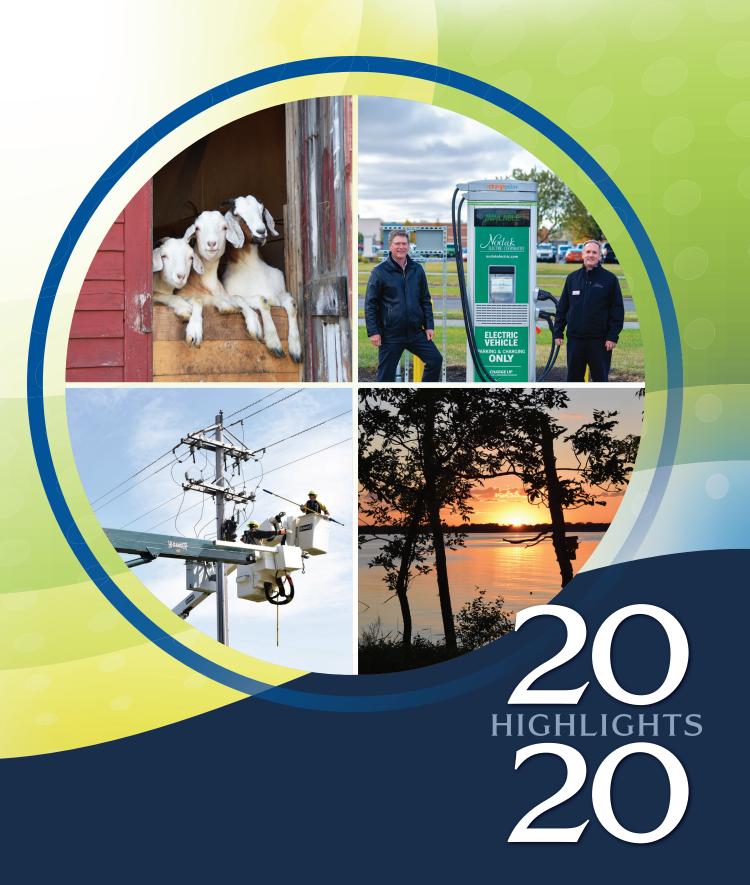
The Wodak Weighbor
2020 ANNUAL REPORT



Nodak Neighbor

Official Publication of the Nodak Electric Cooperative, Inc.

746-4461 or 800-732-4373

www.nodakelectric.com

The Nodak Neighbor (USPS 391-200) is published six times a year, February, April, June, August, October and December for \$1.00 per year by the Nodak Electric Cooperative, Inc., 4000 32nd Ave. S., Grand Forks, N.D. 58201-5944. Periodicals postage paid at Grand Forks, N.D., and additional mailing offices. POSTMASTER: Send address changes to NODAK ELECTRIC COOPERATIVE, INC., P.O. Box 13000, Grand Forks, N.D. 58208-3000

Volume 71, No. 2 March-April 2021 Officers and Directors

Chairman of the Board. .Steve Smaaladen

Vice Chairman David Kent

Secretary/Treasurer David Brag

Directors . David Hagert, Luther Meberg, Pete Naastad, Cheryl Osowski, Paul Sigurdson and Les Windjue

President & CEO Mylo Einarson

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On the Cover

2020 was an eventful year for Nodak Electric Cooperative. Between safely navigating the pandemic and working hard on innovative projects, the team also took time to give thanks for the beauty and resources of the region.

Notice of Annual Meeting

To the members of Nodak Electric Cooperative, Inc.:

You are hereby notified that the 81st annual meeting of Nodak Electric Cooperative will be held Tuesday, April 6, 2021, for the following purposes only:

1. Approval of the 80th annual meeting minutes.

2. To elect three directors:

Listed below are candidates either nominated by petition or selected by the Committee on Nominations. The members of the Committee on Nominations are appointed by the board of directors.

<u>District 1</u> (one 3-year term)

District 2 (one 3-year term)

District 3 (one 3-year term)

Ted D. Anderson

McCanna

David Hagert *Grand Forks*

David Brag *Finley*

Ryan Benson

Arvilla

Derek Roach *Mekinock*

Camburn Shephard

Crystal

Thomas Vaughn

Cavalier

Due to COVID-19 concerns, members may vote by mail only this year as there will be no in-person member meeting.

Voting by mail. The board of directors has authorized mailing, for the election of directors and to approve the minutes of the 80th annual meeting, each member an absentee ballot. Your ballot will be mailed to you prior to the annual meeting with a list of the candidates and a postage-paid return envelope. Completed ballot must be received by Survey & Ballot Systems, an independent election service, no later than April 5, 2021, to be counted as a vote of the absent member.

David Brag, Secretary/Treasurer March 7, 2021

Rate structure change effective April 1, 2021

Beginning April 1, the "Renewable Surcharge" rate component charge, as labeled on the monthly bills of \$0.004/kWh, will be combined with the existing energy charge for General Service – Farm, Rural Residential, Small Commercial, Urban, High Density and Off-Peak rate classes and be discontinued as a separate rate component. The new combined energy rate will be \$0.104/kWh, but does not represent an increase for said rates.

A mailed rate change notification was sent to all commercial and industrial members in December.

2020 in Review

EV CHARGER

Nodak installed a first-in-the-community electric vehicle (EV) fast charging station. The charger will make EV travel easier across the region.

ONLINE APPLICATIONS

A new online application process was initiated to help members start, stop or move service.

NEW INTERACTIVE WALL

Nodak's new system allows dispatch to quickly assess an outage and dispatch crews while providing up-to-date information about the outage situation.

REBATES

Nodak offers rebates to encourage load development, load retention and wise use of energy.

OPERATION ROUND UP

Nodak and its members help the community with a variety of projects, programs and life-improving purchases.

AFTER-HOURS CALL

Nodak is using a new after-hours call center to help maintain continual member service.

CAPITAL CREDITS

In 2020, Nodak returned \$2 million in capital credits to its members.

FIRST RESPONDERS APPRECIATION

Nodak teamed up with Minnkota Power Cooperative to deliver meals to health care workers at Altru as a thank you for their work and dedication during the pandemic.















Mylo Einarson President & CEO

Message to our Members

e cannot tell you how disappointing it is that we are announcing, for the second year in a row, we will be holding a business-only annual meeting, with only mail-in ballots and no in-person gathering. The days when we can comfortably bring you all together in one room to celebrate the business of the cooperative are on the horizon, but without knowing how long it will take to do so safely, your board of directors made the difficult decision to wait until next year to hold an in-person meeting. We all sincerely hope that the annual meeting we have next year will be back to business as usual, with a bigger and better meeting than ever.

2020 was a year most of us would like to move on from. Between the global health pandemic that has affected us in so many ways, and the social, cultural and economic challenges facing us right now, I think we can safely say we are all looking forward to better years in front of us. In many ways, 2020 was not a great year for your cooperative, but there are certainly some bright spots to reflect on and be thankful for. We fought our way through the obstacles and eventually ended up with kWh sales down 5.5% from the previous year, but were able to end the year within our targeted financial metrics and post a net margin of \$5.03 million. We met all our financial goals and exceeded all our fiscal obligations. Most importantly, we were able to deliver the power you needed in a safe and reliable manner.

We are happy to say that for 2020, we were able to hold the line on retail rates for the fourth year in a row. The importance of keeping rates down for our member-owners cannot be overstated. Our team works diligently to keep expenses in check so more of your hard-earned dollars stay in your pockets where they belong.

In March 2020, like you, we had to adapt due to the changes brought on by the pandemic. At a time of uncertainty, our focus was clear: keep our group healthy so the lights stayed on. We quickly and safely established new working practices to limit the potential health risks to our employees. It was clear, even in altered times, we had to be there to provide service to our members. We are happy to report it was mission accomplished.

We made adjustments to protect our employees when the pandemic hit and to ensure we were here to provide for the needs of the membership. Some of those measures have been a big success and will continue to be part of our regular offering of services. Early last summer, we developed additional online resources to help members sign up for services or make adjustments to their services. Those inclusions will continue to be a regular mainstay. To better serve our members after hours, we changed our dispatching service to a 24-hour service staffed with multiple stations. Now, when you call after regular business hours to report a problem, you will know right away if we have a previously reported problem in your area, saving you time on the phone and providing more detailed information about the situation.

Continuing our commitment to stay up to date on the modern uses of electricity, we installed the first Level 3 fast charging station for electric vehicles in our service area. Because of a grant from the state of North Dakota, we were able to install the station for a fraction of the total cost. As we plan for the future, we will continue to make investments in technology and reliability. We currently have an adequate source of wholesale power to meet the needs of our growing membership and more. However, future state and federal policies could impact

the ability to stay the course with the diverse mix of generation we currently enjoy. Because of this, we stay intimately involved in our wholesale power provider's generation resource planning and support their approach to utilizing all of North Dakota's abundant natural resources to provide the power we need.

In a cooperative like Nodak Electric, you are a member-owner of the business. One of the major differences between a cooperative and an investor-owned utility is that you earn an ownership stake in the business through purchasing power from us called capital credits. Those dollars are used by the cooperative to operate the business and are eventually retired and returned to you in the form of a bill credit. In keeping with your board's commitment to this business. model, in 2020 your board of directors approved the retirement of \$2,000,000 in capital credits. In all, that totals \$7.75 million your cooperative has returned to current and past members in the last five years.

While there were many changes in 2020 and in early 2021, our commitment to you, our members, has not and will not change. It is obvious that working together is key to our success as a cooperative and that is why you are an important part of the cooperative business model. Without your support, your feedback and your appreciation, Nodak's success would not be possible. Thank you for your participation in the cooperative and thank you for the opportunity to serve our membership over the last year. It has truly been a privilege to serve you and on behalf of the entire board and management team at Nodak, I am happy to say your cooperative is in a good position for the future.

Board of Directors



Standing: Mylo Einarson, president & CEO. Clockwise: Cheryl Osowski, Grafton; Peter Naastad, Hatton; David Hagert, Grand Forks; David Kent, Hatton; Les Windjue, Devils Lake; Luther Meberg, Park River; Kim Soper, executive assistant; Andrew Sorbo, Grand Forks legal counsel; Steven Smaaladen, Aneta; Dave Brag, Finley; and Paul Sigurdson, Edinburg.

Staff



Steve Breidenbach *Engineering Manager*



Tom Edwards Accounting/Finance Manager



Blaine Rekken Member/Energy Services Manager



Dan Schaefer *Line Superintendent*



Kim Soper *Executive Assistant*



Mylo Einarson *President & CEO*

Co-op Facts

Counties served:

Cavalier, Pembina, Walsh, Benson, Ramsey, Nelson, Grand Forks, Eddy, Griggs, Steele, Traill, Barnes and Cass

Board meeting: First Tuesday of each month

Date first energized: Dec. 23, 1939

Power supplier:

Minnkota Power Cooperative



Ted D. Anderson *McCanna*, *N.D.*

District 1 Candidates

Ted Anderson is a lifelong resident of rural Larimore, N.D. He has been owner and operator of Anderson Repair for 22 years. He and his wife, April, have been married for 30 years and have one son and a grandson. Ted currently serves on the Elm Grove Township board and the Grand Forks County Township Association, and he is a past member of the Larimore Park District board. Ted enjoys going to the lake and spending time with his family and friends.



Ryan Benson *Arvilla, N.D.*

Ryan Benson lives on his family farm near Arvilla, N.D. As a sixth-generation farmer, he currently farms with his dad, Dale, growing crops of wheat, corn, soybeans and sunflowers. He has served on his township board for over 10 years and has served a nine-year term on the Honeyford Elevator board – four of those years as president. Ryan would like to become a Nodak Electric director to help represent the rural areas that Nodak serves. Along with his wife Kristi and two children, the family has a couple dogs, cats, some chickens and a few pigs on their farm.



Derek Roach *Mekinock*, *N.D.*

Derek Roach is a fourth-generation Nodak Electric member. Derek, his wife Stacy and their two children reside on a farmstead near Mekinock. His family has lived in this area since the 1930s. Derek attended Le Cordon Bleu for Culinary Arts in Las Vegas and worked in the food service industry for over 10 years, managing and owning various restaurant and bar establishments. For the next seven years, he built his career with Grand Forks Public Schools. In 2018, Derek made the leap to Digi-Key Electronics in Thief River Falls, where he works as an order fulfillment specialist. He also works part-time with his older brother, who owns and operates R-Factor, Inc. Derek and his family are very involved with Ness Lutheran Church. He has served on the church council since 2013, as vice president from 2014 through 2019, as president since 2020, and is treasurer/ secretary for the church's Men's Club.



Camburn Shephard Crystal, N.D.

Camburn Shephard is a lifelong resident of Crystal, N.D. He is a fourth-generation potato farmer and a proud U.S. Navy veteran, having participated in the top-secret Project Azorian. Involved in various local and statewide organizations, Camburn has served Park Township for 21 years – as clerk for six years and as a chairman for 15 years. He founded MinnDak Bargaining Co-op, served 17 years on the Simplot negotiating committee, served on the Vikur Church council and as a Crystal Co-op director. Currently, he serves as a board member of Potatoes USA. Camburn and his wife Jane have two daughters and four grandchildren. They enjoy traveling and being involved in organizations that bring positive results to the community, state and nation while maintaining time with family.



Thomas Vaughn Cavalier, N.D.

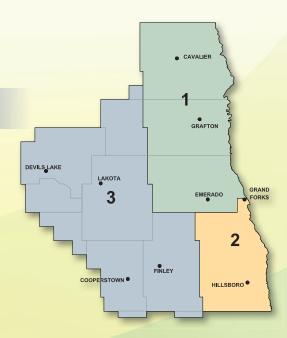
Thomas (Tom) Vaughn is a Cavalier, N.D., native and fourth-generation farmer and rancher in Pembina County. With sons David and Craig, Vaughn Farms runs a diversified crop and purebred Limousin beef seedstock operation. Tom has served on a variety of boards: Cavalier Presbyterian Church, Pembina County Livestock Association, Heartland Limousin Cattle Association, North Dakota Limousin Cattle Association, North American Limousin Cattle Association and the Cavalier Public School board. Currently, Tom is vice president of the Pembina County Memorial Hospital board in Cavalier. Tom and his wife, Rita, have three sons and seven grand-children. Spending time with grandkids and traveling are highlights for Tom and Rita. Tom is running for the Nodak Electric board to support the work and stability of the cooperative.

Candidates

for Board of Directors

Candidate videos are available to view on **www.nodakelectric.com**

Election results will be posted on our website after 1 p.m. on April 6





David HagertGrand Forks, N.D.

District 2 Candidate

David Hagert has been a member of the board of directors for Nodak Electric Cooperative since 1991 and has held numerous offices, including chairman. He has completed the required courses to receive the Credentialed Cooperative Director certificate. David owns and operates AgriData, Inc., a web-based mapping software company that serves farmers, ranchers and agri-businesses on a national basis. He currently serves on the North Dakota Atmospheric Resource board. He has served on the Emerado school board, the Emerado-Arvilla Lions Club, the Northwood Jaycees, the Grand Forks County Crop Improvement Association, the Grand Forks County Farm Bureau, the Grand Forks County Planning and Zoning Commission and was past treasurer of Pleasant View Township. David and wife, Karen, have four grown daughters and two grandchildren.



David Brag *Finley, N.D.*

District 3 Candidate

David Brag is a lifelong resident of Finley, N.D. He has served in his community over the years as church council board member and park board member and is currently farming part-time. He is a Class B electrician and a retired crew foreman of Nodak Electric in Finley. He is a graduate of Finley Public High School and obtained his degree from North Dakota State College of Science in Wahpeton, N.D. Recently, David was elected to serve on the board of directors of the North Dakota Association of Rural Electric Cooperatives. His experience offers understanding of rural community needs, using a common-sense approach. David and wife, Kathy, have three daughters. He loves spending time with their seven grandchildren.

Treasurer's Report



David Brag

As treasurer for Nodak Electric Cooperative, and on behalf of all the directors and employees of Nodak, thank you for your patronage in 2020. Aside from weather variables, electricity is a commodity that lends itself to stable usage amongst our rate classes on an annual basis. However, with

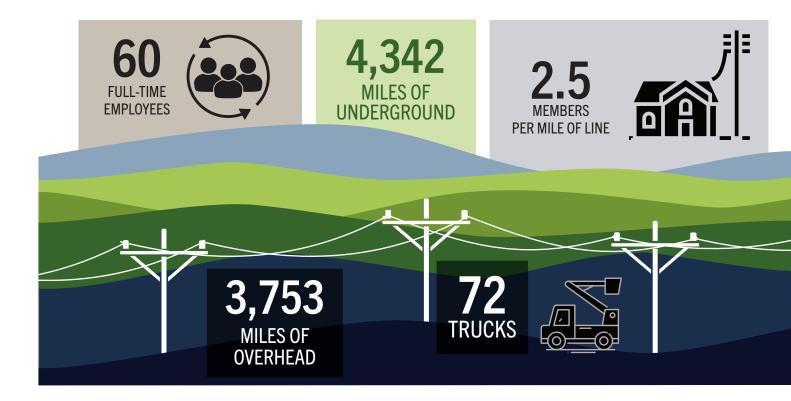
Where your energy bill payment goes

Wholesale Power Cost 82¢
Operation & Maintenance 5¢
Depreciation, Taxes & Interest 7¢
Administrative & General Expense 2¢
Customer Service Expense 1¢
Margin (Operating) 3¢

the pandemic occurring in 2020, we noted a shift in the rate class usage pattern. The General Service rate category became even more important to our finances during the year, offsetting the notable decrease in our Commercial and Industrial sales. Despite the challenges beyond our control, we ended the financial year with the ability to meet our financial goals and on the next page, you will note some of the highlights. If you would like more detail for the numbers presented, please do not hesitate to contact our office for assistance.

Total revenue for the 1.069 billion kWh sold was \$100.4 million. Other operating revenue added \$1.7 million for a total reported revenue of \$102.1 million. Total expenses were \$99.1 million, the largest expense being wholesale power costs at \$83.2 million. Additionally, nonoperating margins added \$2.1 million, with a total reported margin of \$5.03 million for 2020. Once again, a capital credit retirement of \$2 million was completed in April 2020, continuing a consistent retirement pattern by Nodak.

Thank you again for your patronage and for allowing us to serve your electricity needs during the past year.



Balance Sheet

As of December 31, 2020 and 2019

	2020	2019
ASSETS AND OTHER DEBITS		
Net Utility Plant	104,737,000	104,084,452
Cash	13,681,438	6,763,671
Receivables	10,967,809	12,099,688
Other Assets and Debits	15,478,713	13,100,963
Total Assets	144,864,960	136,048,774
LIABILITIES AND OTHER CREDITS		
Total Margins & Equities	55,573,161	52,470,575
Long-Term Debt	70,682,992	65,713,396
Other Liabilities & Credits	18,608,807	17,864,803
Total Liabilities & Credits	144,864,960	136,048,774



1,069,437,843

305 NEW SERVICES



Income Statement

As of December 31, 2020 and 2019

	2020	2019
Operating and Other Revenue	102,119,329	105,719,568
OPERATING EXPENSES:		
Cost of Power	83,243,014	86,951,337
Operations & Maintenance Expense	5,031,895	5,091,602
Consumer Accounts & Consumer Service	1,084,668	1,047,603
Administrative & General	2,240,406	2,152,230
Depreciation	4,492,760	4,399,853
Taxes	872,934	884,062
Interest	2,222,006	2,378,816
Total Cost of Electric Service	99,187,683	102,905,503
OPERATING MARGINS	2,931,646	2,814,065
Nonoperating Margins	1,671,031	422,623
G&T and Other Capital Credits	432,718	174,547
NET MARGINS	5,035,395	3,411,235

\$83,243,013

COST OF POWER

20,505
TOTAL METERS
SERVED



60,000POLES

15,050 TRANSFORMERS



peration Round Up® is a program that rounds up members' monthly electric bills to the next whole dollar amount. The resulting funds are put into a special account to assist others in need. The funds collected through Operation Round Up are used for a variety of projects, programs and items throughout the Nodak service area.

The Round Up board meets quarterly and considers each application that has been received since the previous meeting. It awards funds to the applicants based on how well the application fits the original funding guidelines: 1) Individuals or families in crisis;

2) Services – ambulance and fire; 3) Community youth needs with emphasis on permanent benefit; 4) Scholarships with emphasis on re-education of displaced agricultural people; 5) Senior needs with emphasis on permanent benefit; and 6) No requests for funding of utility and space heating energy will be accepted.

Operation Round Up is a voluntary program with roughly 60% of the 14,962 members participating. Since the program started, a total of \$985,466 has been distributed to individuals and organizations throughout the Nodak Electric service area.

2020 Recipients

		•			
Altru Ambulance Service \$	125.00	Devils Lake High School	50.00	Makenzie Milling	500.00
Aneta Ambulance Service	125.00	Drayton High School	50.00	Pamela & Lawrence Reid	500.00
Binford Ambulance Service	125.00	Finley-Sharon-Hope High School	50.00	Gloria Selvedt	1,500.00
Cooperstown Ambulance Service	125.00	Grafton High School	50.00	Sandi Abrahamson	67.00
Drayton Ambulance Service	125.00	Grand Forks Central High School	50.00	Clara Beaton	1,500.00
Emerado Ambulance Service	125.00	Griggs County Central High School	50.00	April DeMott	1,685.00
Finley Ambulance Service	125.00	Hatton/Northwood High School	50.00	Farm Rescue	1,000.00
Fordville Ambulance Service	125.00	Larimore High School	50.00	Judy Nelson	1,500.00
Hillsboro Ambulance Service	125.00	May-Port CG High School	50.00	Everly Peterson	1,320.00
Hoople Ambulance Service	125.00	Midway High School	50.00	Sandra Samuelson	1,500.00
Hope Ambulance Service	125.00	Minto High School	50.00	Valley Senior Living Foundation	2,000.00
Lake Region Ambulance Service	125.00	North Border Walhalla High School	50.00	Bettie Walker	750.00
Lakota Ambulance Service	125.00	Park River High School	50.00	Patricia Williams	2,000.00
Larimore Ambulance Service	125.00	Red River High School	50.00	Christie Carlson	1,000.00
McVille Ambulance Service	125.00	Thompson High School	50.00	Brock Johnson	2,500.00
Michigan Ambulance Service	125.00	Valley-Edinburg High School	50.00	Pembina County Backpack Program	500.00
Northwood Ambulance Service	125.00	Alzheimer's Association MN-ND	467.00	Jamie Pierce	2,000.00
Park River Ambulance Service	125.00	Julie Anderson	2,000.00	Theodore Pollack	661.00
Pembina County Ambulance Service	125.00	Briton Coppedge	592.00	Sharon American Legion	1,000.00
Valley Ambulance & Rescue Squad	125.00	Faith in Action Health Coalition	500.00	Kennedy Thorsgard	2,500.00
West Traill Ambulance Service	125.00	Jeffrey Guy	639.00	Veterans Honor Flight of ND/MN	2,200.00
Cavalier High School	50.00	Ken Kutz		Angela Vrolyk	190.00
Central Valley High School	50.00	Michael Lage	2,000.00		
Dakota Prairie High School	50.00	Collin LaVallie	2,500.00		

Operation Round Up Board of Directors



Corrine Berg



Jay Estvold



Maureen Puppe



Mitch Vold



Pam Montag



Trish Schindele



Wayne Reinhart

Current Employees

Greg AndersonOperations Technician

Jeff Bolstad Information Technologist

Steve Breidenbach Engineering Manager

Rebecca Crooks Member Service Representative

Kevin Dahlen Meter Technician I Grand Forks

Steven Danielson Energy Management Coordinator

Trent EdensApprentice Lineman
Cavalier

Tom EdwardsAccounting & Finance
Manager

Mylo Einarson President & CEO

Mike Foerster District Crew Foreman Cavalier **George Gardiner** Journeyman Lineman Finley

Ben HaarstadConstruction Crew Foreman
Grand Forks

Wade Haman Journeyman Lineman Hillsboro

Casey Hansen Electrical Engineer

Jeffrey Hanson Lead Lineman Grafton

Todd Herz Energy Services Specialist

Eric Hjelmstad Journeyman Lineman Michigan

Jordan HolmJourneyman Lineman
Cavalier

Chad Honek Electrical Technician II Grand Forks

Jacob Ihry Journeyman Lineman Grand Forks **Kaden Jaeger**Apprentice Lineman
Construction Crew

Brock JanikowskiApprentice Lineman
Grafton

Brooke Johnson Member Service Representative

Cole Johnson Electrical Engineer

Kurt Kelley District Crew Foreman Grafton

Lucas Kindseth Information Systems Specialist

Matt Konze
Journeyman Lineman
Construction Crew

Jake LambJourneyman Lineman
Devils Lake

Joleen Landis Warehouse Person

Alex Larson Apprentice Electrical Technician Grand Forks **Heather Lizotte**Billing Specialist

Todd Lommen Meter Technician Grand Forks

Jared Lothspeich
Journeyman Lineman
Grand Forks

Trey LovcikJourneyman Lineman
Devils Lake

Michelle Markuson Accountant II

Cory McKelveyDistrict Crew Foreman
Devils Lake

Scott MidstokkeDistrict Crew Foreman
Michigan

Dwight Mosher Electrical Equipment Operator Grand Forks

Melvin NagelDistrict Crew Foreman
Hillsboro

Chad Neppel Engineering Representative **Andrew Peterson**Plant Accountant

Bret PoehlsJourneyman Lineman
Michigan

Jason Raymond
Assistant Line
Superintendent/Safety
Coordinator

Blaine Rekken Member/Energy Services Manager

Dan Schaefer Line Superintendent

Gretchen Schmaltz Energy Services Advisor/ Analyst

Alex SchultzJourneyman Lineman
Grand Forks

Jeff SloanDistrict Crew Foreman
Finley

Sawyer Smith Journeyman Lineman Finley

Derek SondrealDistrict Crew Foreman
Grand Forks

Kim Soper Executive Assistant

Alex Spitsberg Electrical Engineer

Jared Stadstad Lead Lineman Grand Forks

Jeremy SteinhausJourneyman Lineman
Devils Lake

Max StromsodtApprentice Lineman Finley

Jesse SturmanApprentice Lineman
Grand Forks

Blaine Thompson Commercial Accounts

Supervisor **Kacie Tretter**Receptionist

Travis VatthauerJourneyman Lineman
Grand Forks

Dustin Weisser Engineering/Operations Specialist

Our Mission

Nodak Electric Cooperative is proud to serve as your local electric provider. We believe that working together toward a common vision is the cooperative difference. We do this by operating on a not-for-profit, cost-of-service basis. Margins are given back to the members in the form of capital credits to reduce their electric costs. Co-ops put consumers first. These core business principles that have supported your local cooperative and all cooperatives for years are still alive and very strong today. Nodak's mission is based on the following statement: "Nodak Electric Cooperative is dedicated to be an efficient provider of quality electric service with leadership that demonstrates the highest regard for its member-owners."







possible.

Together, we can keep our crews safe.