

HEADQUARTERS FACILITIES

As soon as the Cooperative was organized in 1939, the board rented office space in the Healy building. It was very small, but it was a start. It was rented from September, 1939, to August of 1940. Then the headquarters was moved from there to the Skala building on the northside of Red Lake Falls. It was a wood frame structure that had been occupied as a general store. This building served the Cooperative until December 14, 1949.

It became evident in 1946 that again this building was inadequate and larger office, warehouse and garage space was needed. R.E.A. suggested the Cooperative was well enough established for it to consider building a new permanent headquarters building. Several sights were offered by different communities. Sites were offered by Red Lake Falls; Thief River Falls offered the Bague building and there were others.

The choice of where the building was to be built touched off some rather heated discussions. The location of the headquarters was very attractive to the different communities.

Application was made to R.E.A. for funds to build. Finally in 1948 a loan was granted. However, the controversy was not ended. A group brought suit into district court asking Judge Montague of Crookston to grant an injunction to stop going ahead with the building. Judge Montague refused to grant the injunction to stop the building project. Later another attempt was made. A suit was brought in court against five board members and the manager for \$125,000 claiming they had exceeded their authority by going ahead with the project. Judge Fullerton of Brainerd heard the case and found in favor of the defendants. This was the last of the legal action and the building was built and occupied on December 14, 1949.

The building has served the Cooperative well. Additions to the office, garage, and warehouse have been added twice since.

STRUCTURE OF RED LAKE ELECTRIC COOPERATIVE

Red Lake Electric Cooperative, Inc. is incorporated under the laws of the State of Minnesota. The business of the Cooperative is the responsibility of a board of nine elected directors. It is their duty to set the policies under which the business of the Cooperative is conducted. They hire the general manager who in turn is responsible for the hiring of sufficient competent employees to staff the operation of the business.

Being a good board member is not an easy responsibility. They have to be sufficiently informed in all aspects of the business. This does not require professional skills as engineers, lawyers, bankers, and accountants, but the board member has to have the ability to evaluate their advice and make the final decisions that are so necessary and to see that the entire Cooperative is properly supervised.

The financing of Red Lake Electric has been done almost entirely by R.E.A. However, lines of credit are maintained with the St. Paul Bank for Cooperatives. Also, we have a membership in an organization known as National Utilities Cooperative Finance Corporation, also known as C.F.C.

At the present time Red Lake Electric has over \$10,000,000 in assets and just a shade under 5,000 services. Quite a growth since the early days.

Directors were not always elected by the membership for three-year staggered terms. Prior to 1946 all directors were elected at large for a one year term. This led to dissatisfaction as some areas were under-represented while other areas had more than one director. To correct this imbalance, a committee was selected to study and recommend to the membership a division of the project area into nine districts representing approximately the same number of members. Eventually three directors per year would be elected for three year terms. This would give continuity to the board. The committee must have done their work well for that system has prevailed with no dissatisfaction.

Outside engineering, auditing, and legal firms are hired on a consulting basis.

The present structure seems to be working quite well. Good service has been maintained and electric rates have and will be kept at as reasonable a level as possible.

WHY N.R.E.C.A. AND M.R.E.A.?

Red Lake Electric does not operate as an island but must associate

itself with other like electric cooperatives in the nation and state. N.R.E.C.A. is the national organization that serves its members by working with the federal government and congress to see that the interest of its members are taken care of by lobbying for funding and watching legislation whether beneficial or detrimental. They have a very large responsibility.

Likewise M.R.E.A. was formed to work with Minnesota State Government in matters relating to the affairs of the rural electricians.

These two organizations also sponsor training sessions for employees and directors to better serve their members.

M.R.E.A. sponsors job training and safety sessions to instruct linemen of potential hazards in their work. Red Lake Electric has had one fatality and a few accidents in its history. We don't want anymore if it can be avoided.

WHAT ABOUT THE FUTURE?

There have been four different managers and forty-three different directors who have been instrumental in planning and operating our Cooperative during forty years of operation. As time goes on others will assume the task. Given equal opportunity they should be successful also.

Three different difficulties that may arise to cause problems would be in the areas of financing, over-regulation, and boring from within by outside forces.

Certainly a complete withdrawal of the Federal Government R.E.A. Program would be harmful. We need the continued involvement of R.E.A. to coordinate, supervise, and preserve the orderly financing of the program.

However, we do not need the meddling of the State of Minnesota in our day by day and year by year operation. Rural electric cooperatives have been successful for forty years and do not need another layer of supervisions by State government. But they still try.

Small activist groups in the state are trying to enlist support in some electric cooperatives to undermine faith in managers and the elected directors. These efforts have never caused the rates to go down or service to improve, but have added to expense of the operation.

We cannot help but feel optimistic, however, because the members of Red Lake Electric have a long history of good cooperation and support for their cooperative, and we rest our faith in them.