

‘Together we make a powerful difference’



Slope Electric Cooperative, Inc.

OUTLOOK

116 E. 12th St. • New England, ND 58647 | 701-579-4191 • www.slopeelectric.coop

In this issue:

- Annual meeting recap
- Stacking hay under electrical infrastructure can be dangerous
- Theodore Roosevelt Medora Foundation discounts
- KX/Co-op Day at the N.D. State Fair
- Board meeting minutes ... and more



ANNUAL MEETING RECAP **‘Together we make a powerful difference’**

BY CARMEN DEVNEY

Making history by holding an abbreviated annual meeting in a parking lot and broadcasting live on FM radio, Slope Electric Cooperative welcomed members to their 76th annual meeting June 3 in Reeder. Nearly 70 members attended and received a \$50 bill credit to thank them for their time and interest. For members who were unable to attend, messages from our co-general managers/ chief executive officers and chief financial officer are available on our website www.slopeelectric.coop.

In a year marked with challenges and changes, Slope Electric remained committed to providing members with safe, reliable and affordable electric service. This year’s annual meeting theme, “Together we make a powerful difference,” reflects our year of resiliency, thanks in large part to support from you, our member-owners.

Slope Electric continues to follow safety guidelines from the Centers for Disease Control and Prevention and North Dakota Department of Health. Needing to plan the annual meeting months in advance, and not able to predict the status of the pandemic at the time of the meeting, the board of directors determined an outdoor meeting would be the safest option to come together in-person. Members who attended received a bottle of water and a snack.

An election was held to elect candidates to the board of directors. Board President Lauren Klewin explained this process prior to voting: To make or second a motion, and approve or oppose the motion, members were asked to honk their horns at the appropriate times. To bring something forth for discussion, the same process would be followed.

Because the cooperative’s milestone 75-year annual meeting was not held due to the pandemic, the candidates put forth by the 2020 Nominating Committee were not voted on by the membership. These candidates were incumbent board members, and they have been serving on an interim basis until an election of the membership could occur. These candidates are Angela Carlson and Charlotte Meier of Hettinger County, and Steve Wegner of Adams County. The directors whose tenure of office expires in 2021 are Lauren Klewin and Dale Hande of Slope County.

The Nominating/Resolutions Committee met March 22 via a conference call to make nominations and approve resolutions. Their work included nominating all the incumbents listed above to serve another three-year term on the board.

With no nominations received from the “floor” of the parking lot, and no contested board elections, the five

directors retained their positions on the board. The board will meet at a later date to restructure.

Members were also asked to vote to approve the minutes of the June, 6, 2019, annual meeting, as printed in the annual report, and approve the amended bylaws that were provided in their entirety in the annual report packet members received in May. The motions passed without objection.

A condensed financial report was presented by Chief Financial Officer Alex Craigmile. Brady, Martz & Associates, P.C. audited the 2020 financial statements of Slope Electric, and presented their report to the board of directors with an “unmodified opinion,” the highest opinion they can give. The full report can be watched on Slope’s website.

The managers’ report was also pre-recorded and is available online. In the video, Co-General Managers Don Franklund and Travis Kupper noted some of the major events that took place last year and provided an outlook on what the future holds. Franklund kicked it off by explaining why a recorded format was chosen, and how pandemic challenges shaped the annual meeting theme.

“Here at Slope Electric, safety is paramount. We work every day to keep our employees safe, to keep members safe, and to keep the general public safe. This past year was quite the challenge,” he said. “In March 2020 when the pandemic was declared, we didn’t know what we would face as far as safety concerns. We took a conservative approach, and wanted to limit the impact of an outbreak if one occurred within the co-op. We limited exposure to groups, implemented a mask mandate and closed the lobby. At the end of the day, we’d rather be conservative and safe, than to have a situation that could become uncontrollable; especially being we didn’t know the ramifications regarding COVID.”

Kupper discussed reliability and how the cooperative’s system maintenance plan minimized power outages and saved members money. Working in small crews, line technicians patrolled power lines and looked for potential problems on the distribution system; repairs were scheduled as needed. Pole testers checked poles in designated areas to make sure they were meeting today’s standards and could be safely left in service. Some projects included changing out compromised pieces of equipment and converting some overhead lines to underground.

“Reliability and safety go hand in hand,” he said. “If you see a situation out there and have questions with regards to our system, take a picture of it. Get a hold of one of our employees by calling the office or sending us an email. This helps us keep the system safe for you.”

Kupper described the annual audit process and said it’s an opportunity for Slope Electric to show the auditors and members where the dollars are going and how the cooperative complies with the rules and regulations of the Internal Revenue Service and USDA Rural Utilities Service.

“We are taking account of each of your dollars and being good stewards of the money that you are providing with us,” Kupper said.

A high concentration of the cooperative’s revenue is in a fairly small membership group: the oil-production industry. In April and May 2020, there was a significant drop in the price of oil that impacted Slope Electric’s sales. There was also a drop in purchased-power cost. While the industry has started to rebound, it has not fully recovered.

“Looking forward, we need to ensure that if something drastic were to happen in the oil industry, that Slope Electric would still exist and be financially sound to continue operating and providing service to members outside the oil industry,” Kupper said. “Oil has a long history of being at Slope Electric, but not as long as the farmers and ranchers who created Slope Electric. We want to make sure we are able to provide for them, as well as our oil members, going into the future.”

Farmers and ranchers make up a larger segment of Slope Electric’s membership, and they also experienced challenges with commodities and drought.

“Those are things we have to consider when taking into account the financial status of the cooperative,” Kupper said. “While 2020 was down due to prior years, we were able to have a margin and allocate that margin to our membership in the form of capital credits. Our financial strength is still sound and moving forward.”

Kupper noted a rate adjustment occurred in October 2020, after consulting with an outside firm that completed an extensive cost-of-service study. It evaluated the cooperative’s financial operations: where the revenue comes from and what is the cost to the cooperative to provide service to the average member.

“That cost of service gives us a better understanding of where we are spending money to provide service, and what the corresponding return should be so we can have a fair rate



Co-General Manager/CEO **Travis Kupper** speaks during Slope Electric Cooperative’s historic drive-in annual meeting.



Andrew Sonsalla, an employee at Slope Electric Cooperative, registers a member for the annual meeting.

to all of our members, and no one group is charged a higher rate as compared to another group,” Kupper said. “We have financial ratios we are required to meet through the Rural Utilities Service, as being a government borrower, and have to meet those as terms of our mortgage. At the end of day, we needed to adjust some of our rates to bring them more in line and comparable with the cost of serving those rates. The board held numerous sessions at multiple board meetings in which discussion took place, and it was not a decision taken lightly. They tried their best to be fair and appropriate with all the members involved.”

Kupper also described the difference between the allocation and retirement of capital credits. This was also shared with members in the May local pages of *North Dakota Living* and online at www.slopeelectric.coop.

“You receive capital credits because you are a member and an owner of Slope Electric. Any margin we earn in the prior year is allocated to each of you after the board has reviewed and accepted the audit. Allocation is where you receive a portion of the prior year’s margin, or profit, based

on last year’s usage. Allocation is simply what is your share of the 2020 margin that was earned. Retirement is considered actual cash; what is being retired,” he said.

Reflecting on the annual meeting theme, Franklund noted how pandemic-related challenges pushed the entire organization to a new level in the use of technology. The board held video-based conference calls, and members were encouraged to sign up for SmartHub and use the Slope Electric app to pay their monthly bills, contact the cooperative with questions, report service issues and receive important updates.

“There are a lot of jobs that over the years, because of technology, have morphed into something different than how they started; it’s part of growth, and learning and adapting to the world we are in,” he said. “Change is the new normal, and part of the life we are in now regardless of the industry. Here at Slope Electric, we are always looking for more efficient ways to accomplish a task.”

Members will see part of that change in the future of renewables including wind, solar and battery technology. Mr. Franklund gave a history lesson on how small towns first started receiving power that came from old diesel generating plants, and later hydro and coal.

“It’s been changing over the last decade and will continue to change faster now,” he said. “There was a recent announcement that Apex Clean Energy wants to build a wind farm in the Slope Electric service area with a utility-grade battery. That’s phenomenal!” he said. “It’s the cutting edge of future, and we are seeing it here at Slope Electric.”

Franklund noted it won’t be long before the cooperative will see significant change in residential sales. The farming and ranching members of Slope Electric may evaluate whether to implement solar panels, wind towers or battery packs at their residence to become more self-sufficient.

“It’s the natural evolution of technology, and we are already seeing it,” he said. “We want to work with members in accomplishing it. If we do it together, we can do a really good job. We don’t want it to be a safety issue at the cooperative or for our members.”

Kupper said Slope Electric’s members have a long history of providing for themselves and their neighbors, and they have always had a can-do attitude. “There will be challenges going forward in the form of increased regulations stemming from the February event where we had rolling blackouts from the Western Area Power Administration,” he said. “The rules continue to evolve and change, and we will continue to meet those needs, provide a safe working environment, and provide the reliable and affordable electric service you’ve come to rely on.”

The membership has also come to appreciate Slope Electric for its commitment to community and supporting area youth through student scholarships.



Slope Electric Cooperative Chairman **Lauren Klewin**, Amidon, leads the cooperative's drive-in annual meeting.

"We know the members look forward to seeing the youth receiving those scholarships, and we are thankful the board has elected to do so again this year," Kupper said.

During the meeting, two Luck of the Draw scholarships were awarded to students Amy Jeffers and Waylon Kathrein. Amy is the daughter of Johnathan and Deanna Jeffers, and Waylon is the son of Kim and Allen Kohl and John Kathrein. We thank them for attending their family's annual meeting, and learning about the cooperative business model and importance of having a voice and vote.

In addition to scholarships, Slope Electric also supports the Operation Round Up program. More than 65 percent of Slope Electric's members participate in the optional program, in which members round their monthly utility bills up to the next whole dollar, and donate their change to be awarded locally in the form of grants.

"It's another way cooperative members are taking care of their own," he said.

The managers' report was concluded with a sincere thank-you to all who endured the trials and tribulations of 2020.

"Thank you to the members, for working with us and continuing to be a member of the cooperative. Thank you to the employees, for working through the last 12 months. Thank you to the board of directors, who had to adapt and learn," Kupper said. "Together we make a powerful difference." ■

Charlotte Meier earns Credentialed Cooperative Director certificate



Slope Electric is governed by a board of eight directors who are members of the cooperative. Elected at the annual meeting by the members they represent, directors learn member issues, attend meetings, study industry trends, and keep up-to-date on what is happening in the local, regional and national political arena. During monthly meetings, they exchange information and strategize for the

cooperative's progressive growth.

A well-trained and educated director is critical to the decision-making process. To help directors understand the utility industry, the National Rural Electric Cooperative Association (NRECA) offers formal training programs in which directors can earn the Credentialed Cooperative

Director (CCD), Board Leadership and Director Gold credentials. The North Dakota Association of Rural Electric Cooperatives offers the required coursework annually to help directors complete the requirements for these credentials. Additionally, directors have other opportunities to attend courses, including NRECA's pre-annual meeting, pre-annual directors' conference, summer schools, and pre-regional meeting.

This spring at a regular board meeting, Director Charlotte Meier was recognized for earning her CCD certificate.

The CCD curriculum consists of five courses designed to provide basic knowledge and skills required of cooperative directors. The courses include Director Duties and Liabilities, Understanding the Electric Business, Board Operations and Process, Strategic Planning, and Financial Decision Making.

Director Meier, we congratulate you on your accomplishment and thank you for your continued commitment to the future of Slope Electric Cooperative. ■

MAY 27, 2021

Report from **THE BOARD OF DIRECTORS**

Regular meeting held at New England headquarters

- Approved the agenda as presented.
- Approved minutes of the April 29, 2021, Board meeting
- Approved one capital credit estate retirements.
- Co-General Manager/CEO Travis Kupper provided updates
- Heard update on West Dakota Utility Services and 3C Construction
- Heard power supplier updates
- Heard reports from Directors who participated in various meetings and classes
- Discussed and tabled Board Policy 02-14 until the next meeting
- Discussed and approved Luck of the Draw Scholarships to be given at Annual meeting
- Discussed 2021 Annual Meeting planning
- Discussed upcoming meetings, director attendance and voting delegates
- Reviewed and accepted the April 2021 financials as presented
- Heard senior staff report
- Heard legal counsel report
- Held voucher review
- Scheduled the next Board meeting for June 21, 2021
- Held Executive Session
- Adjourned

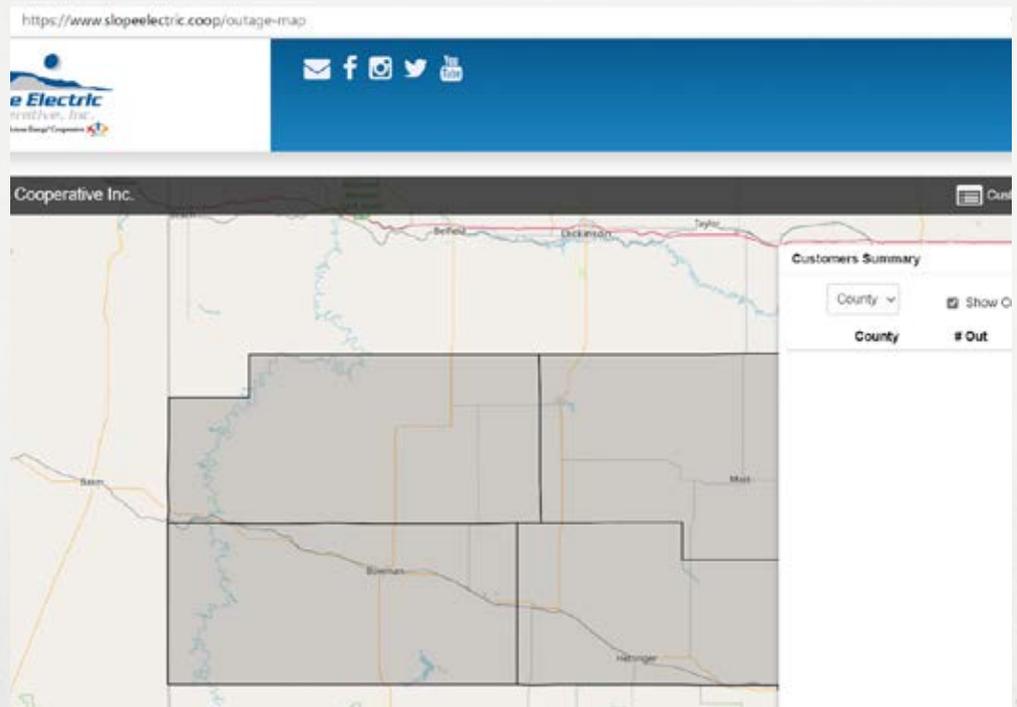
Follow our outage map to learn restoration progress

Members, did you know Slope Electric has an outage map on our website www.slopeelectric.coop that details power outage events by county in our service area? It is a generic tool that indicates active outages and the progress our line technicians are making in restoring the system.

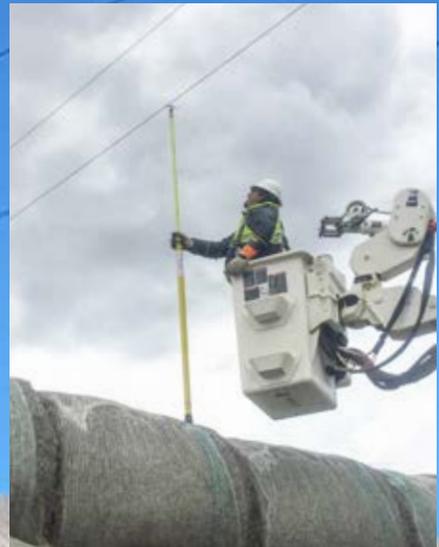
If you experience a power outage, please call us at 701-579-4191 or 800-559-4191 to visit with dispatch and report information specific to your account. That is the fastest way to having power restored.

After your outage is reported, it will appear in a generic way on the outage map online. Your residence and account information is kept confidential and secure.

Members, this is another way we are using technology to serve you. ■



There must be 10 feet of clearance between hay bales and power lines. Keep in mind that summer's warm temperatures can cause power lines to sag. Your best bet is to find another spot away from those hot, high-voltage lines – that under certain conditions, can cause fire, injury or death.



Protect your livelihood — and your life

Stacking hay under electrical infrastructure can be dangerous, if not deadly.

Imagine up to 115,000 volts of electricity running through the power lines directly above the hay you just stacked. Highly loaded, those aluminum wires get hot — and the warmer the temperature — the more the lines sag. There needs to be at least 10 feet of clearance between the neutral line and the top of your hay bales. Did you plan for sag and leave adequate space?

As amps travel the circuit, the wires get warm. If you back your equipment into a guy wire and a pole bends or breaks, or if you hit an overhead line with the loader, the line could fall on the hay and ignite. The hay you need to feed your cattle — and the provisions you made to feed your family — just went up in smoke.

And that could be the best-case scenario. If you or your equipment comes into contact with a power line, you

could receive an electric shock that could cause injury and even death.

Protect your livelihood and your life, and stay away from power lines and poles. If you do make contact with a power line, call 911. Remain seated, warn others to stay away, and wait for Slope Electric lineworkers to de-energize the lines. Do not move from the equipment.

To report system damage that is not in need of immediate repair, call Slope Electric Cooperative at 1-701-579-4191 or email safety@slopeelectric.coop. If you send an email, please include the location, your name and contact information, and a photo if possible.

Members, your safety matters. Working together helps ensure the safety of all! ■

KX/CO-OP DAY at the N.D. State Fair

July 28 in Minot

If you plan to attend the North Dakota State Fair on July 28, you are eligible to receive reduced-price tickets for \$1 off gate admission, \$5 off

daily unlimited-ride wristbands for carnival rides, and \$1 off Ranch Rodeo admission and a free ice cream social at 2 p.m. at the KX/co-op tent. Give us a

call at the office at 701-579-4191 or 800-559-4191, and we will get you tickets! ■



Explore it ... Adore it ... and Save!

In partnership with the Theodore Roosevelt Medora Foundation, Slope Electric Cooperative is once again making excursions to Medora more affordable for families. This summer, our members are eligible for a 15-percent discount off the following reservations:

- Tickets to the Medora Musical
 - Pitchfork Steak Fondue
 - Bully Pulpit Golf Course
 - Lodging at the Badlands Motel, Elkhorn Quarters and Rough Riders Hotel
- Members will receive a 20-percent discount at the Cowboy Hall of Fame.

To make your reservations and claim your savings, call 1-800-MEDORA-1 and provide the discount code **Touch2021**. When visiting the Cowboy Hall of Fame, provide the discount code **Touch2021** at the door. ■



116 E. 12th St. - PO Box 338
New England, ND 58647-0338

Phone: 701-579-4191
or 800-559-4191
Fax: 701-579-4193

Email us:
comments@slopeelectric.coop

UNDERGROUND LINE LOCATES
800-795-0555 or 811

SLOPE ELECTRIC COOPERATIVE OFFICERS AND DIRECTORS

Lauren Klewin, President
Steve Wegner, Vice President
Anthony Larson, Secretary
Jerome Caron, Treasurer
Angela Carlson, Director
HJ "Chip" Fischer, Director
Dale Hande, Director
Charlotte Meier, Director

MANAGEMENT

Donald A. Franklund
CO-GM/CEO

Travis Kupper
CO-GM/CEO

www.slopeelectric.coop



Become a fan of Slope Electric Cooperative to learn timely co-op news!

*Slope Electric Cooperative, Inc.,
is an equal opportunity provider.*