



NEWSLINE

March 2020

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Director Candidates Nominated at District Meetings

REA District Meetings were held in February to nominate one or more candidates for the office of director. Nomination results were as follows:

- District 3:** Audrey Hjelle (Incumbent), Barrett
- District 6:** Clif Patrick (Incumbent), Alexandria
- District 7:** Brad Burklund (Incumbent), Starbuck
Matthew Mattson, Kensington

Members of District 7 may vote for the candidates at the Annual Meeting or by using the mail ballot included with the Annual Meeting materials they will receive in mid-March. District 3 Director Candidate Audrey Hjelle and District 6 Director Candidate Clif Patrick are running unopposed. Under REA's bylaws, uncontested candidates are elected by acclamation. To learn more about this process, please see Kristin Dolan's article on page 2.

Director candidate profiles can be found on pages 2 and 3.

Cooperatives Support Local Business!

Attend the Annual Meeting and receive a \$25 gift certificate to one of the REA-member businesses listed below.



MAKE PLANS TO ATTEND!

RUNESTONE ELECTRIC ASSOCIATION 84TH ANNUAL MEETING

Thursday, April 16, 2020
5:30 p.m. Registration Opens
6:30 p.m. Meeting Begins

Alexandria Area High School
4300 Pioneer Rd SW
Alexandria

Use your certificate at one of these REA-member businesses:

- » Arrowwood Resort
- » 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 Miltona Golf Club
- » Lake Reno Bar & Grill
- » L'Etoile du Nord Vineyard
- » Long Lake Lodge
- » Nordic Trails Golf Course
- » Rolling Forks Vineyard
- » Selective TV
- » Tipsinah Mounds Golf Course

Come to the Annual Meeting to learn about your electric cooperative and celebrate the eleven students receiving scholarships. Director elections will be determined at the meeting. Watch for meeting material that will be mailed in mid-March.

**One certificate per membership.
Must attend the Annual Meeting
to receive a certificate.**



A Note from the CEO: REA refunds \$950,000 in Capital Credits

Kristin Dolan, CEO,
Runestone Electric Association

Thank you to all the members who attended our District Meetings the week of February 3rd. District meetings are the start of the annual director election process at REA. Members in attendance also heard the latest report on what has been happening at REA and the electric industry.

REA is a member-owned cooperative and is governed by a seven-member board of directors. The members within each district who have a board position up for election, nominate director candidates to represent their district. Congratulations to all of the nominated director candidates in Districts 3, 6 and 7 (please see story to right).

REA members approved a new voting process for uncontested elections. Districts 3 and 6 will conduct a vote in person at the Annual Meeting on April 16th. Members in District 7 will receive a ballot in the mail to vote for the candidate of their choice. Members of District 7 can mail their ballot back or turn in their ballot at the Annual Meeting on April 16th.

The democratic process is so very important, and we thank our members for their participation in their cooperative. Please make sure to attend the Annual Meeting to vote for your district's director candidate and receive an annual report from your industry leaders.

Capital Credits

The REA Board of Directors is pleased to announce \$950,000 in capital credits will be distributed to members at the end of March. They are especially pleased to increase the amount returned to you following a successful 2019. Capital credits are the net margins or profits of your cooperative and are assigned to the members each year.

The 2020 refunds are based on electric accounts that were active with the Cooperative in 1991, 1992 and 2018.

Continued on page 4...

REA Board of Director Candidate Profiles

Election results will be announced at the Annual Meeting on April 16

District 6

District 6 townships:

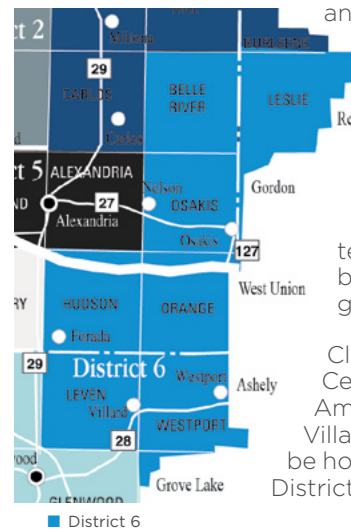
Belle River, Leslie, Reynolds, Osakis, Gordon, Hudson, Orange, Leven, Westport, Ashley, and Grove Lake.



Clif Patrick Villard, MN

Clif Patrick was nominated at the District 6 meeting. An REA member since 1981, Clif has served on the REA Board since 2014 and is currently the vice president of the board. While on the REA Board, he has completed the necessary training to become a National Rural Electric Cooperative Association Credentialed Cooperative Director. In addition to the REA Board, Clif has served on the Member Advisory Council and the Operation Round Up Trust Board.

Clif is a retired state dairy inspector and has also worked with large and small milk marketing cooperatives. Clif has been a small business owner, and his work history includes on-location residencies in Antarctica and Saudi Arabia.



As a member of the REA Board, Clif seeks to promote reliable, responsible, and affordable electricity distribution. Clif encourages member engagement and embraces new markets, technologies, and industries that benefit the community and help grow the cooperative.

Clif is a member of the Hudson Cemetery Association, the Villard American Legion, and attends the Villard Methodist Church. Clif would be honored to continue serving as the District 6 representative.

REA Board of Director Meeting Highlights - January 2020

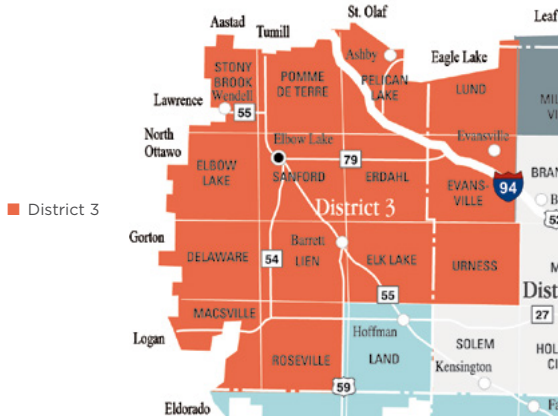
- » Mrs. Nelson reviewed the Financial Report for December 2019. Tree clearing services caught up to the approved spending amount for the year, so operating expense was over budget in December. Kilowatt-hour (kWh) sales were 3.4% over budget for the year. REA margins for 2019 were over budget due to increased electric sales and decreased expenses
- » Approved vendor contracts as part of the 2020 Operations and Maintenance Budget.
- » Approved the updated Director Candidate Packet and campaign rules.
- » Approved the updated Employee Policies.
- » Approved capital credit refund of \$950,000 with \$525,000 going to the oldest membership allocation (the balance of 1991 capital and a portion of 1992 capital) and \$425,000 going to members receiving service in 2018.
- » Director Hjelle gave the Great River Energy Report highlighting details on committees for which she serves and informed the Board that she has been elected to the Cooperative Network Board of Directors
- » **The regular March Board Meeting will be March 31, 2020 at 9:00 a.m.**

REA Board of Director Candidate Profiles Continued...

District 3

District 3 townships:

Aastad, Tumili, St. Olaf, Eagle Lake, Stony Brook, Pomme De Terre, Pelican Lake, Lund, Elbow Lake, Sanford, Erdahl, Evansville, Gorton, Delaware, Lien, Elk Lake, Urness, Macsville, and Roseville.



Audrey Hjelle Barrett, MN

Incumbent director Audrey Hjelle was nominated at the District Three meeting. An REA member since 1963, Audrey lives near Barrett.

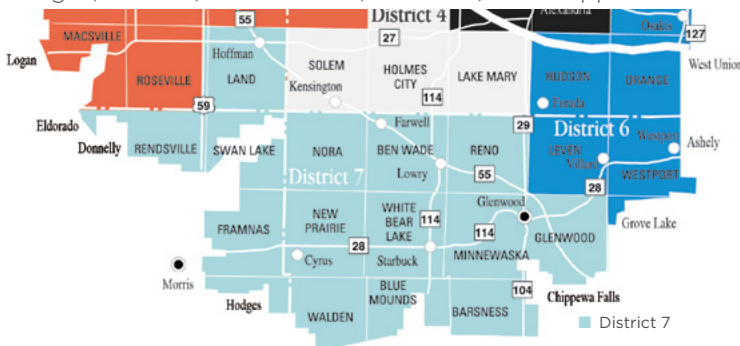
Audrey has served on the REA Board since 1996. She represents REA on the Great River Energy Board of Directors, where she serves as secretary. She has completed the necessary training to become a National Rural Electric Cooperative Association Credentialed Cooperative Director and has completed the Board Leadership Certificate. She represents Great River Energy on the Cooperative Network Board of Directors representing the utility (generation) sector.

An active member of the Lake Region Pioneer Threshermen's Association, Stearns County Pioneer Club, and Pomme De Terre Lake Association, Audrey is also a trustee of the Barrett Senior Citizens, volunteers at the Grant County Humane Society and attends Peace Lutheran Church in Barrett.

District 7

District 7 townships:

Land, Donnelly, Rendville, Swan Lake, Nora, Ben Wade, Reno, Framnas, New Prairie, White Bear, Minnewaska, Glenwood, Hodges, Walden, Blue Mounds, Barsness, and Chippewa Falls.



Matthew Mattson Kensington, MN

Matthew Mattson was nominated at the District 7 meeting in Starbuck. Matthew and his wife, Kerri, have three children, ages 21, 17, and 15. They live south of Kensington and have been REA members for over twenty-one years.

Matthew graduated college from the University of Wisconsin-River Falls with a bachelor's degree in Ag Business with an Animal Science minor in 1993. He worked for Villard Implement, and GTA Feeds before returning to the family farm full-time in 1995. He and his wife are currently in partnership with his parents on a cattle and grain farm near Kensington, where he has farmed for over twenty-five years.

Matthew currently serves as the chairman and a trustee of the Kensington Covenant Church, vice-president of West Central Area Ag Boosters and is a member of the Pope County Farm Bureau and West Central Area Football Boosters. Matthew has also been a volunteer with the Ben Wade Blazers 4-H Club and Pope County 4-H for about 15 years. He is a past board member of the Stevens County Farm Bureau and completed a term on the REA Member Advisory Council.



Brad Burklund Starbuck, MN

Nominated at the District 7 meeting, Brad Burklund (Incumbent) is an experienced educator and business consultant who was appointed to the REA Board in August 2019. Brad attended the University of Wisconsin-River Falls, where he graduated with a Bachelor of Science Degree in Agriculture

Education. He later attended the University of Minnesota where he received a Master of Science Degree in Education. Brad spent ten years teaching high school Agriculture before taking a 25-year career as a Farm Business Management Instructor at St Cloud Technical & Community College.

Brad has been an active member of the Minnesota Association of Agriculture Educators, where he has held a variety of leadership roles. He was selected as the recipient of the MAAE Outstanding Post-Secondary Educator Award in 2013 and St Cloud Technical & Community College Teacher of the year in 2013. Brad has been involved in several committees including the Central Minnesota Farm Show and Central Minnesota Dairy Expo. Currently, Brad operates a consulting business that assists farm operators with farm financial analysis, records, and estate and transition planning.

Brad strives to keep the Co-op positioned to provide safe, reliable, affordable electricity to the REA membership and to be proactive in a constantly changing state and federal regulatory environment.

Brad and his wife Sandy reside in Glenwood Township near Starbuck, MN, where they have been REA members since 1999. Brad and Sandy enjoy traveling and spending time on Lake Minnewaska. Together, they are proud parents to three grown children and adoring grandparents to twin granddaughters.

The 2019 Annual Report and Notice of Annual Meeting will be mailed to all REA members in mid-March. Members of District 7 will also receive a director election ballot.

Market Aids in Supplying Reliable, Affordable Electricity

Where does the electricity that serves Minnesota come from? If you're a co-op member, it's an ever changing and growing mix of reliable and cost-competitive energy produced by wind turbines, power plants, and hydroelectric dams across a 15-state market region.

Access to reliable and cost-competitive electricity is made possible through Great River Energy's participation in the Midcontinent Independent System Operator (MISO), a not-for-profit organization that coordinates one of the world's largest energy and operating reserve markets.

Great River Energy sells the output from its power generation resources and aggregates energy purchases that serve member load through MISO's markets. Ownership of a diverse mix of resources enables Great River Energy to hedge MISO energy market risks for its members. At the same time, Great River Energy can access a more diverse set of resources instead of relying solely on its own generation to serve its members.

"At times when our wind generation is abundant, it can be delivered across a large region and receive additional revenue that benefits our members," said Greg Padden, director of resource planning and markets at Great River Energy. "Conversely, as our members' electricity needs fluctuate day to day, or peak during extreme weather events, we are able to purchase energy from other resources in the market to keep their homes comfortable and businesses running."

MISO doesn't build or own generation and transmission assets itself, but it substantially benefits the entire region through economic dispatch of generation across its entire footprint. In 2018 alone, MISO's services provided approximately \$3.5 billion in benefits, driven by enhanced reliability, more efficient use of the region's existing transmission and generation assets, and a reduced need for new electric infrastructure.

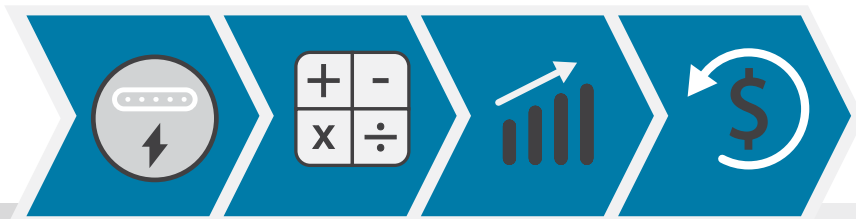
One of Great River Energy's core strategies is to position its portfolio of power supply resources to produce the optimum value for members in all market conditions. Between these market opportunities and generation ownership, Great River Energy's membership can be assured it will continue to receive reliable power at a low cost.

"Our power supply goal is the same as it's always been," Padden said. "We seek the best possible resources that can serve our members needs for flexible and reliable energy. The market is an essential part of that."

A Note from the CEO: continued from page 2...

The 2020 payment brings the total dollars refunded to the REA members through the years to over \$17.3 million. Another great example of the Cooperative Difference.

How Capital Credits Work



One:

REA records how much electricity you use throughout the year

Two:

Each year, after expenses are paid, REA calculates margins (leftover funds)

Three:

REA allocates margins to members as capital credits based on their usage of electricity

Four:

REA retires (returns) capital credits to members

NEWSLINE

The Official Monthly publication of Runestone Electric Association.

6839 Power Lane SW
Alexandria, MN 56308

320-762-1121
Fax: 320-763-4149

rea@runestoneelectric.com

24/7: 800-473-1722

Office Hours:
8 a.m. to 4:30 p.m. Mon- Fri.

Memorial Day to Labor Day:
7:30 a.m. to 4 p.m. Mon- Fri.

Board of Directors

- District 1: Gary (Andy) Anderson, Secretary
- District 2: Barbara Johnson, President
- District 3: Audrey Hjelle, Director
- District 4: Dave Staples, Director
- District 5: Mike Loken, Treasurer
- District 6: Clif Patrick, Vice President
- District 7: Brad Burklund, Director

Editorial Staff

- Kristin Dolan, CEO
- Sue Lundeen, Editor
- Ally Coleman, Communications Specialist

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 a corded phone or a charged cell 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

This Month's Safety Tip...

**Stay Alive!
Stay Inside!**

