming available again at Annual Meeting! Bring your suit!

Once again, Beltrami Electric has secured the pool at Bemidji High School during the 2016 Annual Meeting. While parents listen to the meeting program, their children can swim in the pool free of charge. Lifeguards and supervision will be in place, so please bring a towel and a bathing suit, which is all that will be needed. Please note that the pool will be open from 6:30 p.m. until the end of the meeting. Parents, please accompany your children while changing clothes. Nonswimmers must provide their own life jacket.

## Guest Speaker

**Robert “Mac” McLennan**, President & CEO,  
*Minnkota Power Cooperative*

Mac McLennan is the President & CEO of Minnkota Power Cooperative, Inc., Beltrami Electric Cooperative's wholesale power provider, based in Grand Forks, N.D.

McLennan has dedicated his career to the electric cooperative industry. Prior to joining Minnkota as President & CEO in 2011, he was employed by Tri-State Generation & Transmission Association, a wholesale power cooperative based in Colorado, as senior vice president of external affairs & member relations. McLennan has also worked for the National Rural Electric Cooperative Association (NRECA) as director of environmental affairs. He is currently a member of the Board of Directors for the Lignite Energy Council, BNI Coal, Quentin Burdick Center for Cooperatives, Grand Forks Economic Development Corporation and the University of North Dakota's School of Engineering and Mines. A Wyoming native, McLennan is a graduate of the University of Jamestown. He and his wife, Debbie, reside in Grand Forks.

