



Annual Report

DRIVE-IN ANNUAL MEETING

FRIDAY, OCT. 2, 2020

LAKE OF THE WOODS
SCHOOL | BAUDETTE

VOLUME 65 | NO. 9 | SEPTEMBER 2020
BAUDETTE | MINNESOTA



The annual meeting may be just your style this year!

NORTH STAR ELECTRIC COOPERATIVE, INC. MISSION STATEMENT

To improve the lives of our member-owners and community by responsibly providing clean, affordable, electric energy and other beneficial services while maintaining the very highest standards of performance and member satisfaction.



NORTH STAR ELECTRIC CO-OP BOARD OF DIRECTORS



Steve Arnesen
District 1



Shelley Spears
District 2



Randy Bergan
District 3



Michael Hanson
District 4

Serving since:

Steve Arnesen	1986
Michael Hanson	1994
Randy Bergan	1999
Lorraine Nygaard	2007
Tom Smith	2016
Shelley Spears	2017
Bruce Sampson	2017



Tom Smith
District 5



Lorraine Nygaard
District 6



Bruce Sampson
District 7



ENERGY EFFICIENCY

TIP OF THE MONTH

Installing a smart power strip is a quick and easy way to start saving money while making your home more energy efficient. Smart power strips can actually cut power off to save energy since they are able to detect when a device is in standby mode.

Source: energy.gov

MISSION STATEMENT

To improve the lives of our member-owners and community by responsibly providing clean, affordable electric energy and other beneficial services while maintaining the very highest standards of performance and member satisfaction.

An annual meeting is a meeting of the member-owners of the cooperative. It provides the opportunity to vote for the director of your choice and to express your opinions about the operations of your cooperative. It also provides you with the opportunity to become better informed through the reports of officers and employees. This will be a successful meeting if all who attend gain some knowledge of their cooperative. A well-informed membership is the basis of a strong cooperative.

NORTH STAR ELECTRIC CO-OP

DIRECTOR CANDIDATES



District 1 - Steve Arnesen



Steve Arnesen is a lifelong resident of the Rocky Point area, where he lives with his wife, Margo. They have one grown son, Chris. Steve is involved in the family businesses – Lakewood Farms and Rocky Point Resort, on the south shores of Lake of the Woods.

Arnesen has served on the North Star Electric Co-op board of directors since December 1986 and has been president of the board since November 1998. Steve is also North Star Electric’s representative on the Minnkota Power Cooperative board.

During his term as a director, Arnesen has attended several training seminars and has become a credentialed board member. He knows the electric industry has some very large challenges in the future, and with his 34 years of experience, he feels that he can help North Star and Minnkota make the right choices on tough decisions that must be made. Steve would like to continue to serve on the board out of his commitment to community service.

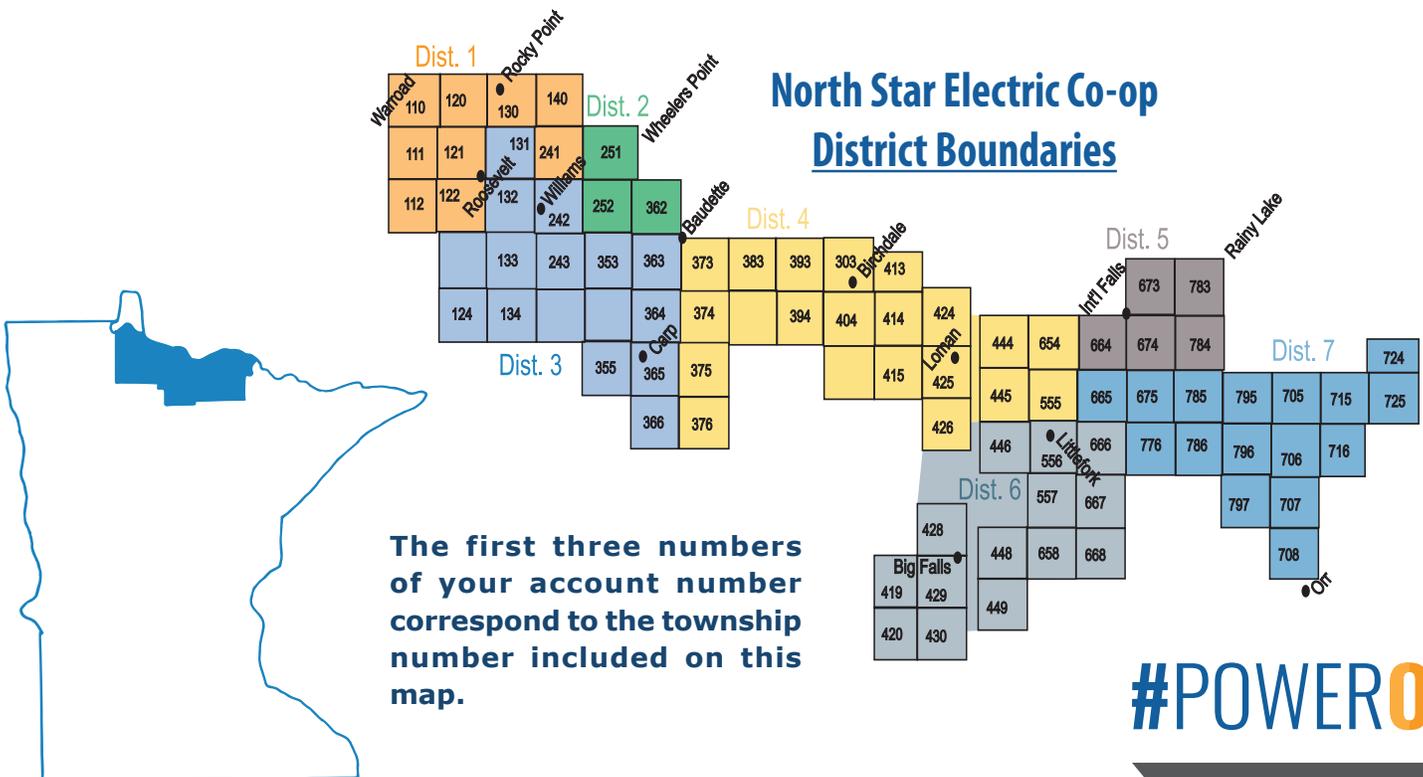
District 4 - Mike Hanson



Mike Hanson and his wife, Myrna, have lived in the Birchdale area for the past 39 years. They have one son, Adam, two grandsons, Dakota and Ethen, and two granddaughters, Shyanne and Caidence. Mike has been active in the community for many years. In the past, he served on the school board for six years, as chairman of the Rainy/Rapid

River Citizens’ Advisory Committee and as county commissioner for 16 years.

Hanson has served on the North Star Electric Co-op board of directors since November 1994, was secretary/treasurer of the board from September 1999 to September 2015 and now serves as vice president. During his term as a director, he has attended several training seminars and has become a credentialed board member. Mike has been on the North Star board for 26 years and would like to continue to serve on the board out of his commitment to community service.





KIDS' COLORING CONTEST

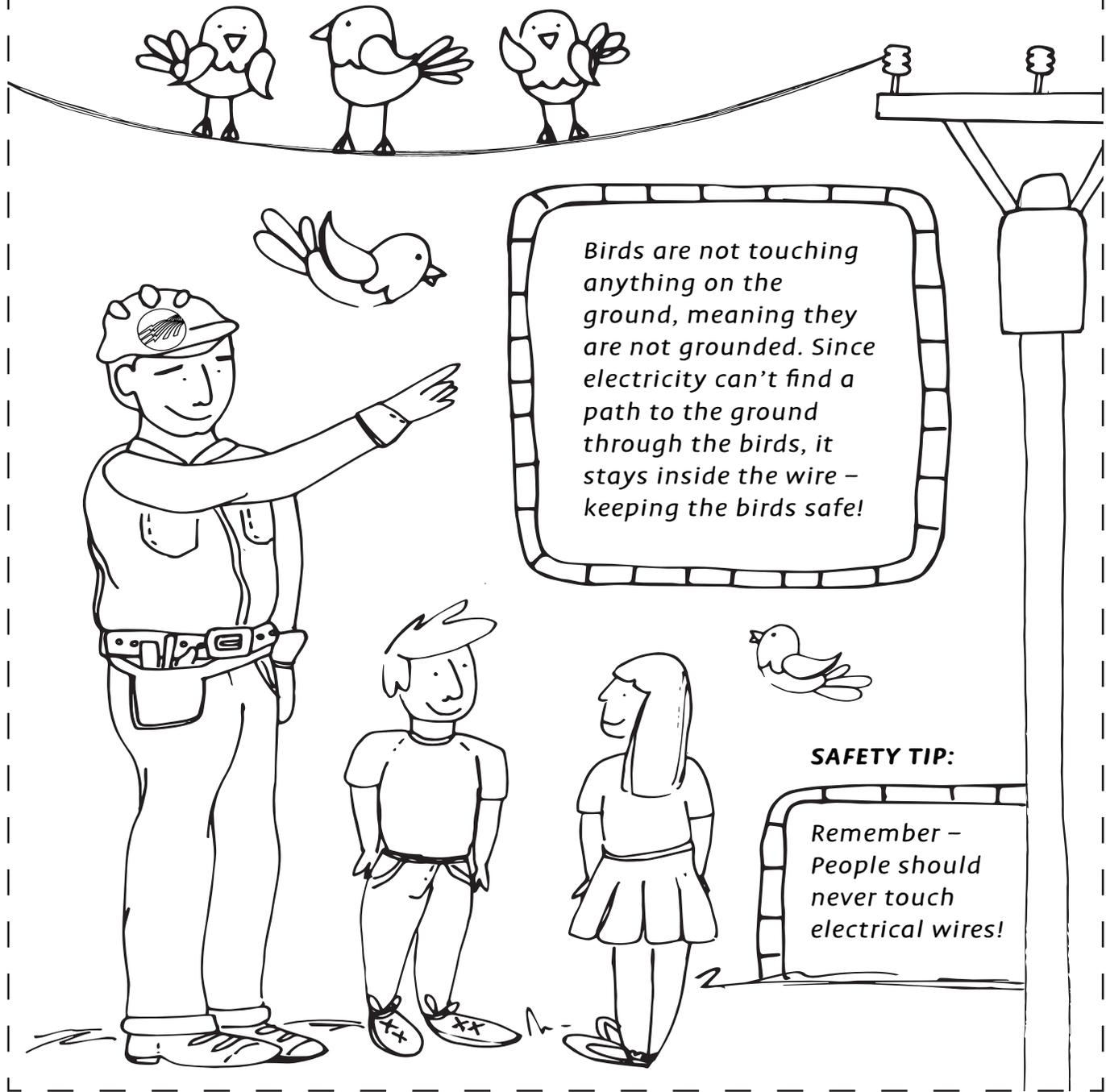


WHY CAN BIRDS SIT ON POWER LINES WITHOUT BEING ELECTROCUTED?



Energy Explorers

Coloring Sheet



Birds are not touching anything on the ground, meaning they are not grounded. Since electricity can't find a path to the ground through the birds, it stays inside the wire – keeping the birds safe!

SAFETY TIP:
Remember – People should never touch electrical wires!

Child's name _____

Parent's name _____



Organization voting form

If you plan to cast the vote of a membership held by an organization, the form shown below will need to be completed and presented before we can issue a ballot. The form must be fully completed.

The

(Name of Organization) has, at an official meeting, authorized

(Name)

to represent us at the 2019 annual meeting of North Star Electric Cooperative, Incorporated.

Attest _____
(Mayor, Chairperson)

Attest _____
(Clerk, Secretary)

STATEMENT OF NONDISCRIMINATION

North Star Electric Cooperative, Inc. is an equal opportunity provider and employer and does not discriminate on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202-690-7442) or email (program.intake@usda.gov).

The world thinks the North is forever frozen, but these summers get brutal.

Our electricity has to be strong and unyielding, like us, even when the hot sun sets and the wind is still.

That's why we combine the diverse strengths of our region's mighty resources with our steadfast supply of lignite coal – to ensure reliable power on the most blistering days.

Yes, we get scorchers up north, but we stay chill.

Because we're all in on all-of-the-above energy.

ALL IN



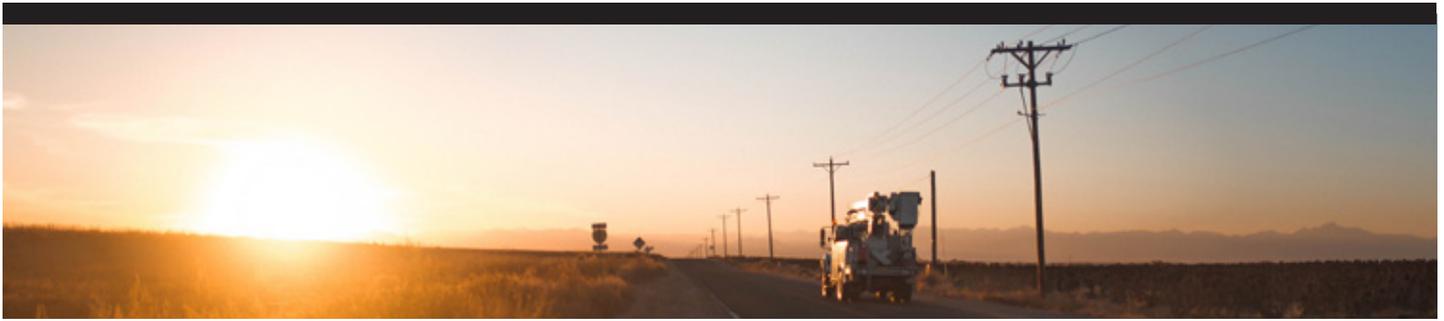
ALL-OF-THE-ABOVE ENERGY



#POWERON



PRESIDENT & MANAGER'S REPORT



2020 annual meeting – 80th anniversary



Steve Arnesen
Board President



Ann Ellis
General Manager

This last year has been challenging in a different way. Last spring the world economy reacted to the unknowns of COVID-19. Jobs were impacted, supply chains were disrupted and people were forced to hunker down in their homes due to a virus. But North Star Electric Cooperative still had a job to do – keep the lights on. And that’s exactly what your employees did. They POWERED ON!

Challenges are nothing new to your rural electric cooperative, and neither is overcoming them. Eighty years ago, against the odds, local folks who were burdened with no access to electricity banded together to form a self-help member-owned cooperative to focus on electrifying our rural areas. Decades later, here we



are, still governed by your neighbors, and hosting our 80th annual meeting, drive-in style, to report on the health of YOUR utility.

It was a period of quick reinvention of processes as the strangeness of social distancing had us scrambling.

Everyone managed to accomplish their work in an altered way, and since June we’ve all been back on site. The disruption has affected the cooperative’s financials – some for the worse, and others actually for the better. We are projecting that our bottom line for 2020 will be better than budgeted, even though the sale of electricity is down.

Even this year’s annual meeting will be different. It will be in the Lake of the Woods School parking lot. It will be brief, but it will still have many of the same things you look forward to at a normal annual meeting. Instead of several presentations, some of the highlights we want you to remember will be embedded in a “scavenger hunt,” which is published in this annual report.

• We are projecting that our bottom line for 2020 will be better than budgeted, even though the sale of electricity is down.

• Minnkota is working very hard on all fronts to make Project Tundra happen in a way that is affordable for us all.

• Rural voices cannot afford to become any weaker, and we can be heard if we all work together.

The prize is a \$500 energy bill credit, and you don’t even have to come to the annual meeting to enter. There will be a second \$500 energy bill credit randomly drawn from the members attending the drive-in event. Because the meeting starts at 4:45 p.m., maybe parents can pick up the kids from day care, register sometime between 4:00 and 4:45, get your free gift, eat your hot dinner provided by the West of Border food truck and have the kids color their entry for the \$100 kids’ contest while you wait for the meeting to start.

What is on the horizon? If we had a crystal ball, I’m guessing it would look more like a bowling ball right now due to all the different directions everything seems to be scattering. For example, moving goal posts associated with environmental regulations make planning for future power supply risky, especially when reliability is factored in – just ask the folks in California who were recently experiencing rolling blackouts.



We've appreciated avoiding the additional regulation and costs of the 2015 Clean Power Plan while Minnkota continues down the path to reduce emissions from our coal-fired generating plants and blend that with an aggressive amount of renewable energy.

Project Tundra, Minnkota's exploration and development of a carbon dioxide (CO₂) capture and sequestration addition to Unit 2 of the Young plant continues to move forward. With much hard work and collaboration with others, even this holy grail that could capture and store more than 90% of the CO₂ will likely draw some controversy. Could someone please define what "clean" energy means? To some it means carbon free, so nuclear should be embraced. To others it's renewables, so hydro should count. Gas is favored by some, but when will that become a serious target? Simply put, the "bowling ball" isn't clear at all, but what is clear is the long-term mortgage needed to invest in a long-term asset to generate electricity for decades to come, while hoping that the asset will remain in the public's favor.

And then you factor in what everyone really wants – reliability. That's the beauty

Then. Now. Always.
We're proud to power your life.
October is National Co-op Month.



#PowerOn

of Project Tundra – reliable, baseload electricity with the carbon emissions removed. Minnkota is working very hard on all fronts to make this innovative project happen in a way that is affordable for us all.

Planning is critical. Carrying out objectives during a peacetime emergency and civil unrest is more challenging, but surmountable. Your board of directors

keenly understands that engagement and strategizing is important to our local success. We need to all stand together at the table when lawmakers are crafting the rules. We must all be respectful and listen to others, and we should expect to be heard in return. We will continue to take the needed time to step away from the routine work and make sure we stay on the right path. Your team at North Star continues to make it happen.

Before we sign off, we just want to make sure you are registered to vote and that you plan to do so. Rural voices cannot afford to become any weaker, and we can be heard if we all work together.

Our mission is to keep the lights on reliably, keep everyone safe and keep electric bills affordable. Your support is greatly appreciated, and we are humbled to power on for you.

At your service we remain,

President Arnesen and Manager Ellis



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NORTH STAR ELECTRIC EMPLOYEES



Ann Ellis



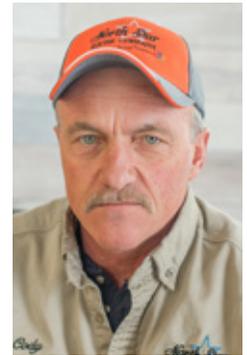
Marty Mollberg



Robyn Sonstegard



Patsy Olson



Todd Thydean



Susan Williams



Tim Pelach



Kevin Holen



Glen Marcotte



Todd Higgins



Tessa Strohl



Jesse Huot



Darren Koschak



Preston Kennedy



Brittany Hanson



Nick Horne



Nathan Zortman



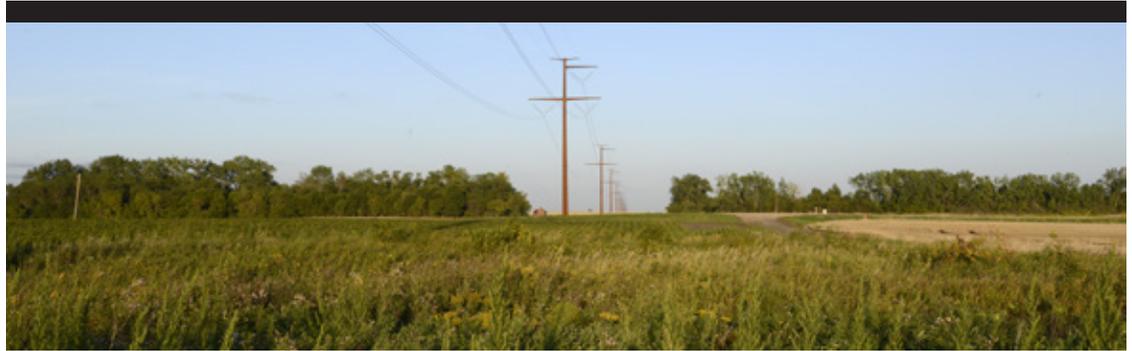
Dan Fish



Rachel Krohn



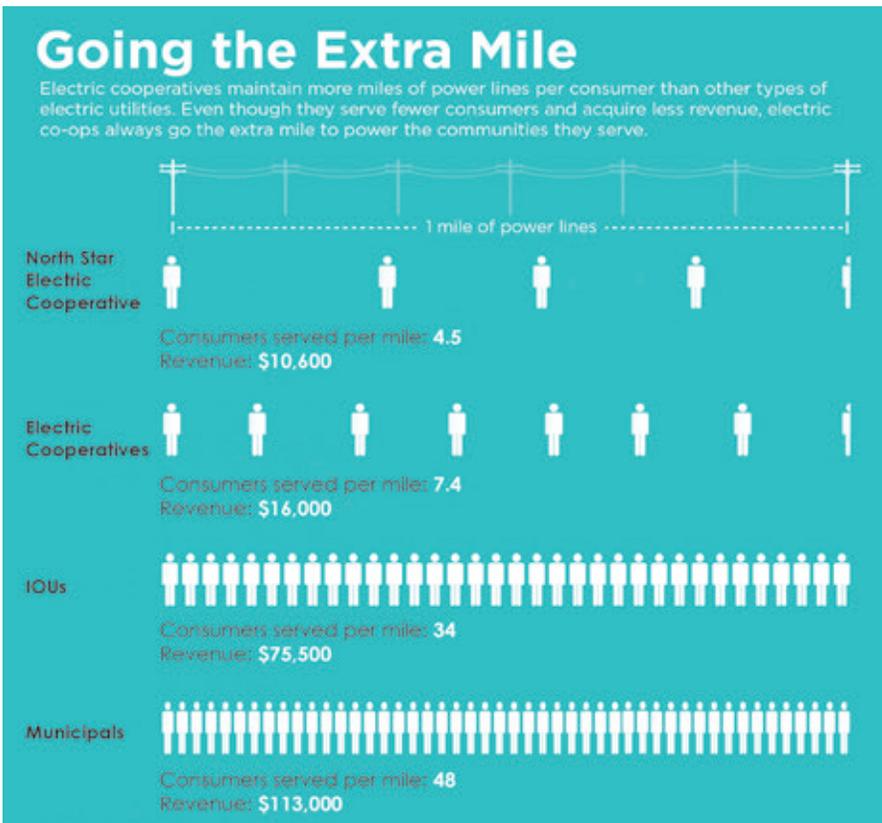
Clayton Gubbels



Travis Pederson

	<u>Position</u>	<u>Years of Service</u>
Ann Ellis	General Manager	43
STAFF		
Kevin Holen	Member Services Manager	24
Marty Mollberg	Operations Manager	32
Robyn Sonstegard	Finance Manager	13
EMPLOYEES		
Patsy Olson	Billing Coordinator	44
Todd Thydean	Line Foreman	32
Susan Williams	Supervisor, District Office Services	32
Tim Pelach	Line Foreman	29
Glen Marcotte	Line Sub-Foreman	18
Todd Higgins	Line Sub-Foreman	17

	<u>Position</u>	<u>Years of Service</u>
Tessa Strohl	Accountant	11
Jesse Huot	Journeyman Lineman	7
Darren Koschak	Lead Lineman	7
Preston Kennedy	Lead Lineman	7
Brittany Hanson	Plant Accountant	6
Nick Horne	Journeyman Lineman	6
Nathan Zortman	Journeyman Lineman	5
Dan Fish	AMI, Mapping, IT Technician/Purchasing Agent	3
Rachel Krohn	Billing Clerk/Administrative Assistant	2
Clayton Gubbels	Member Service Electrician	1
Travis Pederson	Journeyman Lineman	



#POWERON



POWER SUPPLY REPORT

Mac McLennan, President & CEO, Minnkota Power Cooperative

As COVID-19 continues to spread throughout the United States, we find ourselves living in unprecedented times. The virus has disrupted nearly every aspect of our lives and will have a lasting impact on our world. As we face instability, Minnkota Power Cooperative, North Star Electric's wholesale power provider, will remain vigilant in monitoring the situation and keeping its workplace safe and functional so that our members can do the same at their homes, farms and businesses.

While 2020 has been anything but a normal year, our operations at Minnkota remain reliable and unified. Our generation facilities are running dependably. Our power delivery system has been bolstered by projects to improve reliability. And our financial position remains stable thanks to previous years of positive performance.

As we continue to navigate the challenges of the pandemic, we are making sure that we do not lose sight of our long-term opportunities. Our cooperative's stability provides an opportunity to pursue bold initiatives like Project Tundra, which aims



(Left to right) Minnkota electricians Mike Howard, Mike Vetsch and Jason Sather work to install distribution automation equipment at the Minto substation in eastern North Dakota.

to build the world's largest carbon (CO₂) capture facility in North Dakota. The system would remove more than 90% of the CO₂ from the Milton R. Young Station's Unit 2 generator and permanently store it more than a mile underground in deep geologic formations. Significant research is being conducted to better define the engineering, design and project economics. The Minnkota board is

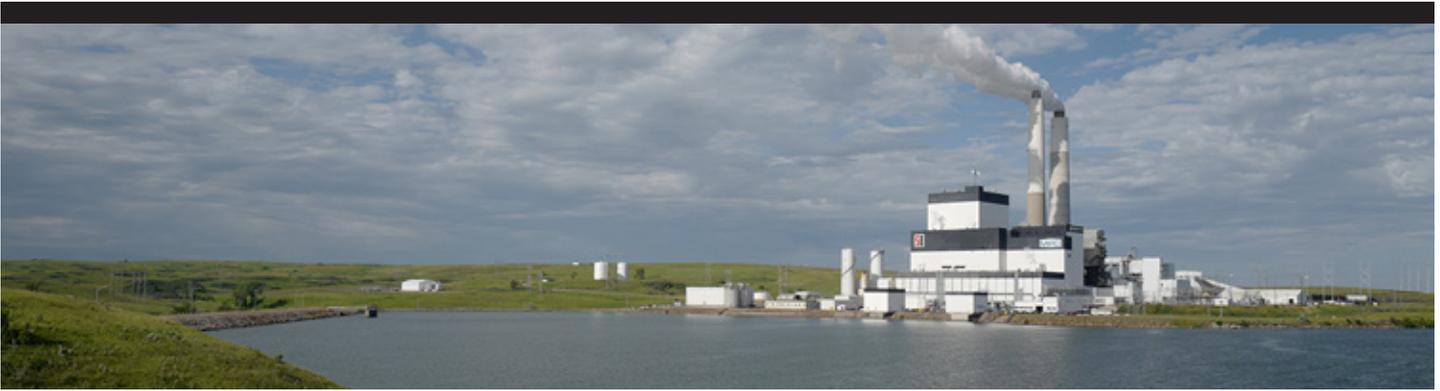
expected to make a decision on whether to continue forward with Project Tundra in mid-2021.

The coal-based Young Station remains an important generation resource for our membership. While renewable resources are becoming a larger part of the Upper Midwest's generation mix, coal remains essential to maintaining reliability. This was proven true during the polar vortex event in January 2019 when temperatures dropped to 30 below zero. Electricity was available thanks in large part to the dependable operation of baseload power plants. Minnkota will continue to advocate for an all-of-the-above energy strategy that allows for our membership to utilize a diverse energy mix, including coal, wind and hydro power.

As for the power delivery side of our cooperative, numerous projects are being pursued to address aging infrastructure and enhance reliability. More than 1,200 miles of 69-kilovolt (kV) transmission line has been equipped with technologies



A sky-blue rig drilled a 10,000-foot-deep test well to give Minnkota a clear picture of the CO₂ storage zones.



that help reduce the impacts of blink outages, including more than 200 miles upgraded in 2020 so far. Other stretches of power line and distribution substations have undergone full-scale rebuilds. And advanced communication technology – referred to as distribution automation – is providing staff with additional information from the field so they can respond more quickly to outages and other issues.

Minnkota plans to pursue important power delivery projects in North Star Electric’s service area over the next several years. In 2020, our crews have worked to make significant upgrades at the Littlefork substation. Projects are scheduled in 2021 and 2022 to completely rebuild aging sections of power line near Moranville Township, Williams and Baudette. These efforts will help further enhance the reliability of power throughout North Star Electric’s service area.

In addition to modernizing our system, Minnkota is also pursuing physical and cyber security measures to meet or exceed North American Electric Reliability Corporation (NERC) standards. In 2019, a thorough audit of NERC requirements found Minnkota had zero instances of potential noncompliance – a major accomplishment. Efforts continue to better protect the cooperative’s employees, infrastructure and data from potential threats – an ever-moving target.

We recognize that the electric utility industry is undergoing massive changes and society is in the midst of a paradigm shift. We remain focused and ready to respond. We embrace the opportunity to reimagine how we provide electricity and realize our vision of greater reliability, stronger security, increased environmental stewardship and affordability for every household in the region.

- Minnkota’s generation facilities are running dependably. Our power delivery system has been bolstered by projects to improve reliability.
- Minnkota plans to pursue important power delivery projects in North Star Electric’s service area over the next several years.



More than 1,200 miles of 69-kilovolt (kV) transmission line has been equipped with technologies that help reduce the impacts of blink outages.

#POWERON

YOUR 2019 DOLLAR

WHERE IT CAME FROM:

Farms and Homes	\$ 10,158,088
Small Commercial	2,518,844
Large Commercial	2,142,715
Seasonal	484,351
Street Lighting	31,886
Consumer Penalties & Misc. Electric Revenue	126,685
Rent from Electric Property	56,078
Total Revenue	\$ 15,518,647

WHERE IT WENT:

Operation Expense:

Purchased Power	\$ 9,210,217
Operations <i>(includes supervision, safety, mapping, cable locating, etc.)</i>	507,390
Consumer Accounts	386,635
Consumer Services and Information	351,429
Sales	62,058
Administrative and General	1,423,012

Maintenance Expense:

Maintenance of Distribution Plant <i>(includes right-of-way maintenance, outage costs, etc.)</i>	\$ 576,844
Depreciation	1,297,878
Interest	861,465
Taxes	75,703

Total Expense \$ 14,752,631

Electric Operation Margin for Year <i>(Revenue less expense)</i>	\$ 766,016
Interest and Dividend Income	288,654
Misc. Nonoperating Margins	1,167
Generation and Transmission Capital Credits <i>(Minnkota Power Cooperative)</i>	-
Other Capital Credits and Patronage Dividends	39,108

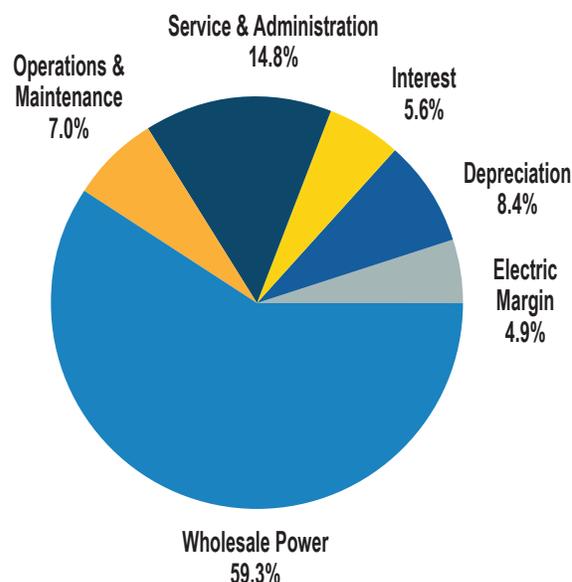
Net Patronage Capital Assigned \$ 1,094,945

COMPARATIVE CHARACTERISTICS

TRAIT	CO-OPS	IOUS	MUNIS
Owned by	Consumers	Stockholders	City/Town
Number in MN	48	5	125
% of land mass served	80%	10%	10%
% of consumers served	13%	72%	15%
Tax status	Not-for-profit	For-profit	Not-for-profit
Earnings from operations?	Not allowed, returned to members	Paid to investors	Can be used for general fund
Pays income tax?	No	Yes	No
Pays property tax?	Yes	Yes	No
Number in U.S.	900	200	2,000
% of total distribution line	42%	50%	7%
Number of consumers (U.S.)	20 million	110 million	24 million
Total assets (U.S.)	\$192 billion	\$1,025 billion	\$280 billion

HOW YOUR 2019 DOLLAR WAS SPENT

Revenue from the sale of our service amounted to **\$15,518,647** as of the year ending December 31, 2019.



STATEMENT OF FINANCIAL CONDITION

Balance Sheet as of Dec. 31, 2019

WHAT WE OWN:

Lines and General Equipment	\$ 48,826,137
Less: Provision for Depreciation	18,800,576
Net Utility Plant	\$ 30,025,561

Cash:

General Funds	\$ 850,089
Special Funds	20
Investments	1,517,183
Temporary Investments	1,908,703
Notes Receivable Net	205,473
Receivables	1,772,512
Material and Supplies	500,849
Prepaid Expenses (includes insurance)	80,658
Other Current and Accrued Assets (accrued revenue)	3,900
Deferred Debits (includes prepayments for engineering studies and benefits)	288,415

Total what we own **\$ 37,153,363**

WHAT WE OWE:

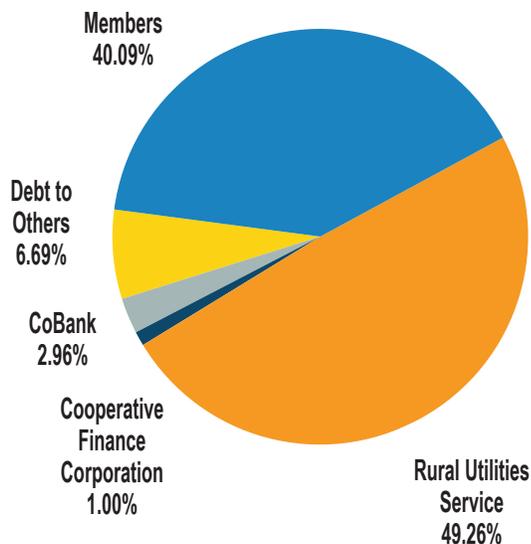
Long-Term Obligations	\$ 19,076,320
Current and Accrued Liabilities (includes accounts payable, taxes, interest, deposits, etc.)	2,726,046
Deferred Credits (includes member prepayments)	457,773

Our Equity in Above Assets:

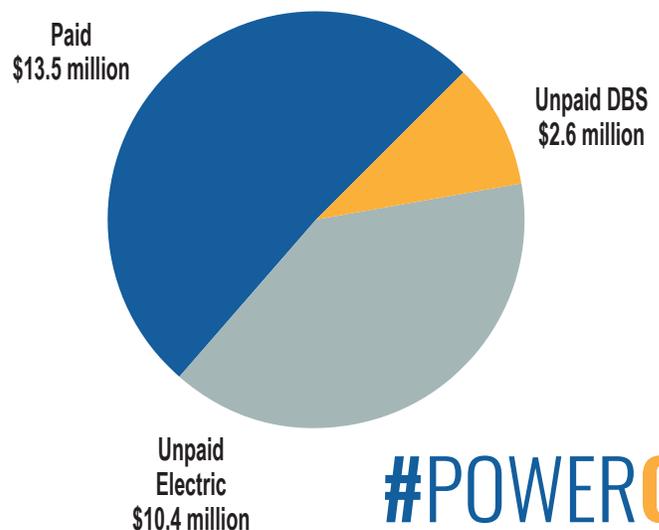
Membership Fees	\$ 27,090
Patronage Capital and Other Equities	14,866,134

Total of what we owe **\$ 37,153,363**

WHO OWNS WHAT



CAPITAL CREDITS (as of Aug. 2020)



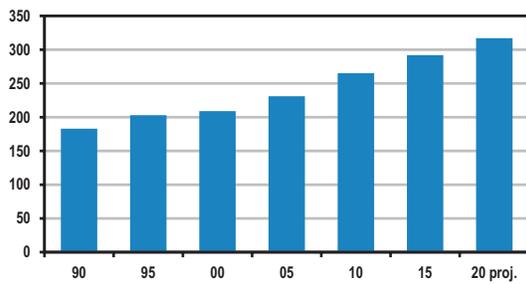
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COMPARATIVE OPERATING STATISTICS

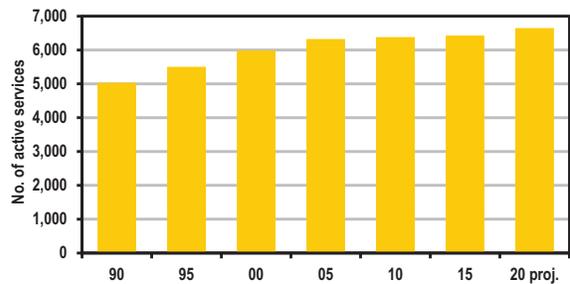
	2015	2016	2017	2018	2019	2020 proj.
Revenues	\$14,091,142	\$14,145,538	\$14,713,050	\$15,318,619	\$15,518,647	\$15,217,899
Cost of Wholesale Power	8,521,268	8,502,552	8,742,381	9,087,856	9,210,217	8,873,832
Operating Expenses	3,408,478	3,378,657	3,344,276	3,754,563	3,307,368	3,828,976
Depreciation	1,067,702	1,126,580	1,315,363	1,218,479	1,297,878	1,258,804
Taxes	62,600	600	77,704	73,428	75,703	77,509
Interest	841,986	843,285	856,583	850,529	861,465	684,290
TOTAL EXPENSES	\$13,902,034	\$13,851,674	\$14,336,307	\$14,984,855	\$14,752,631	\$14,723,411
OPERATING MARGIN	\$189,108	\$293,864	\$376,743	\$333,764	\$766,016	\$494,488
kWh Purchased	116,772,002	111,114,871	112,629,479	117,733,425	118,463,330	114,259,854
kWh Sold	109,268,707	104,003,534	105,527,407	109,236,049	111,159,290	107,389,919
Miles of Line	1,437	1,437	1,442	1,444	1,449	1,452
Connected Members	6,427	6,457	6,513	6,549	6,615	6,649
Average Residential Usage*	1,207	1,127	1,128	1,157	1,153	1,161
Average Residential Bill*	155.49	153.95	158.63	162.83	162.42	162.42
Average Residential Rate/kWh* (excludes seasonals)	0.129	0.137	0.141	0.141	0.141	0.140
Average Wholesale Cost to North Star per kWh Sold	0.0780	0.0818	0.0828	0.0832	0.0829	0.0826

* Monthly billed residential accounts

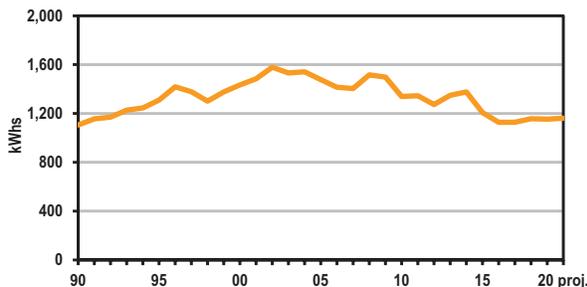
ACCOUNTS PER EMPLOYEE



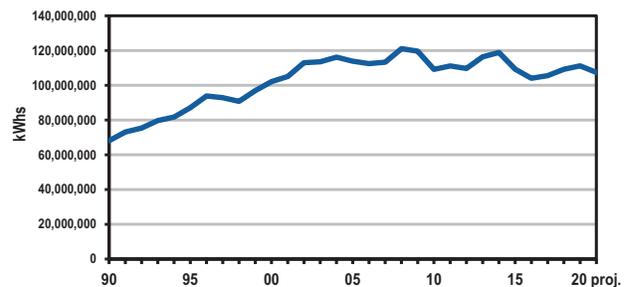
TOTAL ELECTRICAL ACCOUNTS



ELECTRICITY CONSUMED PER RESIDENCE



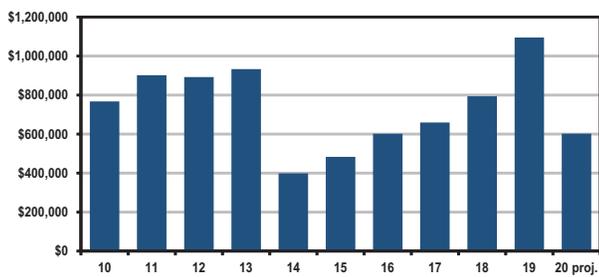
ELECTRICITY CONSUMED CO-OP TOTAL



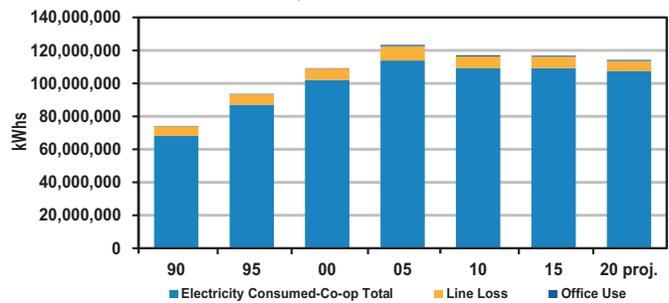
OPERATING COMPARISONS

	New Services	Retired Services	Connects	Disconnects	Net Gain	Sec. Lights Installed	Sec. Lights Removed
2004	111	27	92	132	71	66	50
2005	87	17	80	137	30	43	34
2006	106	28	85	158	33	122	125
2007	69	27	112	189	-8	35	49
2008	62	52	126	188	0	33	45
2009	57	34	119	171	5	35	43
2010	44	70	130	153	21	24	50
2011	41	25	93	133	1	17	48
2012	63	30	97	137	23	21	40
2013	38	20	92	133	-3	18	26
2014	46	26	109	134	21	15	40
2015	65	36	80	112	33	22	32
2016	58	37	87	104	41	17	23
2017	82	58	78	104	56	29	31
2018	100	54	75	116	59	23	23
2019	54	36	88	117	25	16	20

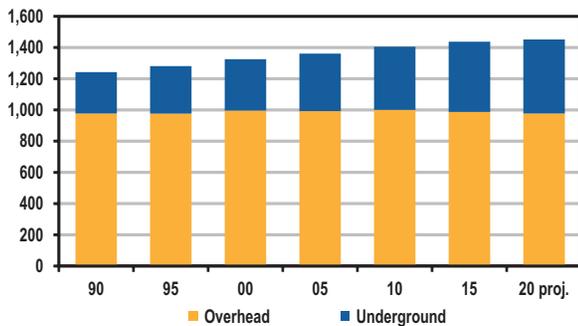
MARGINS



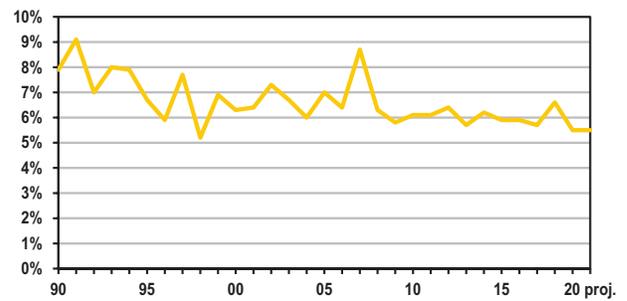
KWH SOLD, OFFICE USE AND LOSSES



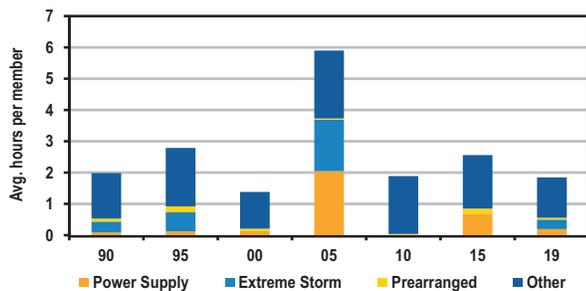
MILES OF LINE



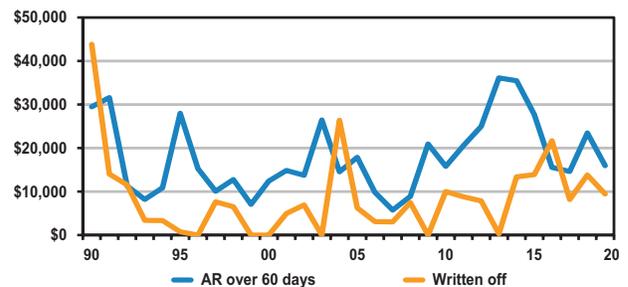
LINE LOSS



OUTAGE TYPES



BAD DEBTS AND WRITE-OFFS



ANNUAL MEETING MINUTES



Annual meeting of the members of North Star Electric Cooperative, Inc., Oct. 4, 2019

The annual meeting of the members of North Star Electric Cooperative, Inc., was held at Littlefork/Big Falls School in Littlefork, Minn., on Friday, Oct. 4, 2019, pursuant to the notice of the meeting published in the cooperative's newsletter.

The meeting was preceded by the registration of the members. A chicken Kiev dinner was served by members of the Littlefork Lutheran Church. Entertainment was provided by the Littlefork/Big Falls Pom-Pom girls.

The National Anthem was sung by the Littlefork/Big Falls fifth- and sixth-grade classes.

President Steve Arnesen welcomed the members to their 79th annual meeting, called the meeting to order at 6:03 p.m. and gave the invocation.

President Arnesen introduced the board of directors and reported the number of registered members as 126, which exceeded the minimum requirements of 50 for a quorum.

Secretary-treasurer Lorraine Nygaard read the Notice of the 2019 Annual Meeting, reported that the minutes of the 2018 annual meeting of the members

were printed in the annual report handed out during registration, and gave the Treasurer's Report, which highlighted the favorable results of the annual audit conducted by CliftonLarsonAllen.

A motion was made by Richard Corle, seconded and unanimously carried to approve the 2019 notice and agenda as presented.

A motion was made by Sharon Moe, seconded by Larry Warrington and unanimously carried to approve the minutes of the 2018 annual meeting as presented.

President Arnesen introduced Attorney Sam Schmitz to conduct the election for the directors in District 7. Attorney Schmitz introduced the one unopposed candidate, Bruce Sampson, as the only candidate for District 7. Director Sampson addressed the members.

Attorney Schmitz explained that if a motion was made to cast a unanimous ballot for the reelection of the unopposed candidate in District 7, there would be no need to mark paper ballots.

A motion was made by Bloyd Breneman, seconded by Dennis Lagergren and unanimously carried to cast a unanimous ballot for District 7 candidate Bruce Sampson.

President Arnesen introduced Finance

Manager Robyn Sonstegard, who provided an informative financial presentation, which included information on capital credits, 2018 financial results, the new automatic meter reading system and the off-peak program.

A motion was made by Sharon Moe, seconded and unanimously carried to accept the financial report.

President Arnesen introduced Stacey Dahl, Senior Manager of External Affairs, Minnkota Power Cooperative, to the audience. Dahl spoke with the audience about Project Tundra, renewables and Minnkota's goals for the future.

President Arnesen then introduced General Manager Ellis, whose report focused on North Star's commitment to its members and rates.

General Manager Ellis recognized the following employees for their years of service: Tessa Strohl – 10 years, Brittany Hanson and Nick Horne – 5 years, and Rachel Krohn – 1 year.

President Arnesen asked the members for any old business. There was no old business.

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President Arnesen recognized the guests in the audience. Visiting distinguished guests included Sam Schmitz and Stacey Dahl from Minnkota Power Cooperative, Walter Breeze, Jeff Kilian, Larry and Vicky Salmela and Wes and Sharon Waller of North Itasca Electric Cooperative, Rick Coe and Judy Honer of Beltrami Electric Cooperative, Wayne Skoe from the Koochiching County Board and State Representative Rob Ecklund.

President Arnesen thanked the members of the Littlefork Lutheran Church for preparing the delicious dinner and reminded the members to turn their tickets in at the end of the meeting to receive their flashlight.

President Arnesen addressed the membership and thanked them for

attending their annual meeting and read a letter from Congressman Collin Peterson.

Prizes drawn totaled \$850 in energy credits and \$500 in a Section 529 College Savings Plan:

- **\$250 Energy Bill Credit** – Betty Horne
- **\$100 Energy Bill Credit** – Elsie Boquist
- **\$500 Energy Bill Credit** – Allen Linder
- **\$500 College Savings Plan** – Owen Davis (son of member James Davis)

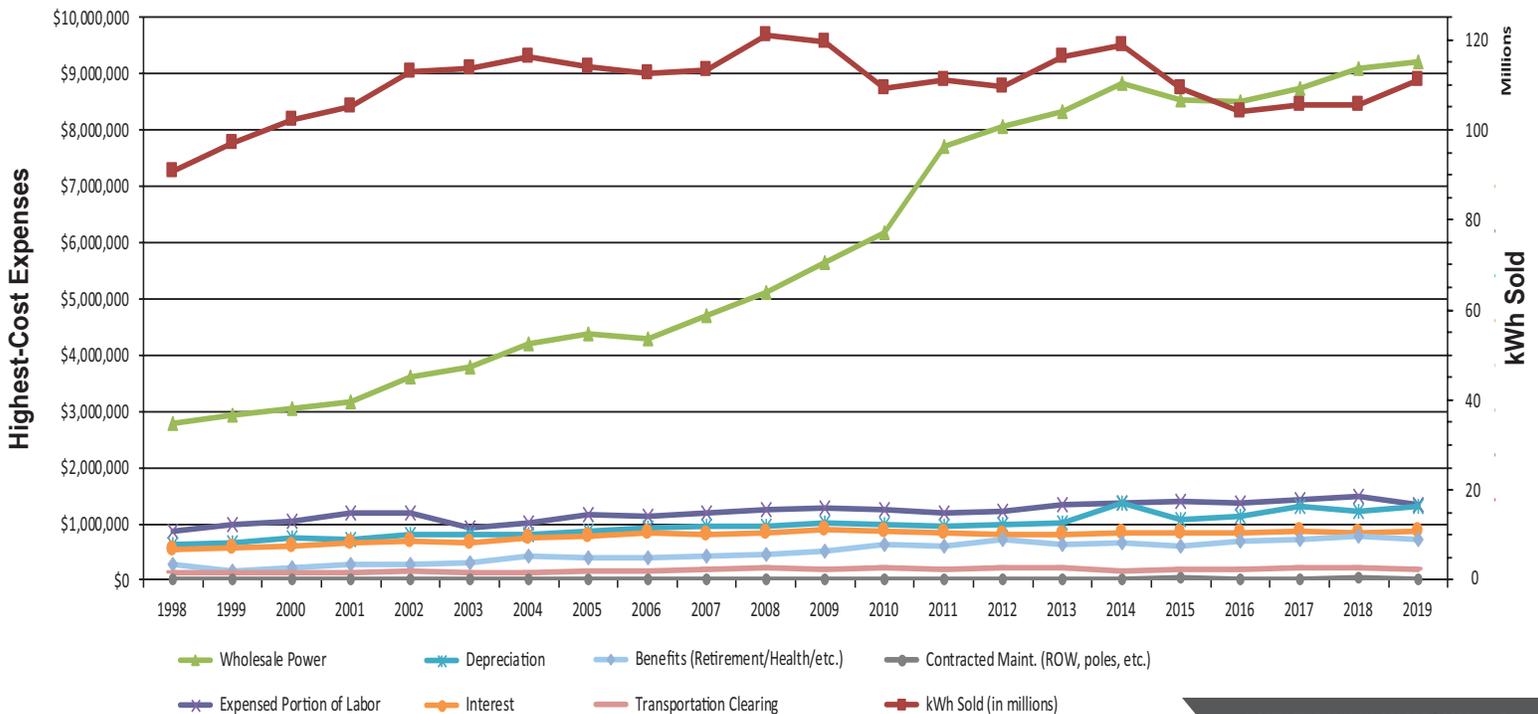
There being no further business, a motion was made by Duane Gustafson, seconded and unanimously carried to adjourn the meeting at 7:01 p.m.



Owen Davis of Littlefork won the \$500 College Savings Plan at the annual meeting.

HIGHEST-COST EXPENSES *(compared to kWh sold)*

These lines represent our largest expenses for the last 19 years. Cost of power is the quickly climbing line despite the fact that the number of kWh sold were rather unchanged since 2002. Wholesale power, per kWh, stabilized in 2013 and 2014. The lines along the bottom include labor, depreciation, interest, benefits and transportation.





SCAVENGER HUNT CONTEST



Compete to **WIN** a **\$500** electric bill credit!

Entries can be sent to the office or will be collected from members at 4:45 p.m. at the annual meeting. All of the answers can be found in the annual report booklet. Anticipating that several members will answer all the questions correctly, the first entry drawn that has all the right answers will win a \$500 electric bill credit.

	CIRCLE THE CORRECT ANSWER		
1) How much have North Star’s electric rates risen since April 2017?	0%	½%	1%
2) How many North Star employees does it take to keep the lights on for all members from Warroad to Kabetogama?	18	21	24
3) On average, how many services does North Star have on every mile of line?	3.5	4.5	5.5
4) On average, how many services does an investor-owned utility (IOU) have on every mile of line?	30	34	46
5) Once electricity is generated, how many seconds will it sit on the wires?	0	20	60
6) The cost of electricity in Hawaii is about the same as in Germany. What is the average residential electric rate in Hawaii?	32	34	36 (cents/kWh)
7) On average, what percentage of the time is your power on?	99.97%	99.56%	99.16%
8) On average, how many members does each board member, who is elected by the members in his/her district, represent at the board table? (divide the total number of services by the number of directors)	950	864	727
9) How much CO ₂ (carbon dioxide) is Project Tundra expected to remove from the process of generating electricity from coal?	90%	85%	87%
10) Who does North Star Electric Cooperative belong to?	Bill Gates	The people who buy electricity from North Star	Hershel Walker

Printed name and cell phone number

Good luck in this Co-op Knowledge Contest!



WHERE YOUR POWER COMES FROM:

CAPACITY

34% wind
8% hydro
55% lignite coal
3% other

ENERGY

19% wind
11% hydro
67% lignite coal
3% other



NATIONAL VOTER REGISTRATION DAY

September 22, 2020

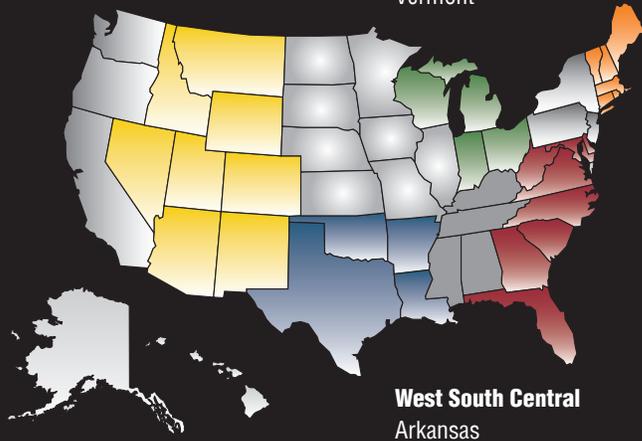
Visit www.nationalvoterregistrationday.org to register to vote or to help your community get #VoteReady.



2019 Average Residential Electric Rates (cents per kilowatt-hour; data shows year-to-date rates as of December 2019)

**2020 North Star Electric Rate
(projected)
14.01¢**

West North Central	11.87	East North Central	13.30	New England	21.14	Middle Atlantic	15.79
Iowa	12.92	Illinois	12.83	Connecticut	21.88	New Jersey	15.87
Kansas	12.67	Indiana	12.30	Maine	17.87	New York	17.93
Minnesota	13.27	Michigan	15.83	Massachusetts	22.02	Pennsylvania	13.78
Missouri	10.82	Ohio	12.16	New Hampshire	20.08		
Nebraska	10.86	Wisconsin	14.62	Rhode Island	21.75	South Atlantic	11.97
North Dakota	10.38			Vermont	17.68	Delaware	12.67
South Dakota	11.58					District of Columbia	12.98
						Florida	11.97
Mountain	11.91					Georgia	11.44
Arizona	12.55					Maryland	13.12
Colorado	12.23					North Carolina	11.57
Idaho	9.91					South Carolina	12.77
Montana	11.38					Virginia	12.02
Nevada	12.04					West Virginia	11.14
New Mexico	12.63						
Utah	10.55					East South Central	11.34
Wyoming	11.22					Alabama	12.62
						Kentucky	10.67
Pacific Contiguous	15.68			West South Central	11.25	Mississippi	11.33
California	19.22			Arkansas	9.80	Tennessee	10.80
Oregon	10.97	Pacific Noncontiguous	28.28	Louisiana	9.52		
Washington	9.62	Alaska	22.90	Oklahoma	10.12		
		Hawaii	32.06	Texas	11.96		



Source: Energy Information Administration

This is your Express Registration ticket. Please bring it to the meeting.



#POWERON

2020 ANNUAL MEETING AGENDA

Lake of the Woods School | Baudette, Minn. | Friday, Oct. 2, 2020

- 4:00-4:45 p.m.**
1. – Drive-up registration, receive gift and takeout dinner
(Express registration lane for those bringing this addressed page of the Enlightener)
 - Park in school parking lot and face the school
 - Tune radio to 94.5 FM
 - Complete annual report scavenger hunt to enter \$500 early bird prize
 - Kids complete the coloring contest for a chance to win \$100
- 4:45 p.m.**
2. – Flag raise signals beginning of meeting
 3. – Welcome and call to order President Steve Arnesen
(Scavenger hunt entries and colored pages collected by employees)
 4. – Approve minutes of the 2019 annual meeting
 5. – Election of directors
(Districts 1 and 4 are uncontested, so motion to cast unanimous ballot is requested)
 5. – President’s report President Steve Arnesen
 6. – Old and new business
(If there is something you would like addressed, please submit it in writing before meeting)
 7. – Prize drawings
 - \$500 early bird annual report scavenger hunt
 - \$100 kids’ coloring contest
 - \$500 grand prize
 8. – Adjournment



\$1,100 IN ANNUAL MEETING PRIZES

GRAND PRIZE
\$500 Energy Credit

- 1 – \$500 Scavenger Hunt Early Bird
- 1 – \$100 Kids’ Coloring Contest

Thank you for participating in your annual meeting!

OFFICE HOURS | 7:30 A.M. - 4 P.M. | MONDAY - FRIDAY

Baudette 218-634-2202 or 888-634-2202 | Littlefork 218-278-6658 or 888-258-2008
 For credit card payment 855-874-5354 | Online billing info available via SmartHub app
 Electrical after-hours emergencies 1-888-6OUTAGE (1-888-668-8243)
 E-mail us at nsec@wikel.com | Visit our website at northstarelectric.coop

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‘LIKE’ US ON FACEBOOK TO STAY UP TO DATE

Like your cooperative for outage updates during autumn storms and other useful info.

 /northstarelectric

This institution is an equal opportunity provider and employer.