

The Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner



VOLUME 50 NUMBER 9

BAUDETTE, MINNESOTA

SEPTEMBER 2005

Notice of Annual Meeting

Notice is hereby given that the
Annual Meeting of
North Star Electric Cooperative, Inc.
will be held at the
Littlefork/Big Falls School
in Littlefork, Minn.,
on Friday, Oct. 14, 2005.

Registration and supper 5 to 7 p.m.

“The Sloughgrass Band” will entertain at 5:30 p.m.
Free child care available from 6:30 until adjournment.

Business meeting 7 p.m.

The business to be transacted at said meeting is as follows:

7:00 p.m. Call to order - President Arnesen
Invocation - Pastor Heather Wigdahl
(Littlefork Lutheran Church)
Notice of 2005 Meeting - Secretary Hanson
Minutes of 2004 Meeting - Secretary Hanson
Treasurer's Report of Audit - Treasurer Hanson
Nomination and Election of Directors -
Districts 6 & 7
Bylaw Amendments voting -
Attorney Anderson
Welcome Guests
Financial Report - Finance Manager Ann Ellis
Management Report - Manager Dan Hoskins
Turn in question sheets
Guest Speaker - David Loer, Minnkota CEO
Old and New Business - Members
Question and Answer Time
Results of Election
Drawing for Prizes and \$200 Grand Prize
Adjournment

Thank you for attending YOUR annual meeting!

David Loer to speak at this year's annual meeting



David W. Loer serves as president & CEO of Minnkota Power Cooperative, Inc., North Star Electric's wholesale power supplier.

Loer grew up on his family's farm near Humbolt, Minn. He graduated from high school in neighboring Stephen, Minn., and attended the University of North

Dakota in Grand Forks, where he received both a bachelor's degree in accounting and a master's degree in business administration.

A certified public accountant, Loer joined Minnkota in 1967 as a senior accountant. He was promoted to accounting manager in 1977, director of finance and administration in 1986, assistant general manager in 1988, and president & CEO in 1990.

Loer also serves as general manager of Square Butte Electric Cooperative, a related organization that shares joint ownership of the Young Station. Under Loer's leadership, Square Butte leveraged the largest lease buyout in the U.S. in 1998, securing low-cost capacity for future years through the nearly \$150 million purchase of Young 2 and the related 465-mile direct current line to Duluth, Minn.

Serving on the BNI Coal, Ltd. board of directors, Loer is an advocate for the benefits of lignite coal and a staunch opponent of the apocalyptic global warming theory that today's news media often attribute to carbon dioxide. His ability to seek facts and rely on scientific, peer-reviewed studies has proven that catastrophic cries from uninformed environmentalists should not threaten a regulatory-compliant industry.

A 1995 recipient of the Toastmasters International Communication and Leadership Award, Loer has served on various National Rural Electric Cooperative Association committees, allowing him to be both an educator and spokesperson.

A resident of East Grand Forks, Minn., Loer and his wife, Judi, are actively involved in community and church activities. They have four adult children and six grandchildren.

Loer has successfully guided Minnkota throughout the past 15 years. The more than 106,000 customers of the associated member-owner distribution cooperatives have benefited from the skills of this admirable leader.

The Enlightener

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\$1/year for non-members

OFFICERS AND DIRECTORS

Steve Arnesen President
Gunder Hallan Vice President
Michael Hanson Secretary-Treasurer

BOARD OF DIRECTORS

Julian Brzoznowski,
L.J. Anderson, Bruce Polkinghorne,
Allan Nygaard, Randy Bergan, Mike Trueman
Wayne Haukaas Editor

Baudette 218-634-2202
Littlefork 218-278-6658

If calling long distance,
call toll-free

Baudette 888-634-2202
Littlefork 888-258-2008

Office hours:
7:30 a.m. to 4 p.m.
Monday through Friday

e-mail us at nsec@wiktel.com
Visit our Web site at
www.northstarelectric.coop
P.O. Box 719, Baudette

**Electrical
after-hours
emergencies
1-888-60UTAGE
(1-888-668-8243)
634-2603**



July 2005 Operating Report

| | |
|--|-------------|
| Revenue | \$ 569,157 |
| Cost of Power | \$ 301,597 |
| Operation, Maintenance, Administration | \$ 177,263 |
| Depreciation and Interest | \$ 135,345 |
| Margin on Operations | \$ (45,048) |
| Average use per Residential..... | 789 |
| Total kWhs Sold | 5,978,352 |



Bus service to Annual Meeting

Call or send us a note to confirm your seat on the bus

The bus is free, but this year we are asking that you give us a call or drop us a note to let us know that you plan to ride the bus. Also, it would be helpful to know where you plan to board. With your help, we should be able to make sure that everyone will be able to find a seat.

Call 634-2202 (Baudette) or 278-6658 (Littlefork)
or toll-free (888) 634-2202

Bus Schedule for Annual Meeting Friday, October 14, 2005

East Route 1

| | | |
|--------------------------|-----------------------------------|-----------|
| Kabetogama..... | Gateway Store | 3:50 p.m. |
| Ray | Woodland Inn (park at north end) | 4:00 p.m. |
| Roger's Corner | Store | 4:10 p.m. |
| International Falls..... | International Falls Shopping Mall | 4:25 p.m. |

| | | |
|------------------|-------------------|-----------|
| Pelland Jct..... | Y Knot Quick Stop | 4:45 p.m. |
|------------------|-------------------|-----------|

East Route 2

| | | |
|-----------------|--------------------|-----------|
| Big Falls | Community Building | 4:40 p.m. |
|-----------------|--------------------|-----------|

West Route

| | | |
|-----------------|------------------------|-----------|
| Roosevelt | Roosevelt Rustic Diner | 3:30 p.m. |
| Williams | Williams Cafe | 3:40 p.m. |
| Baudette..... | North Star Office | 4:00 p.m. |
| Birchdale | Karen's Place | 4:25 p.m. |
| Loman..... | Church | 4:45 p.m. |

Destination - Littlefork/Big Falls School

| | |
|------------------|-------------|
| Registration | 5 to 7 p.m. |
| Supper | 5 to 7 p.m. |
| Business meeting | 7 p.m. |

WE NEED YOUR METER READING

Please read your meter on or as near the 25th of EACH month as possible. We must have your reading by the 5th of the next month to avoid an estimated bill. If a bill consecutively estimates two times, the crew will read the meter and a \$15 fee will be added to the account.

— Please Note —

Bills that are past due will be charged a 1.5 percent late payment fee. Bills that are 30 days past due will also be charged a \$2 delinquent notice fee.



By Dan Hoskins
General Manager

Annual meeting time

Annual meeting time; what is an annual meeting? It is a time to reflect on what has taken place during the past year at your Cooperative as well as to get together to see old friends, reminisce a little, visit with your Cooperative employees and directors, have a great meal and then take care of business at the meeting.

Before I give you a short run-down of the schedule for the evening, I would like just a little of your time to reflect on this past year.

This past year

We constructed 111 new services and retired 27 for a net of 84 new accounts on our system. Along with these new services, we also did maintenance to our lines, had road moves which create line moves for us, and we also changed out some old lines to new construction. This means, that with all that work that our crews did, your Cooperative installed 29,273 feet of underground primary cable and 17,217 feet of overhead primary line. Plus, we did upgrades and new construction to a number of secondary services that totaled 1,642 feet of overhead secondary and 5,033 feet of underground secondary.

Pole changeouts totaled 84 this past year, and I am sure that this figure will go up as we have begun a 10-year rotation on pole testing. This means that all of our poles will be tested over the next 10 years, and the bad ones will be replaced. (William L. Wagner 425-09-002-02) This is a maintenance item that needs to be done, and the best way to keep costs down is to spread the cost of everything as much as we can but still maintain the system and keep it reliable.

We spent \$125,655.35 on our right-of-way maintenance, which includes tree trimming, mowing and chemical spraying. But with all that, we still managed to have 311 outages for the year that affected 6,562 members, of which some of you were repeat members, for a total of 14,766.4 hours of outages, and that works out to about 2.4 hours per consumer. Most of these outages were caused by wind, lightning and trees, so you see, right-of-way maintenance is a must.

But with everything that we did, we were still able to purchase 124,534,330 kilowatts of power from Minnkota and give you firm, reliable electric power at a low cost, and we did that with 28 dedicated employees.

Annual meeting plans

Well, now let's get back to the annual meeting; this year, we are planning to be in the Littlefork/Big Falls High School gymnasium on Friday night, October 14. The evening begins with registration and the meal at 5:00 p.m. and with entertainment from Sloughgrass, a popular band from Birchdale, Minn., that plays bluegrass music as well as country, gospel and some of your old-time favorites. The business meeting is scheduled for 7:00 p.m.

David Loer to speak

Our guest speaker this year will be President and CEO of Minnkota Power Cooperative, Mr. David Loer. Mr. Loer will give you his perspective on the energy industry, plus a snapshot of how Minnkota is doing and what is in store for the future of Minnkota Power Cooperative. David always gives a very professional, interesting and informative speech, and with Minnkota as our energy supplier, most everything David will discuss will have a direct effect on North Star Electric Cooperative, so you won't want to miss this.

Thanking our board

In closing, I would like to thank your Board of Directors for all the work that they do for you and the dedication they have for your Cooperative. I would also like to thank our employees for all of their hard work and dedication. As your Manager, I am very fortunate to have such dedication and workmanship surrounding me, and I thank them all.

Come join us

So, if you would like a delicious meal, some great entertainment and are interested in your Cooperative, then I would like to invite all of you to come join us for the evening.

God Bless you and our Troops,

CURRENT ELECTRICAL INSPECTORS

State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection with the State Board of Electricity and be inspected by a Minnesota electrical inspector.

- *St. Louis county:*
Lee Herseth
10078 Gappa Road
Ray, MN 56669
Phone: (218) 875-3028
7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)
- *Roseau, Lake of the Woods and Koochiching counties:*
William Crunden
29513 Corlan Dr. N.E.
Blackduck, MN 56630
Phone: (218) 835-8567
7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)



Office notes

From Ann Ellis, Manager of Finance and Administration

"Know the value of time! Snatch, seize, and enjoy every moment of it. No idleness, no laziness, no procrastination. Never put off till tomorrow what you can do today"
~ Lord Chesterfield

Did you notice the credit on this month's bill?

We are pleased to be issuing credits to electric bills this month. The board of directors has authorized a capital credit retirement, and for those of you with balances due and at least a \$5 capital credit refund, you will see this on your September bill. Those of you on budget billing or with a credit balance will receive a check in the mail. The total amount of the retirement is \$400,000, and the average refund is \$31. This is based on your usage, so the more you purchased, the larger your capital credit, and therefore, your refund.

Thank you for your support and patronage!

Bylaw amendments

This issue of the *Enlightener* includes the language for the Bylaw amendments that the membership will be asked to vote on at the annual meeting on October 14 at the Littlefork/Big Falls School. Be sure to take a look. Underlined items would be new, and the crossed off items would be eliminated if approved by a majority of the membership.

Annual meeting draws near!

Bylaw amendments won't be the only thing happening at the annual meeting. Members in Districts 6 and 7 will be electing their board representatives. Not sure of which district you are in? It's printed on your billing statement just below the bar code for your billing address. Want to know more about the candidates? See their bios in this issue of *The Enlightener*.

There will also be a free dinner, entertainment provided by The Sloughgrass Band, a report from Minnkota President and CEO, David Loer, on electricity generation issues and off-peak control, and great prizes including a \$200 cash grand prize! And if high gas prices might keep you home, consider taking the free bus!

Thank you, volunteers

We'd like to thank the Nominating Committee members for volunteering their time in that part of the election process. A big THANKS to Ken Warner, Shirley Davis, Rose Larsen, Michael Gates, Keith Barstad, Wendy Boorman, Lorna Gustafson, and Larry V. Keep.

We hope to see you in Littlefork on October 14!

One more thing...

This bill also shows your corrected 2004 Capital Credit Allocation Notice. A portion of this has already been paid back to you with the capital credit retirement described above.

At your service we remain...

LAKE OF THE WOODS COUNTY FAIR WINNERS

Grand Prize winner
Deluxe Cart Grill with Rotisserie & Cover
Vicki Brucciani

2nd prize winner
Lock-N-Go Grill
Lorraine Stigen

Kids Drawing
\$25.00 Gift Certificate
Tarena Ubel

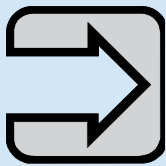
Nightly Drawing
Surge Strip
William Schrader
Dave Wohlrabe
Roger Sindelir
Jack Charlton



Gopher State One Call



It's the LAW
CALL BEFORE YOU DIG
Minnesota Statewide One Call
Notification Center
1-800-252-1166



West End News

By Steve Ellis
Baudette District Operations Supervisor



We have been keeping busy with new services, road jobs and the Work Plan job in the Pitt area. Crews have almost completed this job as well as the line upgrade in the golf course area.

We will be doing some right-of-way spraying from the Williams to Baudette areas again this year; this is to finish up planned spraying that was not completed last year. We contract this work out, but if you have any questions or concerns, please contact us.

New service plans, anyone? If you plan on building, or just simply need to upgrade your existing service, please contact us well in advance so that your project may be scheduled in our work plans.

Please be careful around overhead lines as they are very dangerous when working around them. Always keep their presence in mind; if you see or have any questions about your power lines, contact us for help.

For those of you doing any fall burning, remember that power poles are easy to ignite and difficult to extinguish. Please use caution when burning around our facilities.

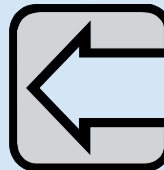
GSOC (Gopher State One Call) ... If you plan to do any digging, please remember that it is a law that you MUST contact GSOC before you do any digging. The ground is crawling with more than worms; it's full of wires and cables of all kinds! To save yourself, and most likely many others, the inconvenience and cost, please plan your project well in advance, and notify GSOC first!...1-800-252-1166.

Until next time, stay safe!



East End News

By Allan Baumgartner
Littlefork District Operations Supervisor



Our crews have been working on service upgrades, reroutes and new services at a pretty steady pace. We will have to take time to get some much-needed tree trimming work done while it's dry, and we can get our bucket trucks into the problem areas. This summer, we had more right-of-way work than usual to take care of along with our new construction. (John P. Thiessen 715-33-014-02) Most of our problems are leaning or broken trees remaining from our summer storms.

Central Applicators are in our service area treating our rights-of-way for brush control with an approved herbicide. It is important to keep our rights-of-way clean for lower line loss, new construction work, fewer outages and faster power restoration in the event of an outage.

We will be contracting with American Energy Services to test 2,014 poles in our system. Around mid-September, they will start in the Baudette area and end up east of Littlefork.

Problems paying your electric bill?

Energy assistance may be available!

If you are receiving a low income or suffering from a temporary financial shortfall, the following agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.

- **Lake of the Woods County Community Services**
P.O. Box G-0200
Baudette, MN 56623
Phone: 634-2642
- **Northwest Community Action Council**
P.O. Box 67
Badger, MN 56714-0067
Phone: 1-800-568-5329
- **Koochiching County Community Services**
1000 5th St.
International Falls, MN 56649
Phone: 283-7000
- **Kootasca Community Action, Inc.**
2232 2nd Ave. E.
P.O. Box 44
International Falls, MN 56649
Phone: 283-9491 or 1-800-559-9491
- **Kootasca Community Action, Inc.**
1213 SE 2nd Ave.
Grand Rapids, MN 55744-3984
Phone: 1-800-422-0312
- **Arrowhead Economic Opportunity Agency**
702 3rd Ave. S.
Virginia, MN 55792-2797
Phone: 1-800-662-5711



AMENDMENTS TO BYLAWS OF NORTH STAR
ELECTRIC COOPERATIVE, INCORPORATED

ARTICLE IV
BOARD OF DIRECTORS

SECTION 3. QUALIFICATIONS No person shall be eligible to become or remain a director of the cooperative who:
(a) is not a member of the cooperative and is not a bonafide resident of the particular district he is to represent, or
(b) is in any way employed by the cooperative.
Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

SECTION 3. QUALIFICATIONS. All persons eligible to become or remain a director of the Cooperative shall:

(a) be a member in good standing of the Cooperative receiving electric service at the member's primary residence in the district from which the director is to be elected prior to being nominated for director;

For purposes of these bylaws "primary residence" shall mean the residence that is the chief or main residence of the person and where the person actually lives for the most substantial portion of the year:

(b) have voting rights within the district from which the director is to be elected;

(c) not be employed by, materially affiliated with or have a material financial interest in, any director, individual or entity which either is:

(1) directly or substantially competing with the Cooperative; or

(2) selling goods and services in substantial quantity to the Cooperative; or

(3) possessing a substantial conflict of interest with the Cooperative;

For purposes of this section, the terms "material" or "substantially" shall be interpreted as constituting a minimum of 5% of a member's total hours of employment sales or income on an annual basis:

(d) not be an employee or not have been an employee of the Cooperative within the last three (3) years;

(e) not be a close relative of an employee, where as found in these bylaws "close relative" means any individual who is, either by blood, law, or marriage, including step, half, foster and adoptive is either a spouse, child, grandchild, parent, grandparent, brother or sister.

(f) be only one, and not more than one, member of a joint membership; provided, however, that none shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless all shall meet the qualifications hereinabove set forth;

(g) if a representative or agent of a member is not a natural person i.e. a corporation, partnership, limited liability company, or similar, then the representative or agent designated as a nominee for director shall be an individual residing within the external boundaries of the district from which (s)he is nominated; and

(h) agree to regularly attend all board, annual and special members' meetings, and in no case have more than four (4) unexcused absences within a twelve (12) month period of time.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

(i) Exceptions. In regard to the restrictive provisions of this section that are based upon close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected a director if, during a director's incumbency, a director becomes a first kindred relative of another incumbent director or of a Cooperative employee because of a marriage or an adoption to which the director was not a party.

(j) Disqualification. After the board of directors determines that a director or a nominee for director lacks eligibility under the provisions of this section or as may be provided elsewhere in these bylaws, it shall be the duty of the board to promptly make a disqualification. After the board of directors determines that any person being considered for or already holding a directorship lacks eligibility under this section it shall be the duty of the board of directors to withhold such position from such person or to cause a director to be removed therefrom, as the case may be.

SECTION 5. NOMINATIONS The procedures and methods of nominating candidates for election as a director of the cooperative are hereby established:

(a) Nominating Committee. It shall be the duty and responsibility of the board of directors of the cooperative to appoint appropriate District Nominating Committees. Not less than ~~forty (40)~~ sixty (60) days or more than ~~seventy (70)~~ one-hundred-twenty (120) days prior to the date of the annual meeting of the membership, the board of directors shall appoint four (4) members of the cooperative to ~~service~~ serve on a District Nominating Committee in each of the districts with director terms expiring. Each Nominating Committee shall be responsible to the membership of the cooperative, to make a reasonable effort for the selection of two (2) qualified candidates from their respective district who will stand for election to the board of directors of the cooperative. No member of the board of directors shall be appointed as a member of a Nominating Committee, nor shall a member of the board of directors participate in meetings of a Nominating Committee. Each Nominating Committee shall hold a meeting at least thirty (30) days prior to the date of the annual meeting of the membership for the purpose of making their nominations of candidates for a director of the cooperative. Each Nominating Committee shall prepare a certified report of nominations of candidates for director that will appear on the ballot at the annual meeting of the cooperative. This report shall be delivered to the cooperative and shall be posted at the principal office of the cooperative, Baudette, Minnesota, at least twenty-five (25) days prior to the annual meeting; such report, a listing of the nominations by districts, may be mailed to each member through the medium of the cooperative newsletter.

(b) Nominations by Petition. Any twenty (20) or more members of a district of the cooperative may make nominations in writing over their signatures not less than twenty-five (25) days prior to the annual meeting, and the Secretary of the board of directors shall post the petition at the principal office of the cooperative, Baudette, Minnesota; such listing of nominations by petition may be mailed to each member through the medium of the cooperative newsletter.

(c) Nominations from the Floor. Nominations of candidates for directors may be made from the floor at the annual meeting, but any candidate so nominated shall reside in the same district as the person making the nomination. No

Continued on page 7

Highlights of the board of directors meeting

August 10, 2005

These are the highlights from the board of directors meeting held on August 10, 2005. Detailed minutes are available at the Cooperative for member review. Regular board meetings are generally held the first Wednesday of every month. If you wish to speak with the board or have an item that you would like to have placed on the agenda, please contact Manager Dan Hoskins at least one week in advance to be included on the agenda.

All directors were present. They acted upon usual, routine business. In addition, they voted to continue membership in Touchstone Energy, to approve the Nominating Committees, to approve an amendment for membership consideration which would widen the window during which the Nominating Committees can work, to approve management's recommendation to pay \$400,000 of capital credits, and to send a \$2,000 donation to the NRECA International Foundation to be used for freight to get donated equipment to the electrification project in Haiti.

Management and operations report

Manager Hoskins reported on future energy needs of the nation, journeyman linemen shortages in southern states, the upcoming training for MREA Fast Track Director Credentialing, progress of the AMR (automated meter reading) project, bids for the cold storage building to be constructed, the ERP (Emergency Response Plan), and a member questioning if a husband and wife could share a director position, which the attorney advised would not be within the scope of the by-laws. (Jason/Carrie Taggart 140-08-066-03) Manager Hoskins also reported that a survey would be sent out with the bills to gauge member interest in Operation

Round-Up. Operations activities included line maintenance, pole relocations, outages, service upgrades, contractor progress with underground cable installation, AMR readings, and the ability of the AMR system to detect power quality issues.

Office report

Finance Manager Ellis provided the financial report and reported on office activities including the IRS 990/990T, allocation of DBS capital credits, bill collections and insurance issues.

Compliance and member services report

Manager of Compliance and Member Services Haukaas reported on load management activity, conversion of water heaters to the regular meters with an ECC credit, replacing off-peak meters with AMR meters, receipt of a check from NRTC to help offset the costs last year of upgrading DirecTV equipment to receive local programming, fair booth attendance, groundskeeping, the increase in high usage complaints, presumably because of the increased accuracy of the new AMR electronic meters, and the state of contactors following a low voltage situation.

Board reports

Minnkota Delegate Arnesen reported on their monthly meeting, which included discussion regarding a partnership to construct a new, coal-fired power plant. It would be operated by Minnkota Power, be located near the existing plant and be fueled with BNI coal. Square Butte Delegate Bergan also reported on their recent meeting.

From page 6

member may nominate more than one (1) candidate.

SECTION 7. REMOVAL OF BOARD MEMBER BY MEMBERS Any member may bring charges against a member of the board of directors of the cooperative and, by filing with the Secretary of the board of directors such charges in writing together with a petition signed by at least ten percent (10%) of the members, may request the removal of such board member by reason thereof. Such board member shall be informed, in writing, of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against the board member shall have the same opportunity. The question of the removal of such board members shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

REMOVAL OF BOARD MEMBERS BY DIRECTORS Upon failure of a director to meet or maintain the qualifications described in these bylaws, the board of directors shall remove a director at a board of directors' meeting and fill the vacancy caused by the removal pursuant to Section 4.

ARTICLE V BOARD OF DIRECTORS MEETINGS

SECTION 5. EMERGENCIES Any and all directors may participate in any meeting of the board of directors by any means of communication through which the board of directors may simultaneously hear and speak to each other during such meeting. For the purpose of establishing a quorum and taking any action, such directors participating pursuant to this section shall be deemed present in person at the meeting. This section is intended

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From page 7

to be utilized only in unusual or emergency situations and not to replace normal attendance at board of directors' meetings.

ARTICLE IX
DISSOLUTION OR LIQUIDATION AND
DISPOSITION OF
PROPERTY

~~SECTION 1. DISSOLUTION OR LIQUIDATION~~ Proceedings for voluntary dissolution or liquidation of the cooperative shall be subject to Minnesota Statutes, 1974, Chapter 308, or any other law of Minnesota relating to the organization of cooperative associations, and may be instituted whenever a resolution therefore is adopted by two-thirds of the votes cast thereon at a meeting of the membership duly called for that purpose, at which a quorum is present.

~~SECTION 2. DISPOSITION OF PROPERTY~~ When authorized by the members of the cooperative, the board of directors may dispose of all or substantially all of the property of the cooperative upon such basis and upon such terms and conditions as may be agreed to by the board of directors. Such authorization of the members shall be in the form of a resolution adopted at a special or the annual meeting of the members in which the notice of the meeting shall have included a statement that such disposition of the property of the cooperative will be considered at the meeting. If a quorum is present in person or by mail ballot, if authorized, at such meeting, the resolution approving such disposition shall be adopted if approved by two-thirds of the votes cast. A certified copy of the voting record and the resolution shall become a permanent part of the minutes of such member meeting.

The board of directors may sell property of the Cooperative upon such terms and conditions as it deems appropriate and in the best interests of the Cooperative.

No sale of more than twenty-five (25%) percent of the property of the Cooperative shall be effective, however, unless authorized at an annual or special meeting of the members by the affirmative vote of a majority of the entire membership.

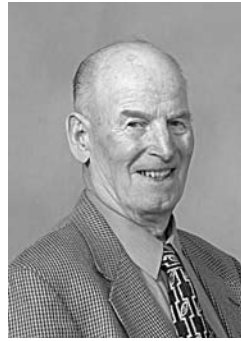


District 7 – Bruce Polkinghorne

Bruce Polkinghorne has been a director since 1989. Bruce and his wife, Violet, live in Littlefork. He has been a lifelong resident except for four years that he spent in the Air Force.

He worked in the hardware business for 40 years but is now semi-retired. He is a member of the Lions Club and American Legion and also lists aviation, music, camping and hiking as additional interests.

Polkinghorne is seeking his fifth term as director. Over the last few years, he has attended several seminars enabling him to become a certified board member.



District 6 – Allan Nygaard

Allan Nygaard has been a director since 1989. He and his wife, Lorraine, are longtime residents of Big Falls. Allan is now retired, but he worked for many years as a private contractor in the timber industry. Along with his duties on the North Star Board, he

is also an active member of the American Legion, and has served on the school board, HUD board and Big Falls City Council.

During his term as a director, Nygaard has attended several seminars and has become a certified board member.

Nygaard is seeking his fifth term. He says that his priorities for the future include holding the line on rates and helping North Star achieve the goals that have been set for the future growth and prosperity of the co-op.



District 6 – Al Linder

Al Linder is a lifelong resident of the Ray area where he lives with Wanda, his wife of 46 years. They have three grown sons, eight grandchildren and three great-grandchildren. Al attended high school in International Falls and

was in the Army Reserves for seven years. He worked for Boise Cascade for 26 years but now farms with two of his sons. Their farm was one of the first century farms in Koochiching County. They have a cow/calf operation with about 225 head of cattle.

Al was on the Northern Minnesota District Fair Board for 30 years, 20 of which he served as president of the board. He still serves on the Koochiching Water and Soil Board and has done so for 10 years. Al would like to serve on the North Star Electric Board out of his commitment to community service.

