

December 22, 2016

# MRES

## A NEWSLETTER OF

### MISSOURI RIVER

ENERGY SERVICES

## Results of November election summarized

People who pay attention to politics and elections are aware that Republicans will be in control of not only the presidency, but also of both houses of Congress for at least the next two years.

But how did the elections go in the states where Missouri River Energy Services' members are located? For the most part, they followed the script.

In Iowa, Republican Donald Trump won 51.1 percent of the vote while Democrat Hillary Clinton took 41.7 percent.

In Minnesota, Clinton received 46.4 percent of the vote while Trump received 44.9 percent.

In North Dakota, Trump won 63 percent of the vote, while Clinton took 27.2 percent.

In South Dakota, Trump took 61.5 percent of the vote to Clinton's 31.2 percent.

Trump, after winning the national election, is meeting with current and future members of Congress to prepare for 2017. He also will be appointing at least one member of the Supreme Court, which will likely happen early in his term.

Here is what happened in U.S. Senate and House races, state legislative races, other key races, and ballot measures in the states where MRES has members as well as in Wyoming, where the principal generating facility (the Laramie River Station) serving MRES members is located.

### Iowa



With 60 percent of the vote, Senator Chuck Grassley (R-Cedar Falls) easily won re-election to his 7th term in the U.S. Senate over a challenge by former Lt. Governor Patty Judge. In U.S. House races, Rod Blum (R-Dubuque); Dave Loebsack

(D-Iowa City), David Young (R-Van Meter), and Steve King (R-Kiron) all won their races by fairly decisive margins.

In Iowa, all State House seats were up for election, while State Senate seats for even-numbered districts were up for election. Going into the election, the House was Republican-controlled, while the Senate was Democrat-controlled. Assuming no recounts, the Republicans lead 59 to 41 in the House, while the Senate flipped to Republican control with 29 Republicans, 19 Democrats, and 1 no party. Most notable is that long-time Senate Majority leader Mike Gronstal (D-Council Bluffs) was defeated. A special election is pending on Dec. 27 for the Senate seat in District 45, which was vacated by the death of Sen. Joe Seng (D) in September.

The Iowa State legislative session begins Jan. 9. Here are the results along with the MRES members represented within the state Senate and House districts:

#### Lake Park, Rock Rapids

Senate	District 1	David Johnson (no party-Ocheyedon)*
House	District 1	John Willis (R-Spirit Lake)

#### Alton, Hartley, Hawarden, Orange City, Paullina Primghar, Sanborn, Sioux Center

Senate	District 2	Randy Feenstra (R-Hull)
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#### Hartley, Paullina, Primghar, Sanborn

House	District 3	Dan Huseman (R-Aurelia)
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#### Alton, Hawarden, Orange City, Sioux Center

House	District 4	Skyler Wheeler (R-Orange City)
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#### Remsen

Senate	District 3	Bill Anderson (R-Pierson)*
House	District 5	Chuck Holz (R-LeMars)

#### Kimballton, Manilla

Senate	District 6	Mark Segebart (R-Vail)
House	District 12	Brian Best (R-Glidden)

(Continued on page 2)

# Results of November election summarized *(continued)*

## Iowa Cont...

### Denison, Shelby, Woodbine

Senate	District 9	Jason Schultz (R-Schleswig)*
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### Woodbine

House	District 17	Matt Windschitl (R-Missouri Valley)
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### Denison, Shelby

House	District 18	Steven Holt (R-Denison)
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### Atlantic, Shelby

Senate	District 11	Tom Shipley (R-Nodaway)*
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### Atlantic

House	District 21	Tom Moore (R-Griswold)
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### Shelby

House	District 22	Greg Forristall (R-Macedonia)
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### Pella

Senate	District 40	Ken Rozenboom (R-Oskaloosa)
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House	District 79	Guy Vander Linden (R-Oskaloosa)
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\* Was not up for re-election

## Minnesota



The Governor and the U.S. Senators were not up for election in Minnesota. However, there were some close U.S. House races. DFLer Tim Walz held on in a very close race to win U.S. District 1. Also in very close races, Jason Lewis (R)

won District 2 and Rick Nolan (DFL) won District 8. Also winning were Eric Paulsen (R) (District 3), Betty McCollum (DFL) (District 4), Keith Ellison (DFL) (District 5), Tom Emmer (R) (District 6), and Collin Peterson (DFL) (District 7).

There was one ballot measure this year. The measure proposed to change the state constitution to allow a committee/council to set the salaries of state lawmakers instead of allowing the legislators to vote on the matter. It passed with about 76 percent of the vote.

All of the state legislators were up for election this year. Going into the election, the House was Republican-controlled (73-61) and the Senate was DFL-controlled (38-28), with one vacancy due to the death of Sen. Jim Metzen (DFL-South St. Paul). At this writing, the Senate appears to be Republican controlled by a close 34 to 33, with at least one possible recount. It is notable that five prominent Democrat incumbents were defeated: Rod Skoe, Lyle Koenen, Kevin Dahle, Matt Schmit, and Vicki Jensen. The House went overwhelmingly Republican with a margin of 76 to 57 (with at least one potential recount). There is still a special election to be held for the House seat in District 32B.

Minnesota's legislative session begins Jan. 3. Here are the results among MRES member and associate districts:

## Minnesota

### Lake Park

Senate	District 2	Paul Utke (R-Park Rapids)
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House	District 2B	Steve Green (R-Fosston)
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### Barnesville, Detroit Lakes, Moorhead

Senate	District 4	Kent Eken (DFL-Twin Valley)
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### Moorhead

House	District 4A	Ben Lien (DFL-Moorhead)
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### Barnesville, Detroit Lakes, Moorhead

House	District 4B	Paul Marquart (DFL-Dilworth)
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### Alexandria, Henning

Senate	District 8	Bill Ingebrigtsen (R-Alexandria)
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House	District 8B	Mary Franson (R-Alexandria)
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### Staples, Wadena

Senate	District 9	Paul Gazelka (R-Nisswa)
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House	District 9A	John Poston (R-Lake Shore)
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### Alexandria, Breckenridge, Elbow Lake, Melrose, Ortonville, Sauk Centre

Senate	District 12	Torrey Westrom (R-Elbow Lake)
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### Breckenridge, Elbow Lake, Ortonville

House	District 12	Jeff Backer (R-Browns Valley)
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### Alexandria, Melrose, Sauk Centre

House	District 12	Paul Anderson (R-Starbuck)
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### Granite Falls, Madison, Marshall, Redwood Falls, Sleepy Eye, Springfield

Senate	District 16	Gary Dahms (R-Redwood Falls)
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### Granite Falls, Madison, Marshall,

House	District 16	Chris Swedzinski (R-Ghent)
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### Redwood Falls, Sleepy Eye, Springfield

House	District 16	Paul Torkelson (R-Hanska)
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### Benson, Fairfax, Granite Falls, Olivia, Willmar

Senate	District 17	Andrew Lang (R-Olivia)
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### Benson, Fairfax, Granite Falls, Olivia

House	District 17	Tim Miller (R-Prinsburg)
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### Willmar

House	District 17	Dave Baker (R-Willmar)
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### Glencoe, Hutchinson, Litchfield

Senate	District 18	Scott Newman (R-Hutchinson)
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### Hutchinson, Litchfield

House	District 18	Dean Urdahl (R-Grove City)
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### Glencoe, Hutchinson

House	District 18	Glen Gruenhagen (R-Glencoe)
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### Kenyon

Senate	District 21	Mike Goggin (R-Red Wing)
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House	District 21	Steve Drazkowski (R-Mazeppa)
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## Minnesota Cont...

### Adrian, Lakefield, Luverne, Mt. Lake, Westbrook, Windom, Worthington

Senate	District 22	Bill Weber (R-Luverne)
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#### Luverne

House	District 22	Joe Schomacker (R-Luverne)
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### Adrian, Lakefield, Mt. Lake, Westbrook, Windom, Worthington

House	District 22	Rod Hamilton (R-Mt. Lake)
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### Blue Earth, Jackson, Janesville, St. James

Senate	District 23	Julie Rosen (R-Vernon Center)
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#### Blue Earth, Jackson

House	District 23	Bob Gunther (R-Fairmont)
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#### Janesville, St. James

House	District 23	Tony Cornish (R-Vernon Center)
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Senate	District 25	David Senjem (R-Rochester)
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House	District 25	Duane Quam (R-Byron)
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### Delano

Senate	District 29	Bruce Anderson (R-Buffalo)
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House	District 29	Joe McDonald (R-Delano)
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## North Dakota



On the statewide level, U.S. Sen. John Hoeven (R) and U.S. Rep. Kevin Cramer (R) retained their seats by large margins. Also of note, Public Service Commissioner Julie Fedorchak (R) was also re-elected despite being

targeted over the Dakota Access pipeline dispute. Republican businessman Doug Burgum and his running mate Brent Sanford also won the gubernatorial seat with 76 percent of the vote.

In the North Dakota Legislative Assembly, all members serve four-year terms, but the terms are staggered among the state legislative districts, with only the even-numbered Senate and House districts up for election this year. The Senate will remain firmly in Republican control with 38 Republicans and nine Democrats. It should also be noted that Senator Phil Murphy (D-Portland), who has long served Hillsboro in District 20, was defeated. In the House, the Republicans will retain control with 82 Republicans to 14 Democrats.

The legislative session begins in North Dakota Jan. 3. Here are the results among MRES member and associate districts that had races:

### Riverdale

Senate	District 8	Howard Anderson (R-Turtle Lake)
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House	District 8	Jeff Delzer (R-Underwood)
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House	District 8	Vernon Lanning (R-Bismarck)
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## North Dakota Cont...

### Cavalier

Senate	District 10	Janne Myrdal (R-Edinburg)
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House	District 10	Chuck Damschen (R-Hampden)
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House	District 10	David Monson (R-Osnaborck)
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### Maddock

Senate	District 14	Jerry Klein (R-Fessenden)
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House	District 14	John Nelson (R-Rugby)
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House	District 14	Robin Weisz (R-Hurdsfield)
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### Hillsboro

Senate	District 20	Arne Osland (R-Mayville)
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House	District 20	Aaron McWilliams (R-Mayville)
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House	District 20	Rick Holman (D-Mayville)
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### Valley City

Senate	District 24	Larry Robinson (D-Valley City)
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House	District 24	Dwight Kiefert (R-Valley City)
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House	District 24	Daniel Johnston (R-Kathryn)
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There were also several ballot measures on the North Dakota statewide ballot.

- **Constitutional Measure 1:** This constitutional measure would require any state legislator to reside in the district that he/she represents during their entire term. It passed with 86 percent of the vote.
- **Constitutional Measure 2:** This constitutional measure would make changes to the distribution of the revenue that the state receives from the oil extraction tax. This measure passed.
- **Constitutional Measure 3:** This would add a victims' bill of rights to the state constitution (AKA Marsy's Law). This measure passed.
- **Initiated Measure 4:** This would create a new tax on tobacco and place the new revenue into a fund for certain veteran's programs. This measure failed by a large margin.
- **Initiated Measure 5:** This would legalize medical marijuana use. This measure passed with 63 percent of the vote.

## South Dakota



On the statewide level, U.S. Sen. John Thune (R) and Rep. Kristi Noem (R) were re-elected handily. Public Utilities Commissioner Chris Nelson was also re-elected.

In the state legislature, all members serve two-year terms and all seats were up for election. The Senate will remain Republican-controlled by a 29-6 margin. In the House, there will be a 60-10 Republican majority.

## South Dakota Cont...

South Dakota's legislative session convenes Jan. 10. As for MRES member districts:

### Big Stone City

Senate	District 4	John Wiik (R-Big Stone City)
House	District 4	John Mills (R-Volga)
House	District 4	Jason Kettwig (R-Milbank)

### Watertown

Senate	District 5	Neal Tapio (R-Watertown)
House	District 5	Hugh Bartels (R-Watertown)
House	District 5	Nancy York (R-Watertown)

### Brookings

Senate	District 7	Larry Tidemann (R-Brookings)
House	District 7	Tim Reed (R-Brookings)
House	District 7	Spencer Hawley (D-Brookings)

### Flandreau

Senate	District 8	Jordan Youngberg (R-Madison)
House	District 8	Mathew Wollman (R-Madison)
House	District 8	Leslie Heinemann (R-Flandreau)

### Beresford

Senate	District 16	Jim Bolin (R-Canton)
House	District 16	David Anderson (R-Hudson)
House	District 16	Kevin Jensen (R-Canton)

### Vermillion

Senate	District 17	Arthur Rusch (R-Vermillion)
House	District 17	Nancy Rasmussen (R-Hurley)
House	District 17	Ray Ring (D-Vermillion)

### Burke, Pickstown, Winner

Senate	District 21	Billie Sutton (D-Burke)
House	District 21	Julie Bartling (D-Gregory)
House	District 21	Lee Qualm (R-Platte)

### Fort Pierre, Pierre

Senate	District 24	Jeff Monroe (R-Pierre)
House	District 24	Mary Duvall (R-Pierre)
House	District 24	Tim Rounds (R-Pierre)

### Faith

Senate	District 29	Gary Cammack (R-Union Center)
House	District 29	Larry Rhoden (R-Union Center)
House	District 29	Thomas Brunner (R-Nisland)

South Dakotans also voted on 10 ballot measures:

- **Constitutional Amendment R:** This amendment would remove state post-secondary technical schools from the authority of the Board of Regents and place those institutions under a newly created board. This measure passed.
- **Constitutional Amendment S:** This would add a victims' bill of rights to the state constitution (AKA Marsy's Law). This measure passed.
- **Constitutional Amendment T:** After every U.S. census, the state legislative districts must be re-drawn to reflect population shifts. This would amend the state constitution to have those districts drawn by a non-partisan committee. This measure failed.
- **Constitutional Amendment U:** This amendment would have placed an 18% cap on interest rates on loans that are made WITHOUT a written agreement covering the terms of the loan/financing agreement. This measure failed.
- **Constitutional Amendment V:** Would have all statewide, state district, and county elections run on a non-partisan basis. This measure failed, but there were more than 150,000 votes to support it statewide. So something like this could come back.
- **Initiated Measure 21:** This proposed statute would cap interest and fees on payday and certain title loans to 36 percent. This measure passed.
- **Initiated Measure 22:** This proposed statute would make a lot of changes to the state campaign finance laws including creating a separate ethics commission, creating a voter-funded campaign finance fund, and restricting certain campaign contributions/gifts. This measure passed.
- **Initiated Measure 23:** This proposed statute would require non-union members to reimburse the employee union for services provided. This failed.
- **Referred Law 19:** This proposed statute shifts the dates for circulating and submitting nominating petitions for state office candidates. This measure failed.
- **Referred Law 20:** This proposed statute lowers the minimum wage to \$7.50 per hour for non-tipped employees under the age of 18. This failed.

## Wyoming

On the statewide level, Republican Liz Cheney won the vacant U.S. House seat by a large margin.

Wyoming's legislative session begins Jan. 10. The state House and Senate were controlled by the Republicans in 2015-16, and that remains the same. Republicans hold the majority in the House (52-8) and in the Senate (27-3).

## MRES files for permit to study Gregory County Pumped Storage Project potential

Missouri River Energy Services (MRES) has applied for a new permit to study the potential for a pumped storage hydroelectric facility, known as the Gregory County Pumped Storage Project, on the Missouri River in south central South Dakota.

Since November 2013, the Western Minnesota Municipal Power Agency (WMMPA), has held a permit for such a study, but that permit expired Nov. 30.

WMMPA serves as the financing agent for (MRES). MRES, which is headquartered in Sioux Falls, wants to continue exploring the project as a potential resource to serve its 60 member municipal electric systems in the states of Iowa, Minnesota, North Dakota, and South Dakota.

MRES is interested in the project for a number of reasons. First, the U.S. Army Corps of Engineers has identified the area as the best location on the Missouri River for a pumped storage project. And, there have been several related technical and economic studies that confirm the value and feasibility of the project.

A pumped storage project works by pumping water from a lower-elevation reservoir to a higher-elevation reservoir, where the water is stored. Pumping would occur during low-cost times. Then, during times when electricity prices are high, the stored water is released through turbine generators to produce electricity.

“Gregory County has an added benefit in that it would provide the necessary control to support a significant amount of intermittent wind generation in the region,” said Ray Wahle, director of Power Supply and Operations for MRES. Wind energy facilities can only produce electricity when the wind is blowing, meaning that other generation sources are needed to maintain a reliable flow of energy.

The vision for the Gregory County Pumped Storage Project is that it will be a regional project with several utilities and/or joint action agencies partnering to develop this resource. The 1,200-megawatt project would be too big for MRES to develop on its own. Over the past three years, MRES staff has been discussing the project with a number of entities that may have interest in working together to make the project a reality. However, a project of this size requires much study and consideration, and there would need to be enough interested parties to make the economics work.

Applying for the preliminary study permit under the name of MRES will allow all parties to continue assessing the potential for the project. The Federal Energy Regulatory Commission (FERC) will need to consider and grant the permit before MRES can proceed.

## Coon Rapids Dam preliminary study permit granted

The Federal Energy Regulatory Commission in November granted to the Western Minnesota Municipal Power Agency (WMMPA) a preliminary permit to study the feasibility of a hydroelectric project at the Coon Rapids Dam, which is located on the Mississippi River about 11.5 miles north of downtown Minneapolis.

WMMPA, which serves as the financing agent for MRES and owns generating and transmission facilities that serve MRES members, applied for the preliminary permit in August.

The anticipated capacity of the proposed Coon Rapids project would be 12 megawatts, which is enough to serve the needs of about 6,000 homes.

MRES staff, on behalf of WMMPA, will soon begin discussions with the Three Rivers Park Board, which manages the land surrounding the proposed project site, and will begin analysis of the technical and economic feasibility of the project.

“As part of our mission to supply members with reliable, cost-effective, long-term energy in a fiscally responsible and environmentally sensitive manner, MRES continues to study the potential for clean, renewable, hydroelectric resources,” said Ray Wahle, MRES director of Power Supply and Operations. “Hydroelectric power is an excellent renewable choice because it is available 24/7/365, which means great reliability.”

## Sen. Mike Rounds recognized for introducing High-Quality Liquid Asset legislation

Missouri River Energy Services (MRES) is pleased to recognize Sen. Mike Rounds (R-S.D.) for his leadership in introducing S.3404. This bill amends the Federal Deposit Insurance Act with respect to the treatment of certain municipal obligations to direct the federal banking agencies to treat as a high-quality liquid asset, any municipal obligation that is liquid, readily marketable, and is investment grade.

Federal Treasury rules approved a rule establishing minimum liquidity requirements for large banking organizations. The liquidity coverage ratio rule was designed to ensure that large banks maintain liquid assets that can easily be converted to cash during times of national economic crisis. However, the rule failed to include municipal securities in any of the acceptable investment categories. Efforts to change the rule failed, so a legislative fix was pursued. S.3404 is the companion bill to house bill HR 2209 which was passed in the House on February 1, 2016. This bill takes a common-sense approach to correcting the liquidity coverage ratio to include municipal securities.

Sen. Rounds has championed this bill on behalf of MRES and its members. While time is running out in 2016, this is a start to possible passage in the 115th Congress in 2017.

Senator Mike Rounds





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## ***Power Lunch at Capitol Set***

The MRES Power Lunch at the Capitol will take place Tuesday, February 7, 2017. This is held in conjunction with the South Dakota Municipal League's Municipal Government Day, February 8, 2017.

MRES will again host a dinner for MRES member and associate legislators, and the event has been scheduled for the 2017 Session. It will be held Tuesday, March 14, at the Broadway Grill and Tavern in Bismarck. More details will be provided closer to the event.



## **APPA Legislative Rally to be held Feb. 27-March 1**

Registration is now open for APPA's Legislative Rally in Washington, D.C., Feb. 27-March 1, 2017.

MRES members are generally well-represented at this event, which offers the opportunity to meet with their elected officials and hear from experts on important issues impacting public power likely to be considered by the 115th Congress and the new administration.

Topics include threats to tax-exempt financing, environmental policy including the Clean Power Plan, energy policy, grid security, distributed generation, and workforce development.

The event will be held at the Mayflower Hotel.



## **WAPA announces rate decrease**

On October 12, 2016, Western Area Power Administration (WAPA) Upper Great Plains Region announced to the firm power customers that WAPA will be reducing the Drought Adder component of the firm power rate effective January 1, 2017. From a composite rate standpoint, the average rate will be reduced by five mills from 33.25 mills/kWh to 28.25 mills/kWh.

## ***MRES to host APPA certification training in Sioux Falls***

MRES recognizes that our quickly evolving electric industry requires that employees who care for key accounts have specific skills, technical knowledge, and training.

For this reason, MRES is pleased to bring APPA's **Key Public Power Account Executive** (KPPAE) certificate training course to Sioux Falls April 18-21, 2017. This program is designed for individuals who work with key accounts, and those who manage key accounts programs.

Erick Rheam of Automated Energy will provide the training, which will take place at the ClubHouse Hotel & Suites.

MRES will cost-share tuition fees for members. For more details or to register, visit <http://www.mrenergy.com/events>.



## ***Area Meetings well attended***

Members were well represented during four MRES Area Meetings that were held during the last two weeks of October.

In all, 105 individuals representing 39 member communities attended one of the meetings, which were held in Alexandria, Minn.; Cavalier, N.D.; Orange City, Iowa; and Sioux Falls, S.D.

The Area Meetings give members an opportunity to learn more about MRES plans, programs, and activities as well as to talk with other members about issues of importance.

Updates were provided on legislative and regulatory issues, power supply and transmission projects, the 2017 budgets and rates and more.

