

## *Foreword*

The reading of this book will, we hope, in some measure quicken your understanding of the gigantic task of progress accomplished within a short period of time. This acquirement was completed through the efforts, driving force and co-operative spirit of the members.

If you feel convinced your daily happiness and well-being has been benefited by the endeavor, we trust you will shake hands with yourself and congratulate yourself as being a participant in this purposeful enterprise.

MILLARD F. DAILEY, President  
Red Lake Electric Co-operative Inc.

# A History of the First Ten Years of the Red Lake Electric Co-operative, Inc.

Many have been the changes and step by step has been the progress of the Red Lake Electric Co-operative, Inc. One has only to read the minutes of the various proceedings during the last ten years to reach the above conclusion. That the Co-operative is alive to its possibilities is best evidenced by the history of its enterprises and developments. There were monotonous days of trials, but then there were minutes and hours teeming with excitement and glory in work well done.

From the beginning in 1938 the organization consisted of 253 members and it has now acquired a status of some 3,513 memberships and 2808 consumers.

The Co-operative was incorporated on July 30, 1938, with its principal place of business at Red Lake Falls, Minnesota, the names of the incorporators (eight in number) being as follows:

FRED BERBERICH .....	Erskine, Minnesota
C. W. BEYER .....	Red Lake Falls, Minnesota
SELMER A. WALHAUG .....	Oklee, Minnesota
M. F. DAILEY .....	Red Lake Falls, Minnesota
GEORGE REMICK .....	Red Lake Falls, Minnesota
JOS. W. STE. MARIE .....	Red Lake Falls, Minnesota
OCTAVE VARIN .....	Brooks, Minnesota
VICTOR MEDCHILL .....	Plummer, Minnesota

These men also constituted the first Board of Directors. The authorized capital stock was fixed at \$5,000.00, and the ownership thereof was vested in individual stockholders at \$100.00 par value. The duration of the association was to be thirty-five years.

The first meeting was held on July 8, 1938 at the Court House, in the City of Red Lake Falls, Minnesota, with all of the above-named incorporators present. The election of officers was the first business to be transacted, and the following men were duly elected by ballot: Jos. W. Ste. Marie, President; C. W. Beyer, Vice-President; Fred Berberich, Secretary-Treasurer. The name of the association was adopted to read as the Red Lake County Electric Co-operative Association.

However, at a special meeting of the Board of Directors on February 22, 1940, it was agreed to have the words "County" and "Association" stricken from the name and to have the "Inc." added thereto. At the same meeting it was decided to add one more member to the Board of Directors, bringing the number to nine. The Articles of Incorporation were not adopted until the second meeting. To Mr. George Remick went the honor of buying the first membership in this Co-operative.

In order to strengthen the association, a movement was initiated to consolidate with the Pennington County Co-operative Power Association, and the first meeting for the purpose of forming one project was held at Thief River Falls, Minnesota, on August 22, 1938. The merger of the two co-operatives was completed in February of 1939.

In the year 1935 the village of Goodridge sought to have the Thief River Power and Light Company run a line from Thief River Falls to Goodridge to serve the people in that community, but such a project was not found to be expedient. The group initiating such effort next organized into a co-operative which was designated as Minnesota 26, Pennington County. This organization of about 115 signers was established chiefly for the purpose of investigating the source of wholesale power for the co-operative. It had been their hope to ally themselves with the Northern States Power Company of Grand Forks, North Dakota, which maintained a sub-station out of Thief River Falls, but after the group had been formed and before a decision had been reached the sub-station was removed, so the question of power remained unsettled. In the meantime, meetings were held and the organization was finally founded as the Pennington County Co-operative Power Association, and the following constituted its first Board of Directors:

Ed. Korstad	J. G. Newland
Lloyd A. Nelson	Palmer Wold
Mons Engelstad	Frank Hardisty
R. H. McDonald	Carl Swanson

In 1936 at the first regular meeting of the organization, seventeen members were present and the following were elected officers:

Lloyd A. Nelson of Goodridge, President;  
Ed. Korstad of Highland, Vice-President;  
R. H. McDonald of Goodridge, Secretary-Treasurer.

After the failure to obtain wholesale power from various sources, a merger was effected with the Red Lake County Co-operative Association, and the two co-operatives evolved into what is now known as the Red Lake Electric Co-operative, Inc., as previously specified.

After the merger, the matter of finances followed and at a special meeting of the Board of Directors held in December, 1938, Mr. Ralph Rice of the Examining Division of the Rural Electrification Administration, Washington, D. C., met with the Board of Members to discuss their duties in obtaining allotment, and a committee was appointed to sign up new members for the purpose of raising the total revenue per mile.

The first annual meeting of the stockholders was held at the Community Hall, Red Lake Falls, Minnesota, on the 8th day of March, 1939, and the first order of business was to register its 253 members. The first ten names appearing on the registration list are as follows:

S. E. Hunt, Thief River Falls, Minnesota;  
V. C. Noper, Thief River Falls, Minnesota;  
Christ Engen, Thief River Falls, Minnesota;  
John Funnesdahl, Thief River Falls, Minnesota;  
V. E. Copp, Thief River Falls, Minnesota;  
George Remick, Red Lake Falls, Minnesota;  
Jos. Ste. Marie, Red Lake Falls, Minnesota;  
J. B. Dufault, Red Lake Falls, Minnesota;  
Omer Houle, Red Lake Falls, Minnesota;  
John Kuiper, Red Lake Falls, Minnesota.

At a joint meeting of the Boards of Directors of the Red Lake County Co-operative Association and the Pennington County Co-operative Power Asso-

ciation, the following Directors were elected:

E. E. Hill — President  
Carl Swanson — Vice-President  
Stephen Singer — Secretary-Treasurer  
C. W. Beyer;  
Jos. W. Ste. Marie;  
George Remick;  
J. G. Newland;  
Mons Engelstad.

At this meeting, subject to the approval of REA, a resolution was passed calling for the construction and operation by the Corporation for electric transmission and distribution lines to serve at least six hundred farmers in the joint counties of Red Lake and Pennington, and a resolution for financing the project was adopted. The Articles of Incorporation and By-Laws were ratified and approved. The first depository for moneys advanced was the Union State Bank of Thief River Falls, Minnesota. E. F. Kiland of Red Lake Falls, Minnesota, was appointed the first Project Superintendent, said appointment being approved by the Administration on March 28, 1940. The first engineer for the project was Ellerbe and Company of Saint Paul, Minnesota, and the first project attorney was Ralph H. Lee of Red Lake Falls, Minnesota.

At a special meeting on June 11, 1940, bids were opened for the construction of a distribution line in Red Lake, Pennington, Polk and Marshall Counties, approximately 238 miles, and the bid of the Sorkness Construction Company of Jamestown North Dakota, (the lowest bidder) was accepted. In September of the same year, at a regular meeting of the Directors, August Bourque was appointed the first Maintenance Man on the project.

It is especially interesting to recall that on October 18, 1940, ground-breaking ceremony was held at Grand Forks, North Dakota, to commemorate the inauguration of the construction of a new \$850,000.00 power plant known as The Minnkota Power Co-operative Association. It was with this wholesale power association in April of 1942 that our Co-operative became a member. The dedication of this generating plant did not take place until October 18, 1941. Mr. S. E. Hunt of Thief River Falls, Minnesota, was on the Board of the Minnkota Power Co-operative at the time of the dedication.

By November of 1940, there remained only twenty miles of line to be strung to complete the first section of the project, and the only worry entering into the activity at that time was the wiring of the buildings.

The first official publication of the newsletter under the title of "VOLTS & JOLTS" was issued in December of 1940, the name having been created in the fertile mind of our former Maintenance Man, August Bourque. The title was selected for the reason "Volts" suggested the power that is distributed and "Jolts" suggested the kickback one gets if one comes in contact with the "Hot Stuff" coming off the wire. Mr. Bourque will be featured elsewhere in this book.

By January of 1941, some 63 farms out of 400 were wired, and the first

list published in "Volts & Jolts" at that time tabulated the farms wired as follows:

**RED LAKE FALLS:**

E. A. Seeger  
Extence Audette  
Lawrence Audette  
Walter Audette  
Hubert Huot  
Ferdinand Schultz  
Victor Casavan  
E. J. Grenier  
Joe Raymond  
Henry Gerlach  
Louis Lefaivre  
Isaac Trudeau  
School District No. 32  
Henry Cassavant  
Omer Houle  
John Glass  
Carl Swanson  
Fredolph Swanson  
Walter Swanson  
Arthur Zutz  
Omer Roi  
Maurice Benoit  
William Roi

**THIEF RIVER FALLS:**

Gordon Gunderson  
John Funneshahl  
Lloyd Johnson  
Knute Ystesund  
Carl Finstad  
C. E. Oien  
Adam Lendobeja  
B. F. Beiswenger  
Carl Beiswenger  
B. B. Hammer

**HAZEL:**

Leonard Erickson  
John Hedlund  
Arthur Swanson  
Carl Swenson  
William Palmquist  
Martin Finstad  
Helmer Finstad  
Andrew Arne  
Johnny Peterson  
Ed. Hauske  
Elmer Erickson

**GOODRIDGE:**

Joe Johnson  
Bert Johnson  
H. T. Waale  
Albert Hanson  
Julius Hanson  
A. L. Wilson

**PLUMMER:**

Wayne Rasanen  
Elvin Peterson

**ST. HILAIRE:**

Otto Johnson  
Bennie Johnson

**CROOKSTON:**

Dan Dufault  
Nap Regimbal  
Joe Plante  
B. Dufault

**BROOKS:**

Tina Thoreson  
Arthur Laniel  
Peter Robidoux

In the February, 1941, issue of "Volts & Jolts" an excerpt from one of the member's first letters was published. This letter was from Father Victor Cardin, at Dorothy, who commented as follows: "The people in this Township have every reason to be proud of their record. The movement to obtain electricity began four years ago and credit is due to C. W. Beyer, Art Zutz and Alfred Hance for having persuaded Mr. E. Palmer, the former County Agent, to make the preliminary studies which led to the founding of our Co-operative."

The first Amendments to the By-Laws were proposed by the Legal Division of the REA at Washington the early part of 1941. Later, at a Special Meeting of the Board on March 12, 1941, the rate schedules were proposed for adoption. It was also in 1941 that the Rules and Regulations to govern the operation of our Co-operative were proposed and in 1942 the same were adopted. In 1941, the Northern State Bank of Thief River Falls, Minnesota, and the Security State Bank of Oklee, Minnesota, were designated as additional depositories for moneys received, and Mr. C. J. Hastad, an account of whom appears elsewhere in this booklet, was appointed the Engineer for the Co-operative.

Excitement reigned in at least two homes in the Terrebonne community on Friday afternoon, March 14, 1941, when the transmission line was energized and the farms of Dona Rivard and Roy Logan were energized, respectively. Mr. Rivard, the first to have been connected, gives an interview appearing later on.

An item that arrests the eye is the first method of billing. Said method consisted of a postal card with stub attached. These cards were mailed out about the 16th of the month, and the consumer was to read the meter on the 20th and return the stub with the reading by the 25th. The office then figured the bill and returned the card together with the stub to the consumer, after which the consu-

mer was to return the stub together with the remittance by the 15th of the following month.

The first outage occurring on the line was on April 6, 1941, caused by a cow scratching herself on the guy wire. This outage left Mrs. Sophie Howick without light for a short while.

Another incident in the life of the Co-operative during the year of 1941 was its removal from its first place of business in the Healy Building to the Skala Building on the North Side.

The year 1942 marked a change in the office personnel. O. J. Overmoen was appointed to fill the vacancy created by Ed. Kiland's resignation, and he has continued to be the Manager ever since.

In October, 1942, authorization was granted for the advance payment of \$5,000.00 to the United States of America, constituting a prepayment of the notes executed pursuant to the construction loan contract. This Co-operative made an advance payment to the government which action resulted in generous comment from Mr. Harry Slattery, the Administrator of R.E.A.

In January, 1943, Ralph Lee, the Legal Advisor, being called for Military Service in the U. S. Navy was given a leave of absence for the duration of the war. Chas. E. Boughton, Jr. was appointed to substitute for him. After the war Mr. Lee did not return to Red Lake Falls, hence Mr. Boughton has continued as the official Attorney for the corporation.

1943 discloses the entry of this Co-operative into an agreement with PKM (Polk-Kittson-Marshall) Electric Co-operative to operate approximately ninety miles of their lines, subject to the approval of the War Production Board. At the annual meeting Carl Swanson, Emil Anderson, Jos. W. Ste. Marie, Jos. F. Skala, Stephen Singer, Mons Engelstad, Gunnuf Gunstenson, Oscar Lovaas and Matt Gerardy were elected Directors.

In the succeeding year of 1944, Walter Coe, who has been the Co-operative's only casualty thus far, replaced August Bourque in the position of Maintenance Man. Another step of progress was attained when purchase was made from Minnkota of underbuild and distribution lines.

Preliminary proceedings relative to the new housing facilities for a headquarters building were commenced in January of 1945. Oscar Lovaas, Mons Engelstad and Millard Dailey were appointed as a committee to work on the selection of a building site. The City Councils of Plummer, Thief River Falls and Red Lake Falls were generous in their offers of free sites. After inspection of the several sites by the committee and R.E.A. personnel, the present site was eventually selected by the Board. However, due to the unstable material situation and the large financing required for line construction, further action was deferred until line construction was further along and availability of materials would be assured.

In 1946, it was deemed necessary to increase the capital stock of the Corporation to \$25,000.00, dividing the same into five thousand shares of the par value of \$5.00 each. The purpose of this increase was to accommodate the long waiting list of applicants for membership.

At the annual meeting in February, 1946, three Directors were elected to serve a term of three years each; three to serve a term of two years each and three to serve a term of one year each. In June of 1946, the Directors approved the boundaries of the Red Lake Electric Co-operative, but at a meeting held in May, one year later, the boundary lines were extended. Mr. Hastad, the Engineer, was

designated to make a system study in order to avoid expensive alterations and rephasing of lines. The Directors also requested an extension of the amortization of existing and future notes to thirty-five years.

Mr. Carl Swanson who had been serving as President for eight years resigned, and Mr. Millard Dailey was elected to fill out his remaining term.

From the President's report in April of 1947, the following items of progress were gleaned: 270 miles of line were constructed in spite of the acute shortage of materials and funds; 200 miles by contract and 70 miles by our own crew. 305 farms were connected that year.

In the same year, at the suggestion of the Manager, strides were made towards betterment of relations with the employees as evidenced by the Board's action in accepting the NRECA Retirement and Security Program for the employees. A new President was elected in the person of Mr. V. E. Copp.

For the purpose of improving the service in the North end of our project, a new sub-station, known as the "Smiley Sub", was put into operation in August of 1947. The Terrebonne Sub-Station was the first one constructed by the project in 1941, but in the summer of 1950 a new one was built there with an increase in the load capacity of some thirty-five thousand volts. The third Sub-station was built at Holt in 1949.

Because of universal changes in 1948, brought about by the post-war conditions, and because of gasoline shortage, the Directors voted to have the Co-operative purchase its own gasoline facilities and the means of dispensing its own gasoline.

Another change in 1948 was in the division of the territory into nominating districts. That year, the members voted for an amendment dividing the territory into nine districts.

The amendment provided for a division of the territory into nine districts, outlined as follows: No. 1—Polk County. No. 2—Marshall County east of the Great Northern Railway. No. 3—Marshall County west of the Great Northern Railway. No. 4—Red Lake County east of the Northwest corner of Section 27, Township 152, North of Range 42, West; then South to the Northwest corner of Section 15, Township 151, North of Range 42, West, and along the main line of the Minneapolis, St. Paul and Sault Ste. Marie Railway to the North line of Red Lake County. Later, a part of Polk County was added to this section. No. 5—Red Lake County west of the west line of District No. 4 and east of Highway No. 32. No. 6—Red Lake County lying west of Highway No. 32. No. 7—Townships of Goodridge, Reiner, Highland, Star, Deer Park and Hickory in Pennington County. No. 8—Townships of Cloverleaf, Kratka, Mayfield, Wyandotte, Smiley, Silverton and part of the Townships of Rocksbury, North, River Falls, lying east of Trunk Highway No. 32, Pennington County. No. 9—That part of Pennington County lying west of Highway No. 32.

At this same time, the Capital Credit Plan was adopted. Later, that year, the rates for energy were increased ten per cent.

Long and Thorshov, Architects, presented, exhibited and explained detailed plans and specifications for the new headquarters building which were approved and accepted by the Board at its regular meeting on February 17, 1949. Bids were opened for the construction of the headquarters building with the Sauer's Construction Company of Saint Paul, Minnesota, as lowest bidder. The office personnel moved into their new location on Friday, December 16, 1949, and Open House was set for January 24, 1950, but was postponed to February 7 due to the severity of the storm in January. Mr. Byron G. Allen, Democratic

National Committeeman for Minnesota from Detroit Lakes, was the chief Dedication speaker.

In March of the same year, O. J. Overmoen, the Manager, reported that the Co-operative was close to 70% connected. The Security State Bank of Oklee, Minnesota; the Marshall County State Bank of Holt, Minnesota, and the Middle River State Bank of Middle River, Minnesota, were also added to the organization's depositories. At the regular meeting in April of the same year, a resolution was passed to borrow additional funds, the amount not to exceed \$250,000.00 at 2% per annum, which was designated as Section K.

An Employment Code covering working conditions, wages and all phases of employee relations was adopted by the Board.

The Village of Mentor granted a franchise to the Co-operative to erect and maintain its electric lines through the village, according to ordinance passed by said village.

The year 1949 ended with the closing out of the Martin Engineering Company's construction contract on F1, G1 and H1 and Force Accounts, including Section F-III, G-III and H-III.

Our Cooperative also voiced its opposition regarding Congressional attempts to restrict the granting of REA loans for generation and transmission facilities.

In his annual report, Mr. Dailey stated that nearly 800 new consumers had been served and over 700 miles of additional line had been energized.

Another work of importance and improvement was initiated in 1950 in the form of reconversion work, changing single-phase to two-phase and to three-phase line. Mr. Hastad, the Engineer, presented system studies and presented final plans and specifications for Section K, which plans included the conversion work in accordance with the ultimate system study. This comprised approximately 18 miles of new construction and the installation of oil circuit reclosers and section-alizers.

The organization also extended flood relief to victims by waiving minimum bills during the period of vacancy from the farm due to flood conditions.

In July of 1950, at the regular meeting of the Board, the resolution for rate schedule for Large Power Service, recommended by REA, was adopted for use on the system.

A memorable event in the minds of the employees of the organization was the picnic enjoyed in Riverside Park in Red Lake Falls on August 27. It afforded them the opportunity of getting together and cementing stronger friendships.

One of the items foremost in the minds of the organization's executives at this time is the Five-Year Budget prepared in connection with Minnkota rate studies. An educational program is also being discussed.

The information and data recorded in this "History" has been secured from the records of the Co-operative such as the "Minute Books" the "Newsletter" and the memories of some of the present consumers who so generously gave of their time and effort during the past ten years. We know that if all this was accomplished in ten short years, that even greater strides may be foreseen for the future years of this organization.

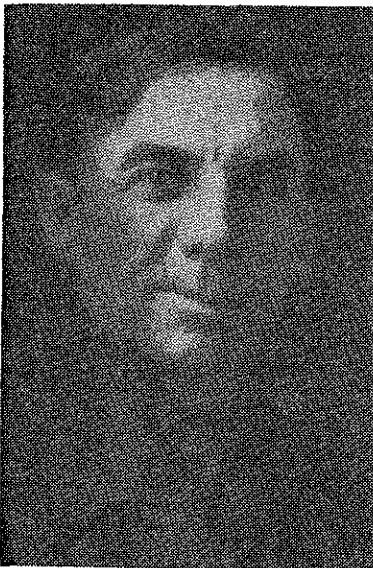


## *Mons Engelstad*

Many of you, we know, are acquainted with Mons Engelstad, who resides on a farm in Rocksbury township, Pennington County, Minnesota.

He will be remembered as having contributed tirelessly in the organization of the Pennington County Co-op. Power Ass'n. He was one of its incorporators and served on its first board of directors. He also served as its president. His early energies, as well as his father's, were devoted to the task of trying to secure power from the City of Thief River Falls and the Interstate Power Company for the farm.

Upon failure to obtain the same they co-ordinated their efforts with Steve Singer and others to form the Pennington County Co-operative Power Association which later merged with the Red Lake Electric Co-operative, Inc.

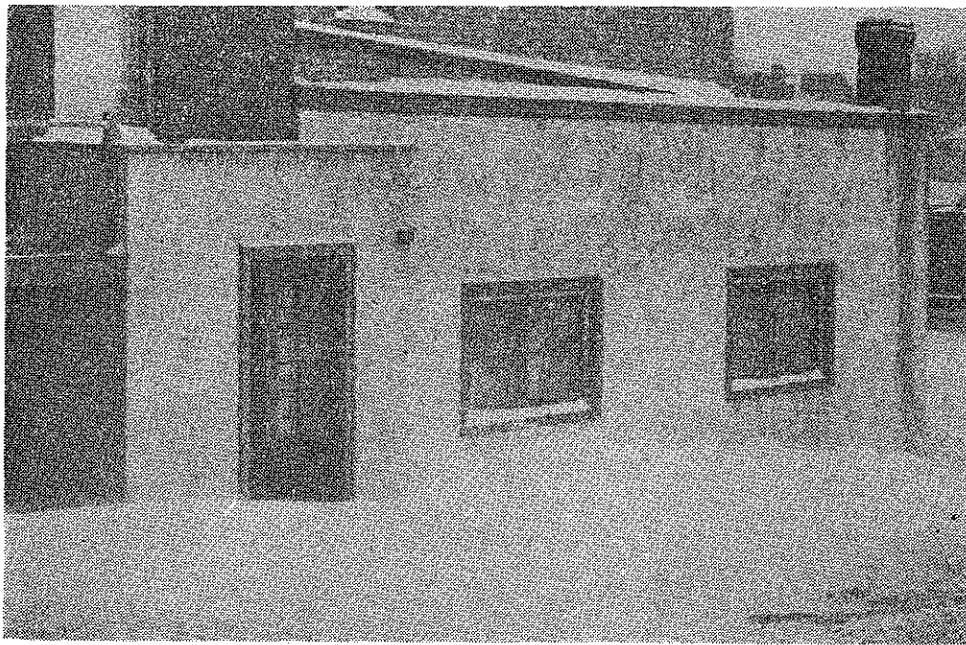


## *Stephen Singer*

A review of the Co-operative's early history would not be complete without mentioning the role played by Stephen Singer, more popularly referred to as "Steve". In attempting to develop electricity for the Village of Goodridge, he was very active in conducting some of the original sign-up meetings of the Pennington County Co-operative Power Association. He also served as President and as Secretary-Treasurer of this Association. Some forty-two meetings were conducted in an attempt to secure sufficient members for enrollment in R.E.A., and being

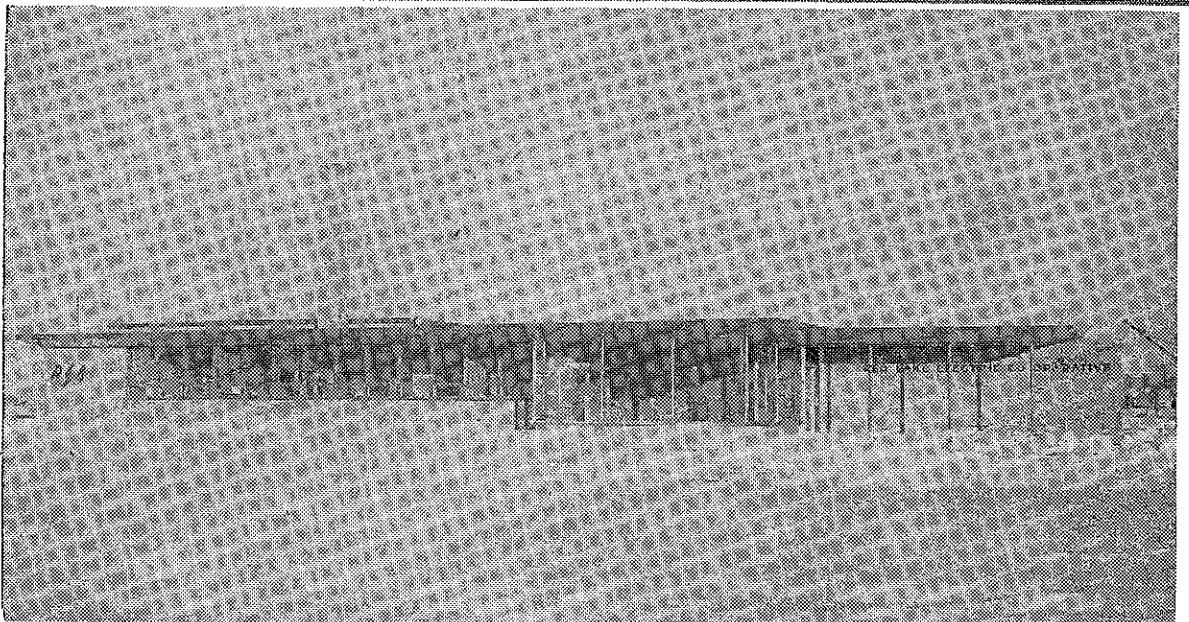
unsuccessful in developing this project to a sufficient size, Steve was active in bringing about the merger with the Red Lake County group, which group was faced with the same problem. After the merger, he served as Secretary-Treasurer of the consolidated group for several years. His early efforts in behalf of the organization included a trip to Washington, D. C., in the interests of the first loan secured from R.E.A. and wholesale power problems.

Steve's personal history consists of the period from 1896 to 1912 when he resided with his parents in Gully, Minnesota. In 1905, he homesteaded in Deer Park Township. He operated a store in Kratka Township from 1907 to 1928. At that time he removed his business into the Village of Goodridge where he has resided for twenty-three years. He has been Postmaster at Goodridge for the past seventeen years. His efforts in behalf of the Co-operative contributed immeasurably towards its success in getting started.



View of first office located in Healy Land Company building, September 1939 to August 1940.

Second office and warehouse in Skala building, August 1940 to December 16, 1949.



Present headquarters located on Southwest edge of Red Lake Falls. Occupied Dec. 16, 1949.