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POWERPOINTS



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PowerPoints is a publication of Verendrye Electric Cooperative and is printed by Lowe's Printing, Inc. of Minot. To submit ideas for future issues or comments about this issue, contact Candi Helseth, Editor, at 839-0312 or candi@srt.com.

Wind Farm construction progresses

by Tom Rafferty

An area 15 miles south of Minot is bustling with activity as construction of 80 wind turbines continues at a fast pace in order for crews to complete the project by the end of this year.

The first signs of construction were the improvement of existing roads, construction of new roads leading to the turbine sites and clearing of land for the turbines. In late August and early September, crews were already pouring concrete to build foundations for the turbines.

The wind farm, being built by Basin Electric Cooperative, is located in Verendrye Electric Cooperative's territory. VEC will purchase some of the electricity generated by the wind farm.

Amanda Wangler, project engineer, said the project took two years of planning before construction could begin.

"To finally see dirt being moved and cable being buried under ground is so exciting," she said.

As construction progresses, people driving along U.S. Highway 83 and local roads will see a sharp increase in truck traffic. Each turbine site requires 300 yards of concrete and 1,200 feet of rebar. In comparison, a typical two-stall garage floor requires about seven yards of concrete.

There will also be 800 loads of turbine components being trucked into the area. Basin has constructed a large operations center that will be complete, with offices and garages that will be used on a permanent basis after the wind farm is constructed. VEC is powering the operations center and substation buildings.

The 80 turbines are actually two projects. One of the projects, Minot Winds II, is the addition of three towers near the existing two towers near the old radar base just off of U.S. Highway 83. The



Cement trucks were a common site at the Prairie Winds wind farm site as crews poured concrete bases for the turbines.

other project, the construction of 77 turbines south of the existing ones, is known as Prairie Winds. Combined, both projects will have a capacity of 120-megawatts and cover 30,000 acres.

In addition to providing power to Basin's buildings, VEC is building the collector system for the Minot Winds II project. One of the reasons VEC is not involved in the collector system for the larger wind farm is because it is a different voltage than the smaller one.

Wangler said the project was originally planned to be constructed in eight months, but because of some delays related to environmental studies, the project now has a four-month construction timeline. She said they still plan on having it completed by the end of this year as long as the weather doesn't cause too many delays.

Wangler said there are about 250 workers on the site. They include about 200 construction workers, 30 people from General Electric, and Basin Electric staff.

The turbines to the north will be the first ones erected, but expect to see construction throughout the project area.

"While we are getting tower components to the north, they will be pouring concrete in the south," Wangler said.



Secure electrical future with new power supply

by General Manager Bruce Carlson

Verendrye Electric Cooperative (VEC) is going to experience increases in its purchased power costs from its two generation suppliers – Basin Electric Cooperative and Western Area Power Administration (WAPA). Hydro-electric power rates from the dams on the Missouri River are going up in cost through WAPA. Basin Electric Cooperative's power generation costs are also increasing as we build new power supply.

Correspondingly, Verendrye's wholesale power bill is going to increase approximately \$1.2 million per year, making a retail rate adjustment necessary. Beginning with October's usage, the VEC board of directors approved an average 5.7 percent retail rate adjustment. This increase will be reflected on your November electric bill.

While we purchase all our electricity through Central Power, which is our transmission cooperative in Minot, the majority of our generation needs come from Basin Electric Cooperative. Basin is responsible for meeting the growing electrical needs of 125 distribution cooperatives, including VEC, in an eight-state area. Basin's rates are going up due to debt service on needed new generation facilities.

A perfect example is right here in our back yard with the construction of the new wind farm featured on the first page of this publication. The 80 giant machines, transmission lines, substation, and associated natural gas-fired peaking generation make up an additional \$350



VEC General Manager Bruce Carlson, center, with Basin Electric CEO Ron Harper, left and VEC Board President Everett Dobrinski.

million investment in your electrical generation.

Basin Electric is also committed to researching clean coal technologies. While we are proud of our power plants, which are some of the cleanest in the world, you need to know this rate increase does not include the cost of any new climate change legislation. This is an unknown factor at this time.

The bottom line is that the cooperative family is securing your electrical future with investments in your power supply system. Unfortunately, retail costs need to go up as a result. How this increase affects your account will depend on your individual electric usage patterns.

As always, if you have any questions, feel free to call us at 852-0406, 338-2855, or toll free at 1-800-472-2141. I also welcome you to stop in your Minot or Velva office for a visit.

VEC #1 account adds B-52 bombers and personnel



Minot Air Force Base, Verendrye Electric Cooperative's largest business account, is getting larger. At left, Col. Charles E. Patnaude, 5th Operations Group Commander, hands the guidon to Lt. Col. Michael Cardoza, 69th Bomb Squadron Commander, during a Sept. 3 ceremony to reactivate the squadron. An additional 10 B-52 bombers and more than 900 new personnel will arrive at MAFB between October and April.

"This is good news for VEC and even more so for the city of Minot," VEC General Manager Bruce Carlson said. "This expansion will directly impact our local economy in many positive ways."

Rafferty joins VEC team

Minot native Tom Rafferty has joined VEC as Community Relations and Communications Manager.



Rafferty's duties include representing VEC in the community, assisting with the cooperative's key accounts, writing, editing

and designing publications and information materials and managing the co-op's donation and sponsorship requests. He is located in VEC's Minot office.

Rafferty, 31, returned to Minot after living in Bismarck for five years where he was the Consumer Affairs and Public Outreach Specialist for the North Dakota Public Service Commission for the past three years. At the PSC, he was responsible for resolving consumer complaints regarding investor-owned utilities, as well as writing informational materials, news releases and special reports.

Prior to working for the PSC, Rafferty was a reporter for the Bismarck Tribune for two years, covering business for a short time before becoming the government reporter there. Before moving to Bismarck in 2004, Rafferty worked at the Minot Daily News for more than five years, mostly as a reporter covering state and local government.

Rafferty has a bachelor's degree in economics from Minot State University and is pursuing a master's degree in public administration through the University of North Dakota.

Rafferty is married to Jessa, a Crosby native. They have two children, Spencer, 3, and baby daughter Jovie. Rafferty said he is excited to return to Minot.

"It's great to be back home working for a company that values family and community involvement," Rafferty said. "I look forward to being a part of a great company and great community."



Energy-saving geothermal heat pumps provide winter heat and summer air conditioning for the entire IRET complex, which includes IRET's corporate offices, 71 apartments and additional office space.

IRET builds massive multi-use complex in VEC territory

by Candi Helseth

In a recessionary period when many investment companies are cutting back, IRET is forging ahead making major changes and acquisitions. Among those major changes are new corporate offices and a new CEO. Last spring, corporate offices were moved from their downtown location to the new IRET building in VEC territory near Dakota Square. In September, Tim Mihalick stepped up to become CEO.

"In 1981 when I started working at IRET, I was one of three employees in the company," Mihalick said. "We had \$17 million in assets. Today we have \$1.8 billion in assets and 90 employees. I think IRET has expanded even beyond Tom and Roger's dreams."

Minoters Roger Odell and Thomas Wentz Sr., started Investors Real Estate Trust (IRET) with the goal of purchasing and operating income-producing properties. A local board of directors has overseen the company's growth and local members continue to sit on the board. While IRET

still owns considerable property in Minot, its assets also include properties in 13 primarily upper Midwest states.

One of IRET's impressive real estate properties is the 60,000-square-foot building with 22,000 square feet devoted to IRET's corporate offices on the main floor. Seventy one apartments, which were all occupied within 60 days of opening, fill the upper two floors.

The state of the art building reflects designs IRET has seen work well in more urban environments. Energy-saving geothermal heat pumps provide heating and cooling, and electric floor heat keeps the underground garage warm. High speed fiber optics and technology make video conferences possible among the various offices. Mihalick said the many improvements will allow IRET to bring more services in house rather than outsourcing them.

IRET's annual distribution to shareholders has increased every year since 1971

and its basic philosophy isn't changing, Mihalick stressed.

"From an investment perspective, IRET has one of the best returning rates in the country," Mihalick said. "That has a lot to do with our slow methodical growth. We continue to underwrite properties when we acquire them and not bet on the future. We manage our debt much differently than industry norms and that certainly saved us in these tough economic times. We've had a lot of feedback from shareholders, and I think Minot shareholders are especially excited that IRET is making a statement with this new facility. It almost feels strange because we've never been a flashy company. But with this building, there's no doubt that they realize we are committed to Minot."

IRET also has offices in Minneapolis, Jamestown, Omaha, St. Louis and Kansas City.

Minot employee numbers will double

"There's never a dull moment," says IRET CEO Tim Mihalick, who stepped into a big job in September. Mihalick is committed to continuing IRET's phenomenal big business growth while still maintaining its longtime small business family atmosphere.

Mihalick's days find him wheeling and dealing on Wall Street in New York one day and the next day sealing a deal in the Midwest as IRET acquires another property. "I recently completed a \$140 million acquisition with a handshake," Mihalick said. "Here, we can still do business on a handshake and I think that's exciting. And it's fun for me to go out on the road to places like Wall Street and explain that we have people not afraid to work."

When he's in Minot, Mihalick begins his mornings walking through the offices greeting employees. "We're still a family oriented business and that's not going to change," he asserted. "We have great, well trained employees and I'd feel comfortable matching our staff up against anyone in the industry. We have a staff second to none. And we have fun together. Life is too short not to have fun."

Currently, the Minot office has 50 employees. Mihalick said that number will double within the next two or three years.



Framed by photos of the leaders that built IRET in Minot, CEO Tim Mihalick sits in the new board room that is equipped with state of the art communication technologies. Mihalick, an IRET employee since 1981, moved up to the CEO position in September. IRET's corporate offices are in the new building.

Verendrye Electric Cooperative

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management or taking directions from some distant place. We are your local electric company.

Bourgault Industries is manufacturing seeder in Minot

by Candi Helseth

Bourgault Industries, a Canadian-based leader in the seeding and tillage field, has expanded into manufacturing at its Minot site, located north of Minot in VEC territory. The 30,000-square-foot Minot site, which has been the company's U.S. operations, sales and marketing facility since 1994, has begun manufacturing parts for the 3310 air seeder.

Bourgault's reputation for quality equipment and growing demand for its products in spite of a recessionary market makes it exciting to be part of the manufacturing process, General Manager Ron Allen said, adding, "We're really excited about manufacturing the 3310 here in the United States. There's not a more advanced piece out there. Buyers can choose the basics or they can go with elaborate add-ons and leading technology like the best GPS."

The 3310 seeder has a broad spectrum of use and demand for it has grown steadily, particularly in the Dakotas and Montana. The American Society of Agricultural and Biological Engineers



Bourgault General Manager Ron Allen stands in front of a seeder being manufactured in Minot.

selected the Bourgault 6700ST Air Seeder as one of the top 50 designs in 2007 for outstanding innovation. Bourgault's designs for the 750 Smart Cart and the 3310 Hoe Drill have also received awards. Products selected for awards are based on how they save time, costs and labor for producers while also improving user safety.

"We are completely dedicated to advancing new technology," Allen said. "Bourgault products have the highest resale value on the market."

The Minot plant is meeting 2009 manufacturing commitments and has a full manufacturing schedule into 2010. Allen expressed appreciation for Verendrye's assistance during the expansion process. VEC member services staff helped with energy efficiency planning. With the expansion, Bourgault has become one of VEC's 100 top business accounts.

Several fully assembled air seeders can be seen at the Minot plant. To learn more, see www.bourgault.com

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