

## HELPING YOU *ELECTRIFY* YOUR EVERYDAY



### 2019 ANNUAL MEETING

**Monday, April 22**  
**5:30 p.m. - Registration Opens**  
**6:30 p.m. - Meeting Begins**

Alexandria Area High School  
 4300 Pioneer Rd SW, Alexandria

Join us for the 83rd Runestone Electric Association Annual Meeting on Monday, April 22, at Alexandria Area High School. Come learn about your electric cooperative and celebrate with the nine graduates receiving scholarships. Director seats in District 1 and 4 will be determined as will the restating of REA's Articles of Incorporation and Bylaws.

Materials have been mailed for the 2019 REA Annual Meeting. In the packet members will receive a number of items including the 2018 Annual Report, Annual Meeting registration card, and a ballot for director (if you are in District 1 or 4).

#### **Bylaw amendments to be decided at Annual Meeting**

Members will also receive the Articles of Incorporation and Bylaws Amendment booklet. This booklet contains the summary and complete text of the proposed restated articles of incorporation and restated bylaws recommended by the Runestone Electric Association Board of Directors. Due to the significant number of proposed changes, members will be asked to vote on the amendments in their entirety with one ballot. The bylaw ballot is attached to the inside front cover of the booklet.

Please bring your registration card and ballot(s) with you to the Annual Meeting or return the ballot in the envelope provided. Mailing instructions are on page 1 of the bylaw booklet.

If you have any questions regarding the Annual Meeting materials you receive in the mail, please feel free to call REA at 1-800-473-1722.

## ATTEND THE ANNUAL MEETING AND RECEIVE A \$25 GIFT CERTIFICATE

Redeemable at one of the following REA member businesses:

- Brother's Market Carlos
- Brother's Market Miltona
- Burr Vineyards
- Carlos Creek Winery
- 22 Northmen Brewery
- Chet's Lakeside Inn
- Country Blossom Farm
- Doraisamy Farm
- Eagleview Winery
- Erickson's Petting Zoo
- Jim & Judy's
- Lake Cafe at Arrowwood Resort
- Lake Miltona Golf Club
- Lake Reno Bar & Grill
- L'Étoile du Nord Vineyard
- Long Lake Lodge
- Nordic Trails Golf Course
- Selective TV
- Tipsinah Mounds Golf Course



1 certificate per membership  
 Must attend the annual meeting to receive a gift certificate

# REA Refunds \$800,000 in Capital Credits

Kristin Dolan, CEO, Runestone Electric Association



Kristin Dolan, CEO

Did you know the electricity you use today from REA is 48% carbon free? This is an amazing statistic achieved by REA in 2018. There is more exciting news! The electricity we provide will continue to become more carbon-free with each passing year.

Our power supplier, Great River Energy has developed a responsible plan forward to further evolve their generation portfolio. In June of 2018, Great River Energy announced a company goal of supplying its member-owner cooperatives with energy that is 50 percent from renewable resources by 2030. Today their portfolio is comprised of 25 percent renewable energy.

REA's other power supplier is Western Area Power Administration or WAPA. REA receives 20% of its energy from this carbon-free hydroelectric power supply. This resource, along with GRE's generation portfolio mix and participation in the wholesale power supply market contribute to REA achieving a 48% carbon-free energy source.

## Capital Credits

When dealing with a business or a service, how many times do you get part of the profit? At REA, you do because you're an owner. In April, REA will distribute capital credit refunds totaling \$800,000. The refunds are based on electric accounts that were active with the Cooperative in the early 1980s, in 1990-91 and in 2017.

## How Capital Credits Work

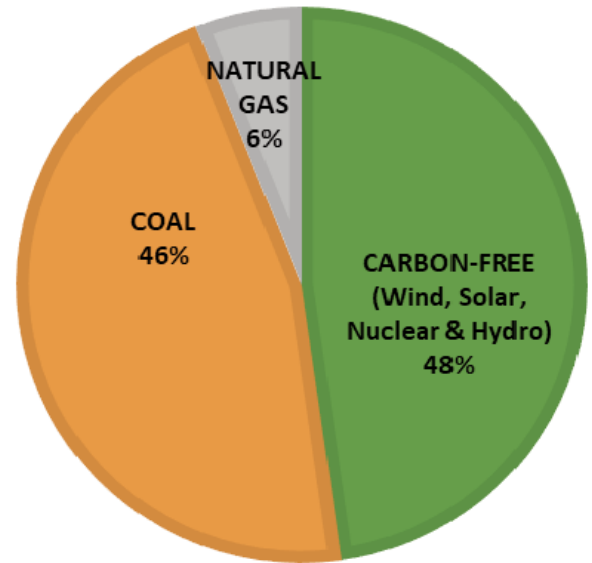


- 1 REA tracks how much electricity you use throughout the year.
- 2 Each year, after expenses are paid, REA calculates margins (leftover funds).
- 3 REA allocates to members as capital credits based on their usage of electricity.
- 4 REA retires (returns) capital credits to members.



## ENERGY SOURCES DECEMBER 2018

■ Carbon-free ■ Coal ■ Natural Gas



The refund for the early 1980s is from a capital credit retirement we are receiving from our power supplier, Great River Energy (GRE). REA is one of 28 electric cooperatives that own GRE, which is also a non-profit cooperative. GRE was formed upon the merger of two generation and transmission cooperatives in 1999. For the first time in its history, GRE will retire capital credits through cash payments to its member-owner cooperatives.

The 2019 payment brings the total dollars refunded by REA through the years to over \$16.3 million. Just another example of the Cooperative Difference.

## Annual Meeting

Please make sure to join us on April 22nd for the 83rd REA Annual Meeting. This is an important opportunity for you to engage in the democratic process of your company. At the annual meeting, districts up for election elect their member representative to serve on the Board of Directors of REA. Also, we are proud to support our member businesses; attend and receive a \$25 gift certificate and help support our local economy!

## REA Board of Director Meeting Highlights - February 2018

- Mrs. Nelson reviewed the Post Closing Financial Report for 2018 and the Financial Report for January 2019 noting energy sales were very close to budget for the month. Expenses are ahead of budget due to timing of contracts and increased plant maintenance.
- CliftonLarsonAllen LLP, presented the 2018 Audit Report issuing a clean opinion on the financial statements for the year ended December 31, 2018.
- 85 students applied for the REA Scholarship Program. Directors randomly drew one name from each of their districts. The remaining 78 names were combined and the final two names were selected for a total of nine \$1,000 scholarships. Scholarship recipients and their parents/guardians will be recognized at the 2019 REA Annual Meeting.
- The Board appointed Jeff Gaffaney as Operation Round Up® Trust Board Member for District 6. Mr. Gaffaney replaces David Dziengel who had completed his term on the board.
- CEO Dolan reviewed concerns for Governor Walz's proposed 100% Carbon-Free Goal and proposed revisions to the Conservation Improvement Program (CIP).

The Regular April Board Meeting will be on April 30, 2019.

# Maintaining Reliability and Affordability

Increasing costs leads to May 1st rate increase

## Rates to Change May 1st

At REA we work hard to control costs without adversely affecting reliability or service, but eventually the rising costs we pay for materials and services needed to deliver reliable electricity make it necessary to increase rates. The chart below reflects the change in rates effective May 1st for our most common rate classes. Information regarding adjustments to additional rate classes can be viewed at [www.runestoneelectric.com](http://www.runestoneelectric.com).

General Single Phase	Current Rate	New Rate May 1
Fixed Charge	\$26.50 per month	\$29.25 per month
Energy (June - August)	\$0.1240 per kWh	\$0.1255 per kWh
Energy (Other Months)	\$0.1103 per kWh	\$0.1118 per kWh
General Three Phase	Current Rate	New Rate May 1
Fixed Charge	\$42.40 per month	\$45.00 per month
Energy (June - August)	\$0.1240 per kWh	\$0.1235 per kWh
Energy (Other Months)	\$0.1103 per kWh	\$0.1097 per kWh
Large Power Single Phase	Current Rate	New Rate May 1
Fixed Charge	\$33.90 per month	\$39.00 per month
Energy	\$0.0805 per kWh	\$0.0790 per kWh
Demand: Other/June - August	\$6.10 / \$9.50 per kW	\$6.50 / \$10.00 per kW
Large Power Three Phase	Current Rate	New Rate May 1
Fixed Charge	\$47.70 per month	\$60.00 per month
Energy	\$0.0805 per kWh	\$0.0790 per kWh
Demand: Other/June - August	\$6.10 / \$9.50 per kW	\$6.50 / \$10.00 per kW
Irrigation	Current Rate	New Rate May 1
Fixed Charge	\$318.00 per year	\$352.00 per year
Energy	\$0.0985 per kWh	\$0.0907 per kWh
Demand: Uncontrolled	\$20.00 per kW	\$20.00 per kW
Demand: Controlled	\$5.00 per kW	\$6.00 per kW
Off-Peak Heating	Current Rate	New Rate May 1
ETS Storage Heating	\$0.0477 per kWh	\$0.0469 per kWh
Dual Fuel - Automatic Back-Up	\$0.0589 per kWh	\$0.0604 per kWh
Heat Pump - Automatic Back-Up	\$0.0720 per kWh	\$0.0724 per kWh

## What is the Fixed Charge?

The monthly fixed charge covers the cost to provide each member with electric service no matter how many kilowatt-hours (kWh) they purchase. There is a cost to have power available to the member when they want it - whether they use zero kWh or 5,000 kWh each month. The fixed charge reflects a percentage of the fixed costs of providing service including poles, wire, transformers, meters, substations, maintenance, depreciation, record keeping and other costs which go on, even when no energy is purchased.

## Distributed Energy Resources (DER) Grid Access Charge

Rate Effective May 1, 2019	General Service Single Phase	General Service Three Phase
<b>DG Grid Access Per kW per Month</b>	<b>\$ 4.05</b>	<b>\$ 1.64</b>
<b>Monthly Maximum Charge</b>	<b>\$30.00</b>	<b>\$32.00</b>

Pursuant to MN State Statute 216B.164 Subd. 3(a) the Grid Access Charge is applied to all qualifying distributed energy resource systems that interconnect after April 1, 2016. The Grid Access Charge is applied against the kW of nameplate capacity of the qualified facility above the first 3.5 kW. Systems greater than 3.5 will be charged the monthly rate on the additional kW of nameplate capacity, not to exceed the monthly maximum charge.

## Interconnection Process

At their March 26th board meeting, the Runestone Electric Association (REA) Board of Directors voted to revise REA's Cogeneration Policy and Rules adopting the Cooperative Minnesota Distributed Energy Resource Interconnection Process. The interconnection process for distributed energy resources has been updated by the State of Minnesota Public Utilities Commission. Minnesota Statute 216B.1611 states cooperatives shall adopt an interconnection process that addresses the issues addressed in the Commission's order. REA has updated the Cogeneration Policy to reflect the adoption of the Cooperative Minnesota Distribution Energy Resources Interconnection Process, (C-MIP). All new distribution energy resources will follow the C-MIP interconnection process beginning June 1, 2019.

**For more information on Distributed Generation, please visit [www.runestoneelectric.com](http://www.runestoneelectric.com) or contact Runestone Electric at 800-473-1722.**

# REA Members Support Their Communities!

Operation Round Up Distributes **\$12,250** in March



Representing some of the organizations receiving Operation Round Up® grants in March (front row l to r): Nikki Otto, Brandon-Evansville Post Prom; Iris Stark, Smokey Timbers Foundation; and Jessica Albertsen, Kid's Groundwater Festival. (middle row l to r): Sue Lundeen, Brandon-Evansville Post Prom; Bonnie Brooks, Zion Lutheran; Anita Shehan, The Caring & Sharing Room; Shirley Zemke, Hearts & Hands Food Shelf; Melinda Megel, The Caring & Sharing Room; Mya Santelman, Lakes Area Alpine Program; Shirley Ross, Alexandria Senior Quilters; and Karen Zwiig, Holmes City First Responders. (back row l to r): Rod Borden, Operation Round Up Trust Board; Melvin Conrad; Kensington Area Heritage Society; Grant Haugen, MCL Toys for Kids; Darren Santelman, Lakes Area Alpine Program; Dave Jablonski, Boy Scout Troop #418; and Vern Lorsung, Operation Round Up Trust Board.

Runestone Electric Association's Operation Round Up® has distributed over **\$938,000** in grants to community-minded groups and organizations throughout the Cooperative's service territory since its inception in 2003. Over 64% of REA's members allow their bills to be rounded up to the next dollar with the average yearly contribution of \$6.

The following twenty-two area organizations shared **\$12,250** in grants from Operation Round Up.

## Fire Departments - First Responders

- Holmes City First Responders (\$1,000)

## Youth

- Marine Corps League Toys for Kids (\$600)
- Brandon-Evansville Post Prom (\$200)
- Morris Area Post Prom (\$200)
- Minnewaska Area HS Clay Target (\$200)
- Lakes Area Alpine Program (\$200)
- West-Central Area HS Post Prom (\$200)
- Boy Scout Troop #418 (\$200)
- Browerville Post Prom (\$100)
- St. Ann's Youth Group (\$400)
- Brush & Palette Club of Alexandria (\$100)
- Osakis High School Trap League (\$200)
- Millerville Youth Program (\$250)
- Zion Lutheran Summer Youth Program (\$250)
- Kid's Water Festival (\$500)
- Destiny Academy Family Event (\$200)
- Moe 4H Club (\$200)

## Seniors

- Galeon of Osakis (\$300)
- Hoffman Senior Citizens Club (\$750)

## Community

- Alexandria Senior Quilters (\$200)
- The Caring & Sharing Room (\$500)
- Smokey Timbers Foundation (\$500)
- Farwell Lutheran Cemetery (\$200)
- Quilters of Osakis Lutheran Church (\$200)
- Wendell Legion & Auxiliary (\$200)
- Life Right Outreach (\$400)
- Kensington Area Heritage Society (\$400)
- Spruce Hill Foundation (\$200)
- Friends of Douglas County Fair (\$200)
- Alexandria Literacy Project (\$750)

The deadline for the next round of funding is **May 10**. Application forms are available by calling Runestone Electric at (800) 473-1722 or downloaded at [www.RunestoneElectric.com](http://www.RunestoneElectric.com).

# REA Newsline

Official monthly publication of  
Runestone Electric Association

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email: [rea@runestoneelectric.com](mailto:rea@runestoneelectric.com)

## Office Hours

8:00 a.m. - 4:30 p.m. Mon - Fri

**24-hour outage & emergency service: (800) 473-1722**

## Board of Directors

Barbara Johnson, President  
Clif Patrick, Vice President  
Ron Holm, Treasurer  
Gary (Andy) Anderson, Secretary  
Audrey Hjelle, Director  
Steve Pederson, Director  
Mike Loken, Director

## Editorial Staff

Kristin Dolan, CEO  
Sue Lundeen, Editor

## In case of a power outage

- Please call (800) 473-1722 for 24-hour service. Please report any tree branches in lines, twisted wires, broken poles and if your neighbors are also out of power.
- Be sure to have one corded phone in the house, because cordless phones won't work when the power is out.
- Program the number above into your cell phone for easy access.
- Never assume we know you are without power. Always call to report an outage.

**REA is an equal opportunity provider**

▶ (651)454-0002 ▶ (800)252-1166

**Click or Call Before You Dig!**  
[www.gopherstateonecall.org](http://www.gopherstateonecall.org)  
811 Know what's below.  
Call before you dig.

Gopher State locates utility-owned underground facilities. REA will locate wires to the main meter. Wires from the meter to home and out buildings are private property and need to be located by a private contractor. **Private locators list:**  
<http://www.gopherstateonecall.org/private-facility-locators>