



NORVAL ELECTRIC  
COOPERATIVE  
2017 ANNUAL  
REPORT



## **Notice of Annual Meeting**



The Board of Directors of NorVal Electric Cooperative, Inc., have selected Wednesday, October 18, 2017 as the date for the 9th Annual Meeting of the Members to be held at the Opheim High School.

Registration will begin at 4:30 p.m. with a roast beef dinner to follow at 5:30 p.m. and the Business Meeting to commence at 6:30 p.m.

The purpose of this meeting is to elect four Directors for a term of three years, present reports for the previous fiscal year, and to transact any other business that may come before the meeting.

### Agenda of Annual Meeting

4:30 p.m. Registration of Members	
5:30 p.m. Invocation	Ronald Reddig, Director
6:30 p.m. Call to Order	Rick Molvig, President
Color Guard	American Legion
National Anthem	Haylee Fauth
Pledge of Allegiance	Gary Sethre, Past Director
Determination of Quorum	Kurt Breigenzer, Secretary
Notice of Meeting	Kurt Breigenzer, Secretary
Minutes of 2016 Annual Meeting	Kurt Breigenzer, Secretary
Financial Report for 2017	Cory Wheeler of Smith, Lange & Halley
President's Report	Rick Molvig, President
Election of Directors	Christoffersen and Knierim, P.C.
2017 Youth Tour Representative	Chasity Boucher
Manager's Report	Craig Herbert, General Manager
Old Business	
New Business	
Young Member Grand Prize Drawing	\$200 Cash
Grand Prize Drawing	\$300 Cash



# **2016 Minutes of the Annual Meeting of the Members**

**October 26, 2016**

The 2016 Annual Meeting of the Members of NorVal Electric Cooperative, Inc., was held on October 26, 2016 at 6:30 p.m., at the Civic Center in Glasgow, Montana. Ron Reddig gave the invocation prior to dinner being catered and served by the Cottonwood Inn.

President Richard Molvig called the meeting to order. He thanked the Cottonwood for the delicious meal.

The colors were presented by Joe Yeoman and Jason Myers, and the Members recited the Pledge of Allegiance lead by Gary Sethre. The President appointed Karen Engstrom as recording secretary.

Secretary, Kurt Breigenzer determined that a quorum was present. Mr. Breigenzer read the Notice of Meeting and Proof of Mailing. He asked for a motion to dispense with the reading of last year's Annual Meeting Minutes, as they were printed in their entirety in the Annual Meeting Notice Booklet. A motion was made, seconded, and unanimously carried to dispense with the reading of the minutes. A motion to approve the minutes as printed was called for. A motion was made, seconded and unanimously carried that the meeting minutes be approved as printed.

President Molvig introduced the guests, former directors and former employees that were present at the meeting.

Manager Herbert introduced the current employees.

The President then gave his report to the Members.

Cory Wheeler, Certified Public Accountant, with the firm of Smith, Lange, and Halley, in Sidney, was called on to report the financial statements. A motion was made, seconded, and unanimously carried to accept the financial statements as presented.

Mickayla Johnson, the 2016 Youth to Washington, D.C. Essay Contest Winner, was introduced. She read a poem she had written about her experience in Washington, D.C.

President Molvig then introduced Ryan Hall, the Editor of Rural Montana Magazine. Following Mr. Hall's speech, Dough Hardy of Central Electric Montana Power Cooperative spoke to the Members.

The President then introduced Jace Young and Kirk Capdeville, who showed a slide presentation on the projects the linemen have been working on during the past year.

Manager Herbert gave his report and had a slide presentation. He then opened the floor for discussion on the rate increase issue. At the conclusion of his question and answer period, Manager Herbert presented a 10 year service pin to Director Gary Meyer.

Attorney Katie Knierim was called on to run the election portion of the meeting. She announced that there was only one candidate for the position of director in District #3, that being Rick Molvig. Mrs. Knierim asked three times for other nominations from the floor for District #3. There being none, a motion was made, seconded and unanimously carried to close the nominations for District #3. Mrs. Knierim then asked for a motion to dispense with the ballots and instead use a voice vote. A motion was made, seconded and unanimously carried to dispense with the ballots. Rick Molvig was unanimously elected by voice vote for another term to represent District #3.

The President asked for any old or new business to be brought before the meeting.

There being no other business, a motion was made, seconded and unanimously carried that the meeting be adjourned.



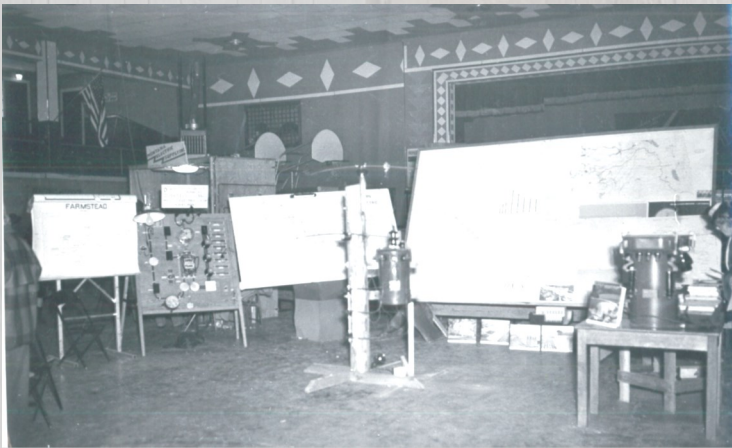
Les Pippins Lucky Day, this plane tangled with a 3 phase power line April 12, 1952



## Celebrating 70 Years

**By President Rick Molvig and General Manager Craig Herbert**

Incorporated in 1945, Valley and Northern Electric Cooperatives have collectively worked to provide the best service to Daniels, Valley, McCone, Phillips and Roosevelt Counties. Not without struggles in the beginning, due to decreased supplies for construction due to the war efforts, the co-ops successfully provided the first kilowatt of electrical power to the very first consumer in 1947. Through the dedication of those first members who followed through with their vision of making life better in this part of the country, they collaborated through long hours of meetings, travelled hundreds of miles to collect signatures (to prove to the government that there was enough business to invest the money to provide service here), and then the frustration when the original deposit necessary to collect from those members was doubled. A hefty amount of money in the 40's! But, despite the set-backs and political red tape, these founders fought to move forward with their vision.



Electric display circa 1947

We commend their devotedness and are proud to carry forth the dedication that the founding Board of Directors, members and staff provided. That same sense of pride is what drives us today to ensure that we provide the best possible service to each member, at an affordable rate. The cooperative model that was selected decades ago, is still an equitable and vibrantly successful way to operate today. The Board of

Directors, elected by the members to represent the best interests of each of the districts is continually working to ensure that their members are heard. The Manager serves as the head of the cooperative, and is in charge of the day-to-day operations, with the help of the next in command, the Line Superintendent and the Office Manager who are respectively the managers of the outside crews and inside staff.

However, without YOU, the member, none of this would be possible. You are the reason we are in business 7 decades later. With your input on how the cooperative is run, this is all possible.

As we look at the past, with the numerous changes we've experienced in the technology aspect, to the improved safety considerations for the linemen, we are excited for what the future of our electric cooperative holds. We encourage each of you to take an active role in shaping the future of the co-op. Attend town hall meetings, visit with your districts board member, and attend your annual meeting every year!

Thank you from the bottom of our hearts for continuing to be the lifeblood of our cooperative, and here's to another 70 years of success!



## **Balance Sheet**

As of April 30

### **ASSETS - WHAT WE OWN**

**2017**

**2016**

Electric Plant In Service	\$ 36,273,878	\$ 36,232,877
Construction Work In Progress	1,982,985	2,090,973
Less Depreciation	16,345,591	16,797,739
<b>NET VALUE OF OUR PLANT</b>	<b>21,911,272</b>	<b>21,526,111</b>

Working Funds - Cash	1,161,667	1,005,822
Investments in Associated Utilities	1,615,176	1,575,139
Energy Bills Due From Members	660,215	581,119
Due From Material Sales	68,865	8,186
Material Inventory	1,002,483	1,185,425
Prepaid Insurance & Other Debits	591,184	565,847
Preliminary Const. Plans/TransCanada	116,391	116,391
Other Investments	113,023	112,603
Notes Receivable	-	-
<b>TOTAL ASSETS</b>	<b>\$ 27,240,276</b>	<b>\$ 26,676,643</b>

### **LIABILITY - WHAT WE OWE**

Owed to RUS/Loan	\$ 5,409,624	\$ 5,551,469
Owed to Federal Finance Bank/Loan	2,202,805	2,280,207
Owed to CoBank/Loan	4,938,206	5,357,607
Owed to NRUCFC/Loan	1,326,749	710,344
Prepaid to RUS (5% Interest Earned)	(641,298)	(610,270)
Equipment Leases	669,818	468,048
Accounts Payable	350,951	337,110
Accrued Taxes	293,624	267,817
Consumer Prepayments & Other Credits	454,673	457,077
Consumer Deposits	318,866	320,869
<b>TOTAL LIABILITIES</b>	<b>\$ 15,324,018</b>	<b>\$ 15,140,278</b>

### **EQUITY - OUR WORTH**

Patronage Capital Assigned	\$ 11,695,256	\$ 10,841,299
Patronage Capital Assignable	184,063	654,958
Other Equities & Margins	36,939	40,108
<b>TOTAL NET WORTH</b>	<b>11,916,258</b>	<b>11,536,365</b>

<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>\$ 27,240,276</b>	<b>\$ 26,676,643</b>
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## **Statement of Operations**

Period Ending April 30

### **WHERE OUR DOLLAR CAME FROM**

**2017**

**2016**

Residential Sales	\$ 3,564,428	\$ 3,520,489
Seasonal Sales	1,205,246	1,058,166
Irrigation Sales	147,797	248,798
Three Phase/Oil Production	918,910	1,040,567
Three Phase/General	451,688	490,997
Large Power	648,410	537,186
Public Street Lighting	99,028	99,740
Other Electric Revenue	91,092	87,823
<b>TOTAL REVENUE</b>	<b>\$ 7,126,599</b>	<b>\$ 7,083,766</b>

### **WHERE OUR DOLLAR WAS SPENT**

Purchased Power	\$ 2,226,738	\$ 2,403,430
Operations & Maintenance	1,893,866	1,607,834
Billing & Consumer Accounts Expense	346,392	418,755
Administration & General Expense	702,598	734,933
Depreciation Expense	1,207,315	1,231,425
Interest Expense/RUS & CoBank	618,732	594,278
<b>TOTAL EXPENSES</b>	<b>\$ 6,995,641</b>	<b>\$ 6,990,655</b>

### **MARGINS TO BE ALLOCATED**

**\$ 130,958**

**\$ 93,111**

### **Percentage of Revenue**

1.84%

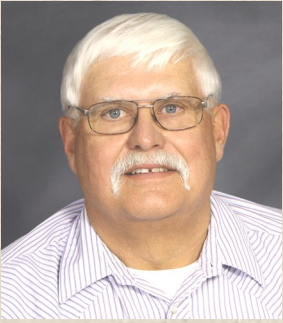
1.31%

Capital Credits/Associated Organizations	\$ 201,173	\$ 251,527
Interest Earned	55,953	44,172
Other Non-operating Income	105,833	30,658
<b>NET MARGINS FOR PERIOD</b>	<b>\$493,917</b>	<b>\$419,468</b>



## **Meet the Candidates**

### **District 1 : Lee Risa, Incumbent**



Lee was born in Scobey. He and his wife are residents of Opheim. He graduated from Opheim High School, then attended Montana State University where he earned a Bachelors degree in Agriculture Production.

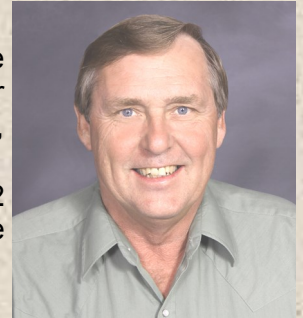
He was the past president of the former Opheim Community Club, served as chairman of the Rodeo Committee, served on the former Farmers Union Board and later the PRO Co-op Board. In addition, he was chairman of Opheim Youth Baseball, a 4-H leader and was the Beef Barn Superintendent at the Northeast Montana Fair.

He is married to Terry, and together they have three children, Kari, Kristy and Bryce. He operates the family farm and ranch with his son in Opheim. He has served on the NorVal Electric Board of Directors for 12 years.

### **District 2: Sam Gundermann, Incumbent**

Sam was born in Glasgow to Hubert and Lorraine Gundermann of Glentana. He graduated from Opheim High School. Sam farms in the Larslan area. In November 1977, he married Myra (Pecora) and together they raised two daughters, Lee and Dodi, and two sons, Scott and Tony.

Sam served on the PRO Co-op Board and is the incumbent candidate for District # 2 and has served on the NorVal Electric Board for 18 years. He has enjoyed the experience immensely.



### **District 4: Chris Christensen, Incumbent**



Chris and his wife have a ranching partnership with his mother in Hinsdale. Chris graduated from the University of North Dakota with an Associates Degree in Farm and Ranch Management. He transferred to Montana State University-Bozeman and received his Bachelor's Degree in Ag Education Broadfield Teaching. He served as co-chair of the Young Stockgrowers Convention in 2000 and helped plan the Beef Tour of Western Montana. He also serves on the office team of the Montana Association of Agricultural Educators, a group of Ag Teacher/FFA Advisors from around the state. He co-chaired on the legislative committee for District 5 and was on the National Association for Agriculture Educators for two years. Chris and his wife Carol have four children; Chisholm, Chateau, Chadaya and Chaykota. Chris has served on the NorVal Electric Board for 12 years and

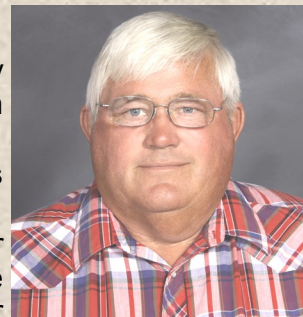
is the current representative for the State of Montana on the National Rural Electric Cooperatives' Board and is the current Secretary/Treasurer.

### **District 7: Rocky Kittleson, Incumbent**

Rocky is a lifelong resident of the South Bench Community. He received his early education at the Newton Country School and completed his Junior High and High School years in Glasgow.

Rocky is a graduate of Glasgow High. He is married to Colleen (Fargo) and he farms and ranches South of Glasgow.

His hobbies include hunting and fishing. Rocky is the incumbent candidate for District 7 and has served on the NorVal Electric Board for 18 years. Additionally, he served on the Wittmayer Grazing Board for 3 years. He's on the Board of Directors for the Assembly of God church and recently took a mission trip to Mexico.





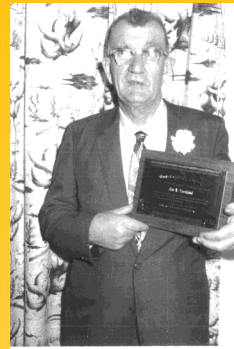
## 70 Years of Dedication, Commitment and Pride on Our Cooperative!



Former Office Manager Mary Helen Bakken and Clerk Betsy Watts



Former Manager Les Pettit



Former Manager Jim Turnland



Former Northern President Bob Fouhy, left, former Manager Larry Tade, right



Left and Middle: Former Linemen Duane Parcel, and John Nesbitt with Former Billing Clerk, Carol Larson at right.



Floyd Brandt, Former Line Superintendent



Former Manager Ken Berreth



Former Office Manager, Scott St. John



Kathy Ramsbacher, Former Billing Supervisor with Lyle Franzen, Former Accountant



Pictured at left, back L-R: CT Beede, Gary Fuhrman, Rick Knight, Rick Kinzell. Front L-R: Marlene Charette, Kathy Ramsbacher, Sue Kinzell, Bonnie Gerth.



Back Row: Mitch Griebel, Craig Herbert, Joe Odom, Kyle Shipp, Gavin Krauth, Walt Nelson, Brock See, Jayson Nelson, Jace Young, Eric Feit, Cody Odom, Nick Dulaney and Mike Wesely. Front Row: Britni Lingohr, Shalaine Lawson, Leila Seyfert, Hannah Barras, Karla Johnson, Kirk Capdeville and Tracy Henry.



## Operations Year in Review



Top row of pictures:  
South Valley County  
overhead to under-  
ground conversion.

Second row: crews  
check transformers in  
the Cotton substation  
and de-energize  
the line.

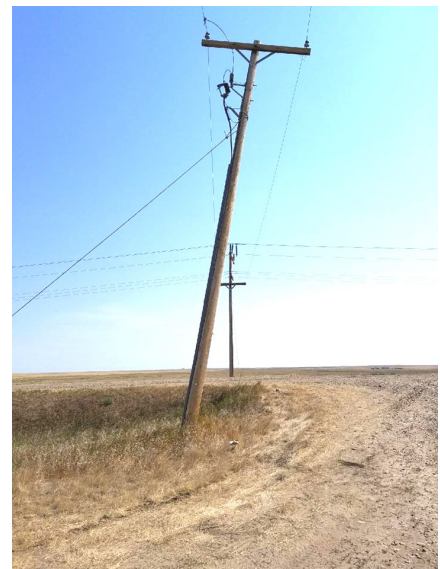


Third row: crews work  
on the Opheim  
Substation.

Bottom Left: Linemen  
Jace Young (left) and  
Cody Odom (right) the  
present safety  
demonstration to Lustre  
Elementary Students.



Bottom Right: Pole vs.  
Auger. Please look up!







**SmartHub:** NorVal's online billing platform is available from your PC at [www.norval.smarthub.coop](http://www.norval.smarthub.coop) or on your smartphone or tablet. Visit your App Store or use the QR code at the right to download today!



Scan the QR code to access SmartHub today!

**OBi:** Online Billing Interface. This streamlines payments from your bank. Uploaded as a file, instead of a paper check, this saves time and money!

**Document Vault:** Through our software, this program gives us a convenient off-site storage solution. By scanning these documents, they are readily available for use!

- Our most current projects include digitizing the Capital Credit Applications, Right of Way forms, and Accounts Payable Records.

**IVR:** Interactive Voice Response phone number gives members a convenient way to pay their bill using an 800 number. Pay your bill anytime with Visa, Mastercard or by check by calling 1-844-252-5271! Have your account number ready!

### **Nominating Committee Report**

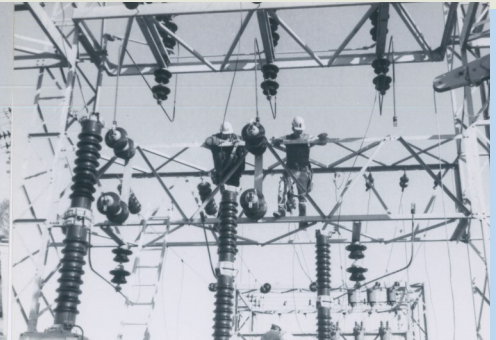
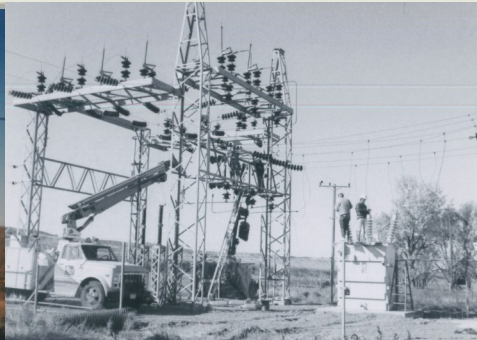
The nominating committees representing Districts 1, 2, 4 & 7 submitted the following nominations to the office of NorVal Electric Cooperative, Inc. during the week of August 6, 2017

**District 1 Members:** Cathy Bailey, Tami Nelson and Lori Westby nominated the incumbent, Lee Risa.

**District 2 Members:** Steve Carney, Ken Ferestad and Luke Nelson nominated the incumbent, Sam Gundermann

**District 4 Members:** Keith Beil, Jim Bowman and Sherman Lacock nominated the incumbent, Chris Christensen

**District 7 Members:** Ron Garwood, Kip Hentges and Joe Yeoman nominated the incumbent, Rocky Kittleson

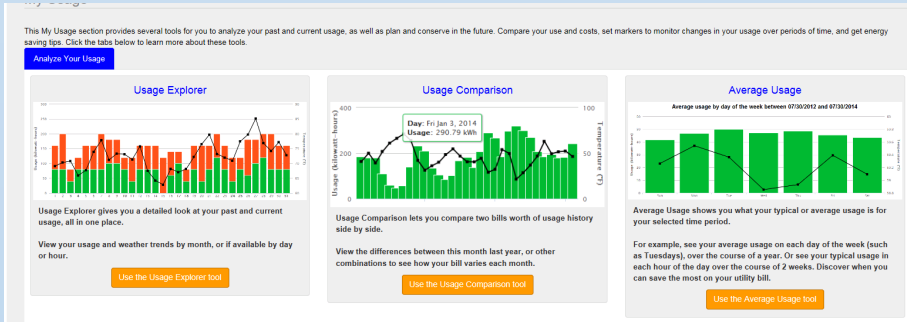


Left: Linemen work on the power lines, circa late 90's early 2000's. Right: early substation work, circa 1960 or 70.

# Are you SmartHub-ing?

We have an app for your smartphone, tablet or you can even access information on your pc!

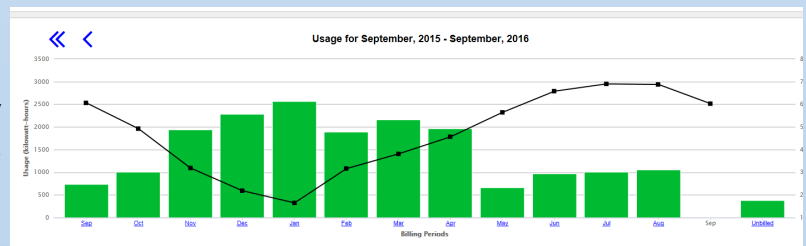
Visit <https://norval.smarthub.coop> to get started today! Or get the app for your smartphone or tablet using the handy QR codes on page 11!



Use our Usage Explorer Tools to see usage comparisons, climate impact, and more! This interactive tool offers you a detailed look at your bill, putting control in YOUR hands!

See graphs, with interactive temperatures!

Multiple accounts? No problem, you can easily toggle between accounts to get an accurate depiction of your consumption!



Please use this form to contact us about any

What would you like help with? \*

Please select a reason

Please select a reason

[View Our Locations](#)

My U

- Address/Phone Change
- Annual Meeting
- Bill Question
- Billing History
- Budget Billing Inquiry
- Credit History Report
- EFT Contact
- Electronic Transfer Inquiry
- High Bill Concern
- Maintenance Request
- Meter Reading
- Miscellaneous/Other
- New Service Request
- Payment Arrangement
- Payment Research
- Start/Stop Existing Service
- Water Heater Rebate Inquiry

### Manage Notifications

Use this page to sign up for notifications about activity on your billing account. Expand the notification heading to see all available notifications for that type

☒ **Billing**

☒ Select All

☒ Bill Available

☒ Billing Change

☒ Credit Card Expiration

☒ Cutoff Notice

☒ DQ Notice

☒ Payment Confirmation

☒ Miscellaneous

This is a notification to inform you when your bill is available in SmartHub.

This is a notification to inform you when you change your billing options from SmartHub.

This is a notification to inform you when your billing credit card is about to expire.

This is a notification to inform you when your bill is past due in SmartHub.

This is a notification to inform you when your bill is past due in SmartHub.

This is a notification to inform you we received your payment submission.

You can opt-in to even more communication options with the office! Get outage alerts, bill available notifications, and more! Visit the Notifications Tab at the top of the screen and be sure you're getting all the information you desire, right at your fingertips! Coming soon, push notifications! You can see when there is a new message from us!

Have a concern to address? Contact us immediately with the convenient Contact Us drop down menu, and select a reason for your communication, with a quick note! We will receive that notice immediately and respond quickly, either with a phone call or return email!



# Remembering 70 Years



The caption with these pictures states that, "The pole was changed out while the line was still energized. Doing it the old way would have caused 1.5 to 2 hours outage." ~1952

Second Row: "When Co-op first started section construction" December 19, 1946



More pictures from the past!

Left: pole installation.

Bottom right: the fleet on display circa 1970.





# Remembering 70 Years



Linemen from the beginning faced the wrath of Mother Nature.

Top left: Crews paddle a row boat to repair service. Top right: a road washed out overnight and the wrecker crew pulls the line truck out of the sink hole.

Middle Left: Bud Miller Ranch at the peak of the 1952 flood.



Above: Wind storm, June 2016.



Above: Thick ice coats the line.

Below: God's country. We face nature everyday, but wouldn't want to work or live anywhere else!



Above : Snow, our nemesis traps a bucket truck.







### **Proxy Voting Authorization**

VERY IMPORTANT! If you are unable to attend the Annual Meeting, you may designate an adult relative to represent you so long as the representative uses power under the same account number or membership with you. No person may hold more than one Proxy at any meeting. In the case of a Corporation or Partnership, an Officer, Partner, or other named designee may vote the proxy. HOWEVER THE FOLLOWING MUST BE SIGNED AND PRESENTED AT THE REGISTRATION TABLE THE DAY OF THE MEETING.

I the undersigned, being a member of NorVal Electric Cooperative, Inc., hereby constitute and appoint: \_\_\_\_\_ as agent for me, and in my name, place and stead, to vote as my proxy at the 9th Membership Meeting of NorVal Electric Cooperative, Inc., October 18, 2017 and to cast my vote as if I were personally present. It is understood that this proxy is given pursuant to the conditions of Article III, Section 3.7 of the Bylaws of the Cooperative.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_ Signature of Member

*This proxy form must be presented by the representative during registration at the*

*9th Annual Meeting on October 18, 2017*



NorVal Electric Cooperative  
P.O. Box 951  
Glasgow, MT 59230

ELECTRONIC SERVICE REQUESTED

**Kid's Coloring Contest!**  
**Two winners will be**  
**chosen!**



Coloring pages will be available at  
registration!  
Turn them in to the table when completed.

Don't forget your non-perishable food item for the 7th Annual NorVal Food Drive!