

Your Touchstone Energy® Cooperative 

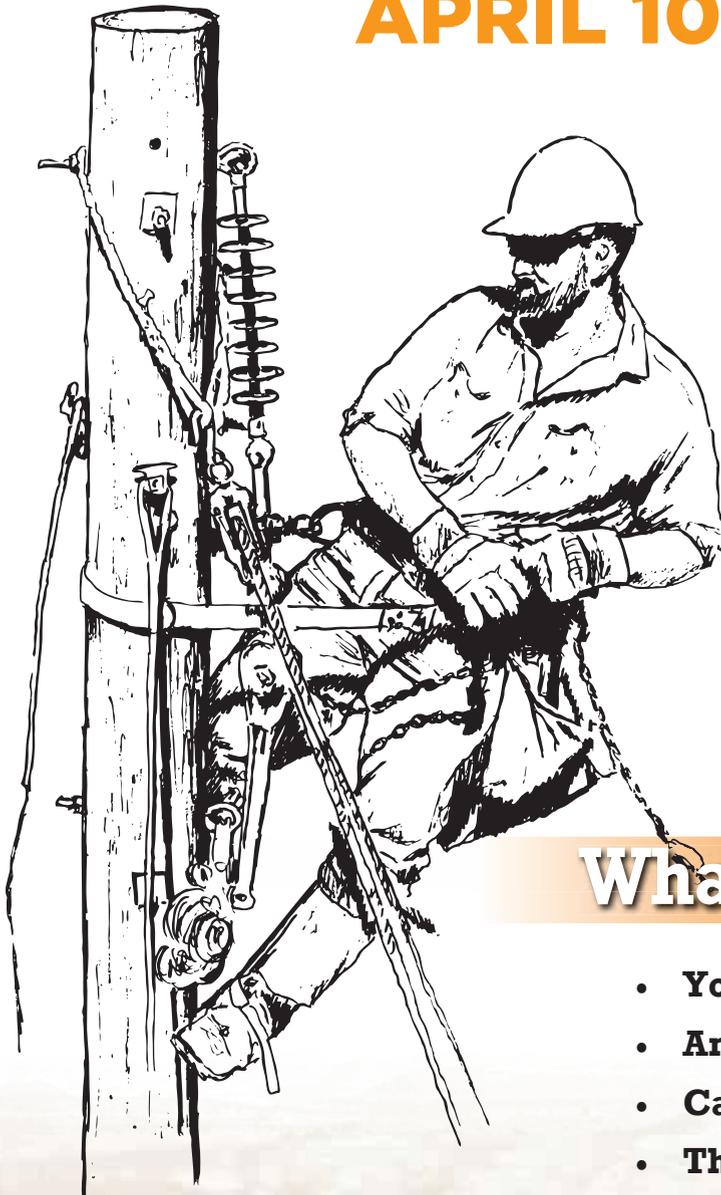
ROUGH RIDER NEWS

ELECTRIC COOPERATIVE

APRIL 2017

#ThankALineman

APRIL 10



Linemen serve on the frontlines of our nation's energy needs, and on April 10, Roughrider Electric Cooperative will join the nation in honoring the employees who work in challenging and often-dangerous conditions to keep power flowing and protect the public's safety.

What's inside:

- Youth Tour essay
- Annual meeting information
- Capital credits
- Thank a lineman
- Board report and more



Haley Sailer

named 2017 Youth Tour winner

This year, Roughrider Electric Cooperative will send Haley Sailer to Washington, D.C., to participate in the 2017 Electric Cooperative Youth Tour. Haley competed in an essay-writing contest to earn the honors and opportunity to spend a week in Washington, D.C., to learn about U.S. government and rural electric cooperatives. Haley is a junior at Hazen High School and is the daughter of Debbie and Travis Sailer.

Haley will join other participating North Dakota students in an all-expense-paid trip scheduled for June 10 to 16. The delegation of students will travel with Montana students in the day-to-day touring of the historic sites, attractions and congressional offices in the Washington, D.C. area.

The students who competed in the Youth Tour essay contest submitted an essay on the topic: "Democracy is the foundation of our American way of life and of cooperative enterprise.

The fundamentals of democracy include voter participation, political party affiliation and public debate of issues. Describe what you think makes our current democracy strong, and provide suggestions for ways our democracy can be made stronger and more effective."

Congratulations, Haley! Roughrider Electric Cooperative is proud to be sponsoring a young person of your caliber on the 2017 Electric Cooperative Youth Tour. ■

ESSAY: Democracy in the United States of America

America's backbone was shaped from the hardworking immigrants who risked essentially everything in the hope of acquiring the ability for their voices to be heard. The immigrants left government systems such as dictatorships, where they were afraid to speak up and state their opinions because it could have cost them their lives. For the first time, these immigrants' opinions on certain issues were accounted for and heard. This type of government in the United States of America is known as democracy. Among all the other nations in the world, it was unusual for a system of government to last so long. Democracy has been around for more than 200 years in America and is still thriving today.

Why has democracy succeeded in the United States while failing in so many other places? The people conclusively have the power. The citizens of the United States can vote on certain laws that they feel are adept to profit themselves and the country. They are able to choose elected officials, such as the president. If the elected officials are not performing their position to a certain standard, the people can veto

their role. Every citizen has certain rights, and numerous documents have been written to protect them. Their rights include religious freedom, freedom of the press, right to vote, etc. This ensures that all American citizens are treated equal regardless of gender, race or religion. Checks and balances play a tremendous role in the U.S. government. There are distinct procedures set in place to reduce mistakes and prevent improper behavior among the executive, legislative and judicial branches. It prohibits any one person or department from having too much power, and forces cooperation among branches in completing certain tasks.

Our democracy can be made stronger and more effective. First, the government should raise state and federal minimum wages. This policy would undeniably benefit the hard-working citizens of the lower class. Raising wages would ultimately lower the rate of poverty in the United States and increase employment. Second, the reduction of high corporate salaries should be managed. According to governmentisgood.com, the salaries of top corporate executives have been increasing while average

wages have stalled. U.S. chief executive officers currently make salaries that are more than 200 times that of the average worker. Third, free or low-cost higher education should be accustomed. We should be increasing the number of government grants for college students. This would help millions attend college and ensure that they graduate without enormous debt. Finally, government policies should be put together to strengthen the power of the unions. Because unions are more common in certain parts of the states, there are lower levels of economic inequality. Union bargaining evidently helps to increase the wages and benefits of low- and moderate-income workers. As a country, we should facilitate the establishment of unions and increase their bargaining power.

In conclusion, democracy in the United States gives many people an opportunity to voice their opinions, allowing everyone the choice to be equal with others. An opportunity that was visualized by people for many years. Built by hardworking Americans, democracy has, and continues to be, a part of the lasting legacy of the United States of America.



Annual Meeting
2017

DICKINSON, ND
TRINITY
HIGH SCHOOL

JUNE 7, 2017

Look for the annual report in the May issue of North Dakota Living.

Vote by mail 2017 Annual Meeting

In 2009, Roughrider Electric Cooperative's board of directors decided to offer the members the option of voting by mail. Ballots and instructions will be mailed prior to the annual meeting. Under the bylaws, no nominations are accepted from the floor at the annual meeting. A qualified member of Roughrider Electric Cooperative may become a candidate for election by being nominated by the Nominating Committee or by a petition submitted not less than 60 days before the meeting.

Mail-in ballots will only be sent to members upon request. To request a ballot, please contact Steve Hildebrand at 701-748-2293 or 800-748-5533 prior to May 12. You may also contact Steve at: shildebrand@roughriderelectric.com



Free shuttle bus ride

Roughrider Electric Cooperative will be offering a free shuttle-bus service to the meeting, leaving from the Hazen main office. If you are interested in riding the bus to Dickinson, please contact Steve Hildebrand at 701-748-2293 or 800-748-5533. You may also email Steve at: shildebrand@roughriderelectric.com.

The deadline to sign up to ride the bus is May 19. ■

Report from

THE BOARD OF DIRECTORS

FEB. 23, 2017

When, where and who: The Board of Directors met in Hazen on Feb. 23.

Agenda: The Board reviewed, added to and approved the meeting agenda as modified.

Minutes of the Previous Meeting: The Board reviewed and approved the minutes of the Jan. 27, 2017, meeting.

Co-General Managers' report: Chris Baumgartner and Don Franklund presented the managers' report.

The Board discussed with the Co-General Managers the ever-changing coal industry, and the key factors that are affecting the industry.

The Co-General Managers also discussed with the Board transmission maintenance. This is a key goal for Roughrider in the coming years.

Safety Coordinator report: The Board was referred to Mr. Stastny's written report.

Mr. Baumgartner reported that CPR/AED training is now performed in-house. Employee feedback was excellent on this training.

Operations and Construction report: Mr. Bentz referred the Board to his written report. Mr. Bentz provided the Board with an update on the bidding procedures to be utilized for projects this summer.

Chief Information Officer report: Mr. Franklund provided a brief report to the Board on information technology matters. A key project for the IT department is cyber-security training.

Upcoming meetings: The next Board meeting was set for 9 a.m. MT on March 31, 2017, at Roughrider's office in Dickinson, North Dakota.

Other business: There being no other business, upon motion made, seconded and unanimously carried, the meeting adjourned. ■

Roughrider Electric Cooperative offers members CONSERVATION AND ENERGY EFFICIENCIES INCENTIVES

Roughrider Electric Cooperative is continuing the conservation and energy-efficiency program through 2016. The incentives help you, the member, become more energy efficient.

The program for 2017 will include ground-source heat pumps and air-source heat pumps.

Members must buy and install qualifying systems between Jan. 1, 2017 and Dec. 31, 2017. The program for the heat pumps is for new installation or for replacement of a conventional heating system.

Roughrider Electric Cooperative personnel will check the

installation, and get the appropriate documentation and receipts. Once completed and approved, Roughrider Electric Cooperative will send a check directly to the member to help cover the purchase cost.

A maximum dollar amount has been set aside for the incentive program. The program will close when we meet this amount. Roughrider Electric reserves the right to cancel the program without further notice. One rebate allowed per member.

For more information, please contact Brad Quenette, director of member services, at 800-748-5533 or email bquenette@roughriderelectric.com.

Ground-Source Heat Pumps:
Required minimum efficiency

\$150 per ton with a maximum rebate of \$600
CLOSED LOOP: EER >= 14.1 COP >= 3.3
OPEN LOOP: EER >= 16.2 COP >= 3.6

Air-Source Heat Pumps:
Required minimum efficiency

\$100 per ton with a maximum rebate of \$400
HSPF >= 8.2 EER >= 12 SEER >= 14.5

YOU get the credit

You to get the credit — capital credits, that is — for helping build, sustain and grow your local electric cooperative. Last December, Roughrider Electric Cooperative distributed \$979,000 to members like you across our service area.

When you signed up to receive electric service from Roughrider Electric Cooperative, you became a member of an electric utility. While investor-owned utilities return a portion of any profits back to their shareholders, electric co-ops operate on an at-cost basis. So instead of returning leftover funds, known as margins, to folks who might not live in the same region or even the same state as you do, Roughrider Electric Cooperative allocates and periodically retires capital credits (also called patronage dividends, patronage refunds, patronage capital or equity capital) based on how much electricity you purchased during a year.

This past December, members from prior years received capital credits retirements through a check in the mail, reflecting their contribution of capital to, and ownership of, the cooperative. Those funds helped us keep the lid on rates, reduced the amount of money we needed to borrow from outside lenders to build, maintain and expand a reliable electric distribution system, and covered emergency expenses.

For more information on this part of the cooperative business, read the following Q&A:

Common capital credits questions

WHAT ARE CAPITAL CREDITS?

An electric cooperative operates on an at-cost basis by annually “allocating” to each member, based upon the member’s purchase of electricity, operating revenue remaining at the end of the year; later, as financial condition permits, these allocated amounts — capital credits — are retired. Capital credits represent the most significant source of equity for Roughrider Electric Cooperative. Since a cooperative’s members are also the people the co-op serves, capital credits reflect each member’s ownership in, and contribution of capital to, the cooperative. This differs from dividends investor-owned utilities pay shareholders, who may or may not be customers of the utility.

WHERE DOES THE MONEY COME FROM?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating “margin.”

HOW ARE MARGINS ALLOCATED?

Margins are allocated to members as capital credits based on their purchases from the cooperative — how much power the member used. Member purchases may also be called patronage.

DOES MONTANA-DAKOTA UTILITIES RETIRE CAPITAL CREDITS?

No. Within the electric industry, capital credits only exist at not-for-profit electric cooperatives owned by their members.

ARE CAPITAL CREDITS RETIRED EVERY YEAR?

Each year, the Roughrider Electric Cooperative board of directors decides whether to retire capital credits based on

the financial health of the cooperative. During some years, the co-op may experience high growth in the number of new accounts, or severe storms may result in the need to spend additional funds to repair lines. These and other events might increase costs and decrease member equity, causing the board not to retire capital credits. For this reason, Roughrider Electric Cooperative’s ability to retire capital credits reflects the cooperative’s strength and financial stability. The board alone decides whether to retire capital credits.

DO I LOSE MY CAPITAL CREDITS IN THE YEARS THE CO-OP DECIDES NOT TO MAKE RETIREMENTS?

No. All capital credits allocated for every year members have been served by Roughrider Electric Cooperative are maintained until the board retires them.

HOW OFTEN DO MEMBERS RECEIVE CAPITAL CREDIT RETIREMENTS?

The Roughrider Electric Cooperative board of directors decides each year whether to retire capital credits. When the cooperative is strong enough financially and member equity levels high enough, the board directs staff to retire some portion of past years’ capital credits.

HOW WILL THE RETIREMENT WORK?

All current and inactive members of Roughrider Electric Cooperative who purchased electricity during the years being retired will receive a check. Due to the expense involved in processing printed checks, the minimum retirement check that will be written to current members will be \$5.

WHAT IF I HAVE MOVED?

If you move or no longer have electric service with Roughrider Electric Cooperative, it is important that you inform the cooperative of your current address, so that future retirements can be properly mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement, even if you move out of the Roughrider Electric Cooperative service area. If it has your current address, then Roughrider Electric Cooperative will send your retirement check by mail. ■



#ThankALineman

APRIL 10

Linemen serve on the frontlines of our nation's energy needs, and on April 10, Roughrider Electric Cooperative will join the nation in honoring the employees who work in challenging and often dangerous conditions to keep power flowing and protect the public's safety.

"Linemen are the first-responders at Roughrider Electric Cooperative, and they're always ready to get the job done, day or night," says Manager of Operations Jason Bentz. "Whether they're responding to a power outage or maintaining electrical infrastructure to provide safe and reliable power, linemen are at the heart of everything we do."

Roughrider Electric Cooperative is

proud to highlight the foremen and linemen who maintain 5,524 miles of power lines in our service territory. They include Wayne Schmaltz, Shawn Olson, Bryan Braun, Jim Block, Billy Kummer, Bradley Martell, Andrew McFarland, Tanner Goetz, Brock Swensrud, Scott Leintz, Russell Walters, Dion Gefre, Tyler Schlosser, Mike Steier, Tyler Phelps, Kyle Irwin, Jordan Braun, Cody Hintz, Ryan Block, Mitch Krebs and Kayden Ficek.

We invite our member-owners to take a moment and thank the linemen for the work they do. On April 10, use #ThankALineman on social media to show your support for the employees who light our lives. ■



www.roughriderelectric.com

HAZEN OFFICE

701-748-2293 or 800-748-5533
800 Highway Dr., Hazen, ND 58545
7:30 a.m. – 4 p.m. CST Monday-Friday

Payments may be deposited in the deposit box by Roughrider Electric's main office entrance or in the drop boxes located at Krause's Super Valu in Hazen or Bronson's Super Valu in Beulah.

DICKINSON OFFICE

701-483-5111 or 800-627-8470
P.O. Box 1038, 2156 4th Ave. E.
Dickinson, ND 58602
8 a.m. – 5 p.m. MST Monday-Friday

Payments may be deposited in the deposit box west of Roughrider Electric's main office entrance or in the drop boxes located at Dickinson City Hall, or the north and south locations of Family Fare supermarkets.

OFFICERS AND DIRECTORS

Roger Kudrna, President; Dickinson483-8377
Darell Herman, Vice President; Beulah873-4371
Troy Sailer, Secretary; Golden Valley948-2427
Bruce Darcy, Treasurer; Golden Valley983-4222
William Retterath; Center794-8729
Arnold Kainz; Dickinson483-8207
Dan Price; Hensler794-3779
Greg Steckler; Dunn Center548-8122
Callen Schoch; New England579-4395

MANAGEMENT

Don FranklundCo-General Manager/CEO
Chris BaumgartnerCo-General Manager/CEO



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