



Just another day in North Dakota

North Dakota was the coldest place on earth on Jan. 1, according to National Weather Service Bismarck. The record was set in Hettinger, with an air temperature of -45. After a brief warm-up, the state returned to the deep freeze. Even during brutal conditions, life goes on and it's just another day. Ranchers still have to feed cattle, and Mor-Gran-Sou's linemen are still patrolling power lines and doing maintenance that will prevent power outages and strengthen the system.

PHOTO BY MEMBER J.C. BALCOM

What's inside:

- Alliance celebrates 10 years of service
- Deadlines approaching for scholarships and coloring contest
- Mor-Gran-Sou seeks board director candidates
- Opt into Operation Round Up
- Meetings minutes, and more



Innovative Energy Alliance Cooperative celebrates 10 years

BY CARMEN DEVNEY

On Jan. 1, Innovative Energy Alliance Cooperative celebrated 10 years of being a helping hand to Mor-Gran-Sou Electric Cooperative and its members. Established in 2007 with neighboring cooperatives Roughrider Electric and Slope Electric, the alliance was created to share management services with the intention of reducing costs and allowing the respective boards of directors to retain local control. KEM Electric Cooperative joined the alliance in 2012.

In the cooperative spirit of working together for the greater good, the concept of sharing resources to streamline processes and add efficiencies gained momentum. The alliance expanded, adding key positions that were necessary at each of the cooperatives and could be shared. Just like the co-general managers, alliance employees were hired to split their time and talents among the four cooperatives.

Over the past decade, Innovative Energy Alliance Cooperative has grown to 14 full-time employees including management. Positions range from the chief information officer and chief financial officer to accountants, engineers, human resource professionals, a safety coordinator and a communications coordinator.

Don Franklund has worked as co-general manager/chief executive officer (CEO) of the alliance since its inception. He says it's important that members continue to identify Mor-Gran-Sou as their home cooperative. From the linemen in the fields to the folks who work in the offices of Mandan, Flasher and sometimes Fort Yates, these 20 employees are the face of Mor-Gran-Sou. The alliance employees you may see helping at an annual meeting are a secondary layer of employees who assist with larger or specialized projects.

"The alliance is a helping branch to your cooperative. We're here for support," Franklund says.

So, how exactly does Innovative Energy Alliance Cooperative work, and has it done what it set out to do — share services, gain efficiencies, and ultimately save the members of Mor-Gran-Sou money?

Yes, says Mor-Gran-Sou Board Member Mark Doll, who was a founding board member for Innovative Energy Alliance Cooperative.

"Our original goal was to share management services, and see where it would go down the road. It's gone a long ways down the road," he says. "As we went along, we found that sharing a lot of the other services was much more economical for all the co-ops."



- KEM Electric Cooperative serves Kidder, Logan, Emmons, McIntosh and Burleigh Counties.
- Mor-Gran-Sou Electric Cooperative serves Morton, Grant and Sioux Counties.
- Roughrider Electric Cooperative serves Mercer, Oliver, Stark, Dunn, Billings, Golden Valley and Hettinger Counties.
- Slope Electric Cooperative serves Adams, Bowman, Hettinger and Slope Counties.

The formation of the alliance

Back in 2007, Franklund had served as general manager/CEO for Mor-Gran-Sou for 13 years. He knew many of the cooperative's rural areas were struggling with a declining membership, and Mor-Gran-Sou was seeing an increased cost of doing business. He said it was up to the area's electric cooperatives to find innovative ways to prepare for the future.

"We saw a changing rural landscape and were concerned about the future of our industry," he said.

When Slope Electric General Manager Lynette Nieuwsma resigned to accept another job, the Slope board approached the boards of Mor-Gran-Sou and Roughrider, and suggested they form a temporary management alliance.

"It was a bold step toward managing all of our cooperatives' futures," Franklund says.

The directors formed a Steering Committee by nominating two directors from each cooperative to serve and represent the interests of their memberships.

The committee hired Franklund and Clayton Hoffman, the former general manager/CEO of Oliver-Mercer Electric Cooperative, to lead the alliance. Serving the Hazen area and surrounding areas, Oliver-Mercer was in the process of consolidating with West Plains Electric Cooperative, which served the Dickinson area and extended communities. The consolidation to become one cooperative corporation, known as Roughrider Electric Cooperative, would become official the same day the alliance was incorporated as an LLC.



After a 20-month trial period, John Lee Njos, president of the Slope board at the time, says his fellow directors decided to make the management alliance permanent. “The management alliance has allowed us to do a better job of serving our members with technology Slope could not have afforded as a single cooperative. When teamed with Mor-Gran-Sou and Roughrider, we made it economically feasible,” he says.

To make the management alliance permanent, the three boards formed Innovative Energy Alliance, LLC, which employed two people: Franklund and Hoffman. They hired legal counsel and developed a new set of bylaws and policies for the newly formed entity. Then, each cooperative elected two board members to represent it on the alliance board. When the alliance board makes a decision, those directors take it back to their respective cooperatives for greater discussion or a vote.

The alliance allowed the three cooperatives to remain as separate businesses with their own identities, assets and obligations, and retain their authority. The only responsibility each respective cooperative board passed on was the ability to hire, terminate and evaluate the co-general managers. This is the responsibility of the alliance board.

KEM joins alliance

Yes, population was declining and the cost of doing business was rising. But KEM Electric Cooperative in Linton had another, more pressing problem: management challenges. Longtime General Manager Mike Rudolph had retired, and for several years after his resignation, the cooperative went through a period of manager turnover.

Knowing they needed stability — and seeing the alliance thriving after five years of service, the KEM board approached the alliance board and asked if they would consider an additional partner. Based on the cooperative’s proximity, it made sense.

The alliance board agreed to a temporary trial period in 2012, and on Jan. 1, 2013, KEM joined the alliance on a permanent basis.

Dean Dewald, former chairman and current director on the KEM board, says the co-general managers brought steadiness and strength to the board room, office and membership. In addition, the benefits of having shared equipment and manpower has brought tremendous benefits.

“There is absolutely no way, as small as we are, that we could have afforded a portion of the alliance employees and their services,” he says. “Before we were part of the alliance, when we had an engineering issue, we had to hire contract employees who would need to take time to become familiar with a project before they could assist. Now, we have those employees in-house, and they know exactly what is happening 24/7. That, to me, is so important.

Directors who serve on the alliance board



Dean Dewald, KEM



Victor Wald, KEM



Mark Doll, Mor-Gran-Sou



Casey Wells, Mor-Gran-Sou



Bruce Darcy, Roughrider



Dan Price, Roughrider



John Lee Njos, Slope



Steve Wegner, Slope



Any project KEM has going on, the alliance employees already know what's going on and what needs to be done. It's already part of their everyday operation."

Sometimes, the directors take questions from members who are concerned the alliance is taking jobs from local residents.

Dewald says the directors explain how the shared services work, in that one day an employee might work in the Linton area, and the next in the Bowman area. Local is anywhere in four cooperative service areas for alliance employees. Dewald also notes that because the jobs are specialized, alliance employees have a unique set of skills that would be difficult to find locally.

"In rural areas where population is declining, it's hard to find people who have the knowledge and experience necessary," Dewald says. "Yes, we'd like to hire locally. But it greatly limits the talent pool. The alliance has allowed us to hire the highest caliber of employees. Their positions are critical to KEM Electric, and it's something we couldn't even consider doing on our own."

Changes in management and name

The beginning of 2013 marked the addition of KEM joining the alliance, and also the retirement of Co-General Manager Hoffman, who retired with 30 years of cooperative service. In an interview conducted at the end of 2012, he said the five years he spent with Franklund managing the alliance were a wonderful way to end his career.

"It has been fulfilling to expand on a new management concept that improved the skill level at the co-ops, and at the same time reduced costs," he said.

Chris Baumgartner, the former manager of member relations for Basin Electric Power Cooperative, was hired to replace Hoffman. He

worked for the alliance for five years, in which he says he experienced personal and professional growth, learning, cooperation and friendship. He was then called back to Basin Electric, where he again works; this time as senior vice president of member services and administration.

In December 2017, the alliance board of directors hired Travis Kupper, the alliance's chief financial officer, to fill the co-general manager/CEO position. Because of his background and 19 years of cooperative experiences, along with his understanding of the strengths and challenges the cooperatives face within the alliance family, Dewald says he was the package deal. Kupper started in January 2018.

Another noteworthy change occurred in November 2016, when Innovative Energy Alliance, LLC converted to Innovative Energy Alliance Cooperative. The LLC was officially dissolved at the annual meeting on Feb. 10, 2017.

In addition, Mor-Gran-Sou, Roughrider and Slope also own WDUS Holdings, LLC, which includes 3C Construction and West Dakota Utility Services (WDUS). They have been managing this group since 2010.

Measured savings

Ten years ago, Innovative Energy Alliance Cooperative was formed to share management services with the intention of reducing costs and gaining efficiencies by sharing equipment and employees; all while allowing cooperatives to retain local control.

A question directors and managers are regularly asked is, "What have we saved?"

"As an engineer, I'm a numbers guy and I keep doing the math," says Franklund. "Not giving up any services we have now — perhaps buying portions of them, but doing everything we are doing now — for the average co-op to do it, it would cost about \$400,000 to \$500,000 a year, each.

"We estimate among the four co-ops, we save \$1.5 million a year," he continues. "I've been told I'm light because I haven't taken into account, 'What is the idea exchange worth? What is the exchange of equipment and inventory and everything else?' I was told to add another half million on top of that, for a savings of more than \$2 million a year. I can sleep at night when I say \$1.5 million."

That savings doesn't include the synergy of working together. On transmission line projects, the four cooperatives can bring equipment and manpower together — quickly going from 10 linemen to 50 linemen who can start and finish a large project in a day — reducing potential outage time to the member-owners.

Or, if Roughrider in Dickinson employs an expert in advanced meter-reading technology and KEM has an apprentice meter man, the two can work together to share information. The alliance has taken the cooperative principle of education, training and information to another level.

"These are the kinds of things the alliance allows us to do. That's where the value is for the member at the end of the line," Franklund says.

Mor-Gran-Sou Board Member Mark Doll says the alliance has done much more than saved money — it might have saved a cooperative as its members know it today.

"Without the alliance, we probably would not be Mor-Gran-Sou anymore. The two snow and ice storms in 2010 nearly wiped us out. We might have been able to remain a basic co-op without the additional services in safety, human resources, engineering and more — and we still would have had to manage our rates," he says. "The alliance has allowed us to share equipment and employees, and reduce our expenses. As the alliance grows, Mor-Gran-Sou continues to save." ■



Mor-Gran-Sou's annual meeting scheduled for July 20, 2018

Are you looking for a way to serve the people of central southwestern North Dakota? Look no further, as Mor-Gran-Sou Electric Cooperative can help you fulfill that desire. Why not serve as a board director for the cooperative? The initial commitment is a three-year term, with provisions in the bylaws limiting a director to serving six consecutive three-year terms, after which time the director is not eligible for another six consecutive three-year terms until one year has elapsed.

At the annual meeting, the following three board positions will be elected:

- The At-Large position presently held by Mark Doll;
- The Morton County position presently held by Bonnie Tomac; and
- The Sioux County position presently held by Chad Harrison.

Under the bylaws and due to the use of a mail-in ballot, no nominations are accepted from the floor at the annual meeting. Instead, the bylaws require the board of directors to appoint a Nominating Committee of five to nine members who geographically represent the cooperative. These members will provide a list of qualified and willing candidates to the board for approval and inclusion on the ballot at the board of directors' meeting scheduled for March 21, 2018. This date has been set so there is adequate time for each candidate's biographical information to be included with the notice of meeting sent to the members in June, along with the mail-in ballot for those who are unable to attend the annual meeting in person.

The Nominating Committee was appointed by the board and met for the first time on Jan. 10, 2018. The members of the Nominating Committee include

Leslie Dirk, Mandan; Glenda Gross, Selfridge; Kathy Hoff, Leith; Andrew Holle, Mandan; Rhonda Leingang, Solen; Alan Malm, Flasher; Garek Murphy, Fort Yates; Jim Neubauer, Mandan; and Travis Wilkens, New Salem.

For a person to be nominated, the member vying for a board seat must submit the completed declaration of candidacy form to Mor-Gran-Sou by 4 p.m. CT (3 p.m. MT) on Wednesday, March 7, 2018. The completed form must be mailed to Mor-Gran-Sou Electric Cooperative, Attn: Jackie Miller, P.O. Box 297, Flasher, N.D., 58535-0297. If you or someone you know is interested in being nominated, please contact one of the Nominating Committee members or Jackie at Mor-Gran-Sou by calling 800-750-8212, 701-663-0297 or 701-597-3301. You can also email Jackie at jlmliller@morgransou.com.

The Nominating Committee members or Jackie can provide you or the potential candidate with the declaration of candidacy form. It is also located on Mor-Gran-Sou's website; to download the form electronically, visit our website at www.morgransou.com and click Home/Your Power in Membership/Forms and Applications/Declaration of Candidacy Form. Candidate qualifications can be found at www.morgransou.com and click Your Cooperative/Articles and Bylaws/Board of Directors/402 Director Qualification or on the declaration of candidacy form.

If you have questions about the process, give Jackie a call. All qualified and willing candidates who have completed and forwarded the written declaration of candidacy form to the Mor-Gran-Sou office by the March 7 deadline will be included in the list the Nominating Committee will provide to the board. ■

Bylaws and resolutions for the annual meeting

Under the bylaws, any bylaw amendments or resolutions must be presented to the members in writing in advance of the annual meeting scheduled for July 20, 2018. The board of directors has charged the Nominating Committee with reviewing and advising the board of any proposed bylaw amendments and resolutions. Therefore, any proposed bylaw amendments and resolutions should be submitted in writing no later than March 14, and/or they can be presented in-person at the following meeting of the Nominating Committee:

- **March 14, 2018 in the Mor-Gran-Sou office board room in Flasher at 7 p.m. CT**

If you do wish to submit a bylaw amendment or resolution in writing, please forward it to Mor-Gran-Sou Electric Cooperative, Inc., Attn: Nominating Committee, P.O. Box 297, Flasher, ND, 58535-0297, before March 14. Thank you.



Do YOU wish participate in the Operation Round Up program?

Call the co-op and opt in today!

Although in its infancy stage, Mor-Gran-Sou Electric Cooperative is now offering Operation Round Up to its members. Operation Round Up is a program in which Mor-Gran-Sou members can voluntarily choose to round up their monthly utility bills to the next dollar and donate their pennies to the newly formed Mor-Gran-Sou Charitable Foundation, Inc.

The Foundation Board, who are also Mor-Gran-Sou Electric Cooperative members, include: Linda Mindt, Linda Urlacher, Serena Weinhandl, Chad Wild and Cherie Zenker. They will meet throughout the year and disburse funds in the form of grants to non-profit corporations, organizations or agencies. All of the money raised by members stays in their respective local communities. Mor-Gran-Sou is making this request on behalf of the Mor-Gran-Sou Charitable Foundation, and all funds gathered will be donated to the Mor-Gran-Sou Charitable Foundation, Inc., which will be the sole beneficiary of the funds and which the 501(c)(3) status has been approved. The board will disburse the fund equitably throughout the Mor-Gran-Sou service area as practical.

On average, participating members donate about \$6 a year. For example, if a member wishes to participate

in Operation Round Up and his or her monthly electric bill is \$89.64, the amount would be “rounded up” to the next whole dollar, \$90. In this example, the member would contribute an extra 36 cents to Operation Round Up. The most a member would ever contribute a month is 99 cents. The donation will be tax-deductible, and members who participate will receive a summary on their last billing statement of the year.

Mor-Gran-Sou does not receive monetary or in-kind reimbursement from the Operation Round Up Charitable Foundation. All rounded-up funds flow directly into the Mor-Gran-Sou Charitable Foundation, Inc., and are overseen by the board of directors. Mor-Gran-Sou personnel will administer the program as a complimentary service to the foundation.

We understand it will take some time to grow this charitable fund, and we are excited to get started. Members, if you have any questions, please call the office at 701-663-0297, 701-597-3301 or 1-800-750-8212. To opt in, fill out the form below and return to the cooperative to participate in the Operation Round Up program. Every member’s small donation adds up to make a big difference.

I wish to participate in Operation Round Up at Mor-Gran-Sou Electric Cooperative, Inc.

Yes, I agree that Mor-Gran-Sou, through the Operation Round Up program, has my permission to round up my monthly electric bill to the nearest dollar. I understand I have the option to opt out with a 30-day written notice to the cooperative.

Name: _____

Address: _____

Account Number(s): _____

If you wish, you can email the form to jarmijo@morgransou.com or jlmler@morgransou.com; or mail form to:

Mor-Gran-Sou Electric Cooperative, Inc.
P.O. Box 297
Flasher, ND 58535

Signature



Mor-Gran-Sou Electric Cooperative takes pride in assisting with the development of rural leadership through our scholarship program. We feel it's important to help finance our local students' educational journeys by offering scholarships to qualifying seniors. With this in mind, we are happy to announce that we have updated our program to include more scholarship opportunities to our graduating seniors. The applicants must be U.S. citizens and dependents of Mor-Gran-Sou members. All scholarships will be awarded during the 2017-2018 school year.

The co-op will award nine, \$500 scholarships to qualified applicants whose parent(s) or guardian(s) are members of the co-op. School representatives from Elgin-New Leipzig Public School, Flasher Public School, Glen Ullin Public School, Hebron Public School, Mandan Public School, New Salem-Almont Public School, Selfridge Public School, Standing Rock Community School, and Solen Public School will select one graduating senior to receive the funds. Interested in applying? Students should contact their school counselor for deadline information. The schools will then forward each recipient's name to Mor-Gran-Sou Electric.

The co-op will also award one \$500 scholarship to a graduating senior from a school outside of our service area. Please contact our office if interested.

Luck of the Draw scholarships

Mor-Gran-Sou will award two \$500 Luck of the Draw scholarships to be drawn at our annual meeting on July 20. All high school seniors who are dependent of Mor-Gran-Sou members are eligible for this scholarship. Students must attend our annual meeting and be accompanied with at least one parent or guardian, and will be required to RSVP before the meeting.

Mor-Gran-Sou Electric is awarding a \$1,000 scholarship sponsored by Basin Electric Power Cooperative.

We award this scholarship to a student already enrolled or planning to enroll in a full-time graduate or undergraduate program. The student must attend an accredited, two-year or four-year college, university or vocational/technical school. Recipients will be chosen on a combination of SAT/ACT scores and overall grade point average; activities, achievements and honors; work experience; a personal statement of career goals; an essay question centered on local cooperatives and how they serve the area; and an appraisal from a high school or college counselor or adviser, instructor or a work supervisor who knows the student well. Applications are available at area schools, co-op headquarters in Flasher, or online at www.morgransou.com.

Mor-Gran-Sou Electric is awarding one \$500 scholarship sponsored by 3C Construction.

Eligible applicants are high school seniors who are enrolled or planning to enroll in a certified vocational or technical school pursuing a career as a lineworker. Applications are available at area schools, co-op headquarters in Flasher, or online at www.morgransou.com.

Mor-Gran-Sou is also awarding one \$500 scholarship sponsored by West Dakota Utility Services.

Eligible applicants are high school seniors who are enrolled or planning to enroll in a certified vocational or technical school pursuing a career as a mechanic. Applications are available at area schools, co-op headquarters in Flasher, or online at www.morgransou.com.

Applications are due no later than 4:30 p.m. CT (3:30 p.m., MT) on Friday, Feb. 16, 2018. Please deliver or mail all necessary information to Mor-Gran-Sou Electric Cooperative at P.O. Box 297, Flasher, ND 58535-0297.

If you have questions or would like further information, please call Julie or Jackie at 701-597-3301, 701-663-0297 or 800-750-8212. ■

Mor-Gran-Sou announces annual safety poster contest

Kids, we need your help! Grab your art supplies and draw a poster that tells our readers how you play and work safely around electricity. This poster should display a clear, creative picture of this year's theme: "How do you stay safe at your home or farm when around electricity?" All posters should display the Touchstone Energy® Cooperative logo on their entries. No matter what you draw, have fun! We can't wait to hear from you. Cash prizes will be awarded in each division.

DIVISIONS:

Preschool to kindergarten
First grade to third grade
Fourth grade to sixth grade

DEADLINE:

Posters must be received at the Flasher office no later than 4:30 p.m. CT (3:30 p.m., MT) on Tuesday, Feb. 28, 2018.

RULES:

- Posters must be on white, 8.5- by 11-inch paper.
- Posters must depict the theme, "How do you stay safe at your home or farm when around electricity?" and display the Touchstone Energy logo. Be creative!
- Print the child's name, address, age and parent's names on the back of the posters.
- Only dependents of current Mor-Gran-Sou members are eligible for this contest.

PRIZES:

Each division will be awarded three prizes (nine prizes total): three first-place prizes of \$15; three, second place prizes of \$10; and three third-place prizes of \$5.

WINNERS:

Winning poster will be featured in the Mor-Gran-Sou local pages of the *North Dakota Living* magazine.

MOR-GRAN-SOU ELECTRIC COOPERATIVE

board meeting highlights



Meeting date: Dec. 19, 2017

- Approved the Nov. 29, 2017 regular Board meeting minutes
- Approved a work order inventory and a special equipment inventory
- Reviewed and accepted the November financial report
- Approved Western Area Power Administration (WAPA)/Mor-Gran-Sou contract revisions
- Reviewed WAPA letter regarding 2018 rates
- Appointed/confirmed director attendance and voting delegates for various meetings
- Heard the Co-General Manager/Chief Executive Officers' updates, and reports on several meetings attended
- Reviewed and accepted the director's expense report for November
- Discussed internet voting
- Completed annual Legal Counsel evaluation
- Reviewed department reports
- Held Executive Session

Upcoming regular board meeting date:

Feb. 21 in Flasher at 10:30 a.m. CT
 March 21 in the NDAREC board room in Mandan at 10:30 a.m. CT

Members are welcome to attend the board meetings at any time. Please contact Mor-Gran-Sou at ctermes@morgransou.com, or call 800-750-8212 or 701-597-3301 to confirm the meeting date and location if you wish to attend.

To place an item on the agenda, please contact Board Chair Leland "Judge" Barth or Co-General Manager/Chief Executive Officer Donald Franklund at least one week in advance.

Members may obtain a copy of approved Board minutes by completing and returning the "Request for Information or Data" form. You can find this form at www.morgransou.com, or call the office for a copy.

A phone survey may await you

Members: Mor-Gran-Sou Electric Cooperative will be completing a random residential telephone Member Satisfaction Survey. Performed by Odney Advertising, this survey will take place in March.

If you receive a call from Odney Advertising on behalf of

Mor-Gran-Sou, please take time to answer the questionnaire. The survey will take approximately 10 minutes. By participating in the 2018 Member Satisfaction Survey, Mor-Gran-Sou receives better insight into how we can better serve you, the member-owner. ■

Holiday closing for Presidents Day: Monday, Feb. 19

In observance of Presidents Day, Mor-Gran-Sou Electric Cooperative will be closed Monday, Feb. 19. Line crews will be available in case of an emergency outage.

HAPPY PRESIDENTS DAY

DIAL THE HELPLINE

FirstLink's 2-1-1 helpline is a free phone service available 24/7 to the public. Call specialists offer supportive, non-judgmental listening ears and information about community programs statewide. To reach the helpline dial 2-1-1 or 701-235-7335.

In 2017, First Link handled 51,351 calls, and 13 percent of those calls were suicide-related.

www.myfirstlink.org
 Helpline: 2-1-1 OR 701-235-7335(SEEK)
 Suicide Lifeline: 1-800-273-8255(TALK)

areavoices

United Way

Facebook icon, Twitter icon

MOR-GRAN-SOU ELECTRIC COOPERATIVE INC.

202 6th Ave. W. - PO Box 297
 Flasher, ND 58535-0297
 Phone: 701- 597-3301 Flasher
 701- 663-0297 Mandan
 Toll-free: 800-750-8212 Fax: 701-597-3915
 Email us: info@morgransou.com
 UNDERGROUND LINE LOCATES
 800-795-0555 OR 811

OFFICERS AND DIRECTORS

Chair..... Leland "Judge" Barth
 Vice Chair..... Casey Wells
 Secretary-Treasurer..... Bonnie Tomac
 Directors..... Mark Doll,
 Vernard Frederick, Lance Froelich,
 Chad Harrison, Jay Larson, Bob J. Leingang

MANAGEMENT

Co-GM/CEO..... Donald A. Franklund
 Co-GM/CEO..... Travis Kupper

www.morgransou.com

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