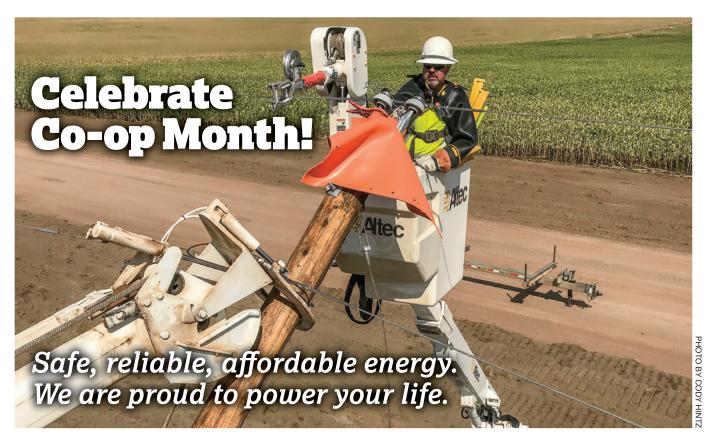
ROUGHRIDER NIEWS

ELECTRIC COOPERATIVE











By providing the electricity that powers your home, farm or business, Roughrider Electric Cooperative plays a role in your daily life. We are thankful for the opportunities to help our members feed families, harvest crops, power progressive businesses and stay connected to the world.

Electric cooperatives observe Co-op Month in October. Operating in the spirit of cooperation, cooperatives are a true example of grassroots involvement because they are owned and controlled by those they serve. Our business model — and our local, hometown members — are what power Roughrider.

Thank you, members, for being active and involved. Together, let's celebrate Co-op Month.

What's inside:

- How YOUR local co-op fits into the electric cooperative network
- Roughrider helps sponsor N.D. Leopold Conservation Award
- Apply now for Operation Round Up grant
- Co-op seeks Youth Tour student applicants
- Meeting minutes ... and more

Your Touchstone Energy® Cooperative

A powerful network connects Roughrider Electric members

BY CARMEN DEVNEY

Your family follows the same drill every weekday morning. They wake to alarms set on their smart phones. They turn on the lights and start preparing for the day. They make breakfast using the microwave or stove. After eating, they load the plates in the dishwasher and start it — and turn off the lights before heading out the door. As members of Roughrider Electric Cooperative, you may not think about how your daily routine requires electricity. You just know that when you plug in your phone, it starts charging immediately.

When you plug in your phone, you connect to more than just power. You connect to a local business that is part of a vast network of local electric cooperatives that extends across the state and nation.

This connection begins with your membership in Roughrider Electric Cooperative. With offices in Hazen and Dickinson, Roughrider Electric is one of 16 distribution cooperatives in North Dakota that delivers retail electricity to about 250,000 North Dakotans through 196,000 meters. It also has transmission assets and responsibilities.

Unlike consumers who buy power from a privately owned utility, co-op members not only buy electricity from their utility, they have an equal vote in electing a board of directors to manage their co-op.

The current board chairman of Roughrider is Roger Kudrna, who has served as a director for 10 years. Prior to the consolidation of West Plains Electric Cooperative and Oliver-Mercer Electric Cooperative in 2008, he was elected to serve on the West Plains board in 2005. A resident of rural Dickinson, he holds one of Roughrider's three Western District seats.

A member as well as a director, Kudrna helps make decisions in the board room that affect his neighbors as well as himself.

"Decisions I help make in the board room affect all members of Roughrider," he says. "I want to do everything possible so every member receives reliable and affordable electric service."

He and his wife, Noreen, farm and ranch on the homestead started by one of her grandfathers. They raise small grains and hay.

Technology continues to change the way they farm and ranch, and Kudrna is watching how technology is also changing the electric utility industry. As interest in distributed generation grows, battery life increases and the cost of supplies goes down, he knows the electric utility industry could look a lot different in the next 10 years. The plans he and his fellow directors are making now will pave the way for future members.

"At board meetings, everyone talks about where we are headed in the future. As we see the coal industry and renewable forms of energy evolve and change, we also need to evolve so we can continue providing affordable and reliable electric service," he says.

Kudrna joins eight other directors in governing the affairs of Roughrider Electric, including setting the rates, approving construction plans and establishing operating policies. One of the most important functions of any distribution cooperative board is to determine how the co-op will meet its electric power needs.

Directors of distribution cooperatives began thinking about power supply decades ago when they realized they needed a plan to meet future electric demand. That prompted them to band together to create generation and transmission (G&T) cooperatives. These G&Ts have built coal-based power plants, natural gas and wind energy projects and more, to generate electricity that is delivered by distribution cooperatives to their members.

Just as every distribution cooperative is a business governed by a board of directors, so is every G&T. Director Bill Retterath represents Roughrider Electric on the board of directors for Upper Missouri Power Cooperative, Roughrider Electric's power supplier. With headquarters in Sidney, Mont., Upper Missouri is a transmission services cooperative that supplies wholesale electricity to 11 membersystems in eastern Montana and western North Dakota. Together, they provide power to more than 76,000 meters to farms, ranches, homes and business in 37 counties.

Each member of Upper Missouri has representation on the board. Eleven directors meet monthly to oversee the business, which consists of purchasing, reselling and delivering power from Basin Electric Power Cooperative and the Western Area Power Administration to its members.

The people who serve on the board of distribution cooperative are members of their co-op. The directors who serve on the G&T board are also directors from their respective distribution cooperatives. It's another step up in the network.

The cooperative ladder from Roughrider Electric to Upper Missouri extends another rung to Basin Electric. With

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headquarters in Bismarck, Basin Electric is one of the largest G&Ts in the nation, providing wholesale power to member rural-electric systems in nine states. The Basin Electric board of directors consists of 11 members, including Allen Thiessen from Upper Missouri.

Thiessen, the president of the Lower Yellowstone Rural Electric Association — a distribution cooperative based in Sidney, Mont., — represents Lower Yellowstone on the Upper Missouri board. He was elected to represent Upper Missouri on the Basin Electric board by his peers.

Political strength lies in their equal vote as a Basin Electric director. It also provides them with a strong voice to make other decisions.

Power players in North Dakota's economy

Electric cooperatives, including distribution co-ops and G&Ts, have a huge financial impact on North Dakota's economy. More than 61,000 miles of distribution lines connect people across the state, from Halliday to Horace — but the lines aren't the only reasons these members are connected. They are joined by nearly \$1 billion in investments made by electric distribution cooperatives in North Dakota. These cooperatives account for the majority of all retail electricity in North Dakota.

To serve their member-owners, electric cooperatives have invested more than \$5 billion in North Dakota's generation and transmission facilities including 4,200 miles of high-voltage transmission lines. Electric co-ops account for nearly 90 percent of the coal-based electric generation in the state, and have invested more than \$2 billion in environmental equipment and controls — ranking our state among the highest in the nation in efficiency and clean-coal technologies.

Local benefits, national advantages

Membership in an electric cooperative has several advantages. Cooperatives operate efficiently, so their members receive the benefits in lower costs, reliable service, and the refund of margins (capital credits) when the financial condition of the co-op allows. Cooperative members also benefit by making their voices heard when they cast their votes to elect their board of directors. Members are part of an important network that is carefully woven together through the power of human connections.

These connections begin in the electric cooperative board room and reach all the way to the state and national levels. In North Dakota, all 16 distribution cooperatives and five G&Ts are members of a trade association called the



North Dakota Association of Rural Electric Cooperatives (NDAREC). Through this association, cooperatives work to communicate with their members; provide legislative representation at the local, state and national levels; deliver safety services and education for cooperative employees and directors; and promote rural economic development. Roger Kudrna represents Roughrider Electric members on the NDAREC board.

Well ahead of its time, NDAREC formed a computer cooperative in the 1960s that is known today as National Information Solutions Cooperative (NISC). This cooperative is an information technology company that has a campus in Mandan, with additional locations in Lake St. Louis, Mo.; Shawano, Wis.; and Cedar Rapids, Iowa. Along with its subsidiaries, NISC employs 1,200 people who develop and support software and hardware solutions for their memberowners, which include electric and telecommunications cooperatives serving more than 20 million customers in all 50 states.

Nationally, North Dakota's electric cooperatives have joined with more than 900 consumer-owned, not-forprofit electric cooperatives as members of the National Rural Electric Cooperative Association (NRECA), which provides a unified voice for cooperatives and represents their interests in Washington, D.C. Together, the nation's electric cooperatives own assets worth \$175 billion, employ 71,000 people in the United States, generate nearly 5 percent of the total electricity and deliver 11 percent of the total kilowatthours sold in the United States.

Lynn Jacobson, the secretary-treasurer from Burke-Divide Electric Cooperative in Columbus and director on the NDAREC board, represents North Dakota's electric cooperatives on the NRECA board of directors. His board

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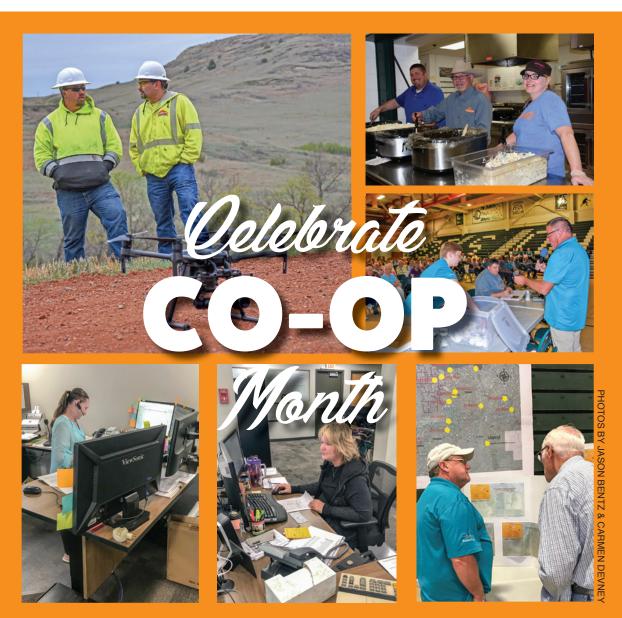


service, from the local distribution level through the regional and national level, is similar because cooperatives all share the same goals and principles. The differences lay in the varying geographic locations and challenges each co-op faces.

In combining efforts at the national level, more than 740 cooperatives in 46 states comprise of a marketing alliance called Touchstone Energy® Cooperatives. This alliance assures members that when they receive service from their local Touchstone Energy cooperative, like Roughrider Electric, business will be conducted with integrity, accountability, innovation and commitment to community.

Membership matters

Being part of the cooperative family connects you, Roughrider Electric's member-owners, to people working at local, state and national levels to make sure issues that affect electricity are decided in your best interests. This is what makes electric cooperatives unique. Members have the advantage of receiving personalized service from a local business that cares about the community, with the innovation and high-technology resources of belonging to a nationwide network. ■



Your Touchstone Energy* Cooperative



Report from

THE BOARD OF DIRECTORS AUG. 31, 2018

When, where and who: The Board of Directors met in Hazen on August 31.

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

Minutes of the previous meeting: The Board reviewed and approved the minutes of the July 27, 2018, meeting.

Co-General Managers' report: Don Franklund and Travis Kupper presented the managers' report.

Mr. Kupper provided an update on occurrences at Basin Electric Power Cooperative; he reported that 371 employees took the early retirement.

Mr. Kupper provided the Board with an update on Upper Missouri Power Cooperative matters.

2019 IEAC proposed budget: The 2019 Innovative Energy Alliance Cooperative budget was presented to the Board for consideration and was approved by the board.

Chief Financial Officer report: Mr. Craigmile provided the Board with a summary of his written report. Operating margins and total margins are above budget. Sales are approximately 8 percent above what was budgeted. Roughrider's financial ratios are all well above Rural Utilities Service minimum requirements.

Operations & Construction report: Mr. Bentz referred the Board to his written report.

Upcoming meetings: The next Board meeting was set for 9 a.m. MT on Sept. 28, 2018, 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. The incentives help you, the member, become more energy efficient.

The program for 2018 will include ground-source heat pumps and air-source heat pumps.

Members must buy and install qualifying systems between Jan. 1, 2018 and Dec. 31, 2018. 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

Millers mimic and work with nature; earn N.D. Leopold Conservation Award

MATERIAL PROVIDED IN PART BY SAND COUNTY FOUNDATION



The N.D. Leopold Conservation Award inspires landowners through example and provides a visible forum where farmers, ranchers and other private landowners are recognized as conservation leaders. **Ken Miller** (left), of Miller Ranch near Fort Rice, hosted a grazing tour and discussed the holistic resource management he and his wife, Bonnie, follow on the ranch.

and Bonnie Miller of Fort Rice for earning the 2017 North Dakota Leopold Conservation Award®. On behalf of Miller Ranch, the couple accepted the award during a celebration held Aug. 14.

In the Touchstone Energy® Cooperative value of commitment to community, and with gratitude for our state's farmers and ranchers, Roughrider helped sponsor the award. Additional co-op sponsors included Mor-Gran-Sou, Slope, KEM and Basin Electric Power Cooperative.

In its second year, the N. D. Leopold Conservation Award is given in honor of renowned conservationist Aldo Leopold. It honors a North Dakota landowner achievement in voluntary stewardship and management of natural resources.

Miller Ranch was nominated by the Morton County Soil Conservation District. The application stated, "The Miller Ranch truly embodies the diversity North Dakota carries in its agricultural portfolio. From livestock to crops, from grazing to gardening, from dryland to irrigation, from commodity marketing to direct marketing and from family to agricultural advocacy, the Millers display and share it all confidently, yet humbly, with a land ethic that runs through and through."

Sand County Foundation, in partnership with the N.D. Grazing Lands Coalition, N.D. Association of Soil Conservation Districts and the N.D. Stockmen's Association, presented \$10,000 to the Millers for their efforts.

When Ken took over the family ranch in the 1980s, he knew the management practices he was taught growing up would need to evolve if he expected to pass the legacy on to his children. In 1984, he and Bonnie received a sponsorship to attend a holistic resource management school in Albuquerque, New Mexico.

Armed with new approaches to ranch management, the Millers began cross-fencing to turn their three pastures into 18 to allow more recovery time between grazing. They moved their calving date later in the spring, and transitioned to no-till on their cropland while adding more diversity to their crop rotation. Each new management practice was done with one big goal in mind – to mimic and work with nature.

Today, the Millers continue to strive for improvements on their thriving land. The ranch contains more than 60 paddocks on tame and native grasslands, with 18 additional paddocks under a center-pivot irrigation system. Their management techniques have allowed them to leave more grass at the end of the grazing season, and they have increased carrying capacity of the ranch threefold.

The Millers believe soil is the foundation for everything they accomplish in agriculture. In Ken's words, "It's the herd under the ground that we need to be managing." As the family began focusing on building the soil biology, they believe their plants became healthier and more resilient, giving their cattle more nutrition, which in turn produced healthier cattle.

Joshua Dukart, rancher and certified educator of holistic management, said, "The Millers value the health of the entire ecosystem. They believe healthy soils form the foundation of health for all other items built upon it: plants, animals and humans. Their management goes well beyond conservation, extending far into the realm of a healthier whole-systems approach that provides multiple layers of benefits for every level of the soil-plant-animal-human complex."

For more information on Aldo Leopold, his legacy and the award, visit www.leopoldconservationaward.org.



As a future member-owner of your cooperative, describe ways that smart technologies and social media might be used to communicate with young adults. How might they be used to increase awareness and interest in the many career opportunities with electric cooperatives?

CHECK OUT THE ESSAY-CONTEST GUIDELINES AT **www.ndyouthtour.com**



HONOR THE PERSON WHO POWERS YOU

Nominate someone who could WIN \$5,000

t Roughrider Electric
Cooperative, we do more
than deliver electricity.
We believe it's also important to
recognize the people who power our
lives. That's why, in partnership with
Touchstone Energy® Cooperatives,
we're sharing the third-annual
#WhoPowersYou contest, which
started Oct. 1. This is an opportunity
to honor inspirational people in
Roughrider's service area.

"This contest is designed to focus on people in our co-op communities who are making a difference," said Mary Ann Cristiano, director of marketing, advertising and digital at Touchstone Energy.

Who has made a positive difference in your life? The person you nominate could win up to \$5,000! He or she does not have to be a member of the cooperative.

How to enter:

- Visit www.WhoPowersYou.com to make a nomination through Nov. 4.
- Then, visit the website again and vote for your favorite person!
 Winners will be announced in early 2019.

Deadline approaching to apply for Operation Round Up grant

peration Round Up is a voluntary program in which electric cooperative members round up their monthly utility bills to the nearest dollar and donate their change to local individuals, groups or charities with a specific need. The money pools and accumulates, and an elected board of seven co-op members reviews the grant applications biannually that have been submitted and determines grant worthiness.

More than 60 percent of Roughrider Electric members participate in this voluntary program, and each tax-deductible contribution averages between \$6 and \$7 per year, per metered account.

The next application deadline will be Jan. 1, 2019. Any person or group in the Roughrider Electric Cooperative service area may apply to receive an Operation Round

Up grant.

To request an application or to opt into the program, contact our business office at 1-800-748-5533 or download the form at www.roughriderelectric.com and click "Your Community" and "Operation Round Up."

Operation Round Up is successful because of the generosity of our members. The foundation board, the cooperative board and staff thank you for your participation.



