



BACK IN 2022:

Kilowatts & Brats

DISTRICT MEETINGS

Come for a **Brat**,
Learn about **YOUR Co-op!**

This is the time to *nominate your district directors*

January 2022

NEWSLINE

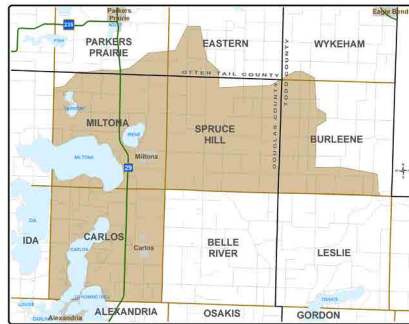
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Attend Your District Meetings in February

District Meetings offer REA members an opportunity to have a meal, nominate one or more candidates for the office of director, learn more about their electric cooperative, talk with their elected representatives, and visit with neighbors. In addition, all members in attendance will have their name entered in a drawing to win door prizes. We look forward to seeing you!

Please RSVP by calling REA at 800-473-1722, emailing rea@runestoneelectric.com, or on our Facebook event.

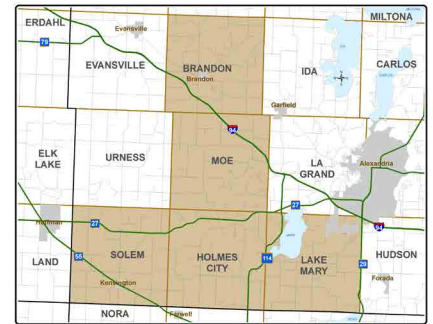
District One



District One Meeting

Wednesday, February 16, 2022
Miltona Community Center
5590 Co Rd 14 NE, Miltona
5:30 p.m. Bratwurst Meal
6:00 p.m. Meeting

District Four



District Four Meeting

Thursday, February 17, 2022
Long Lake Lodge, Brandon
16021 Long Lake Road NW
5:30 p.m. Bratwurst Meal
6:00 p.m. Meeting

What is required to be a REA Director?

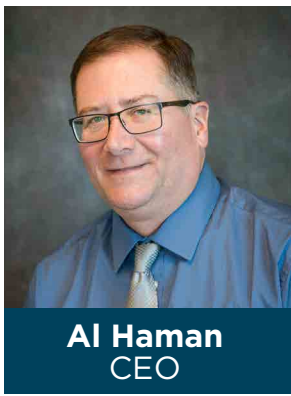
REA Bylaws Article III, Section 7. Director Qualifications.

No person shall be eligible to become or remain a director of the Cooperative who:

- (a) is not a bona fide member of the Cooperative receiving electric service from the Cooperative in the district that the director represents or would represent if elected;
- (b) is not a bona fide resident of the district from which he or she is elected or for which he or she is a candidate; (bona fide resident shall be defined as occupying and continuously and materially purchasing electric service at a location within any director district from which the director is elected or for which he or she is a candidate for at least nine (9) months each calendar year);
- (c) is in any way employed by or substantially financially interested in an enterprise substantially competing with the Cooperative or any Cooperative-affiliated business;
- (d) within five (5) years preceding a director candidate's nomination was or during service on the Board of Directors is adjudged to be guilty of a felony;
- (e) within five (5) years preceding a director candidate's nomination was a full-time employee of the Cooperative;
- (f) within five (5) years preceding a director candidate's nomination was an employee of a statewide association of electric cooperatives, an electric generation and transmission cooperative, or any other entity in which an electric cooperative is a member.
- (g) within five (5) years preceding a director candidate's nomination or during his or her term if elected was or becomes employed by a labor union which represents, has represented, or has endeavored to represent any employee of the cooperative;
- (h) is a close relative* of an incumbent who is not up for reelection at that time;
- (i) is a close relative* of an employee of the Cooperative;
- (j) is or becomes the full-time employee or agent or, who is or becomes the full-time employer or principal of, another director;
- (k) does not have the capacity to enter legally binding contracts;
- (l) is absent from three or more regular meetings ("Unexcused Absences") of the Board of Directors during any consecutive twelve month period, unless excused for good cause (an "Excused Absence") by the Board. If a director participates in more than one regular meeting during any consecutive twelve month period by electronic communication, that director shall be considered absent from that meeting for purposes of determining the number of the director's Unexcused Absences, unless the attendance by electronic communication is approved for good cause by the Board.

*A "close relative" is a person who is by blood, law, or marriage (including half, step, foster, and adoptive relations) a child, grandchild, parent, grandparent, or sibling); or is a spouse or resides in the same residence.

A member that is an authorized farm corporation or family farm corporation may select an individual member residing on or actively operating the farm to be eligible for election to the board.



Al Haman
CEO

A Note from your CEO 2022 Budget Highlights

2022 will hopefully see the return of membership meetings and gatherings with the District Meetings in February, the Annual Meeting in April and the Pancake Feed in August.

This month, I'll share highlights of our 2022 budget. We have included a new forklift, bucket

truck, digger truck, two Ford electric pickups, new tracks for the Ranger, and a wire reel trailer in the capital budget. The aerial devices for the bucket and the digger are expected to be delivered in 2023. This is a perfect example of the supply chain issues we face - the chassis hits the 2022 budget and the aerial in 2023.

We will continue the PCB transformer change-out program and start a porcelain fuse holder replacement project. Underground cable replows are budgeted to be \$500,000. The Lake Mary Substation should largely be completed during 2022, but the transformer will be in the 2023 budget. Approximately 12.4 miles of new & rebuild three-phase 4/0 lines are included. New Aquanta water heater controls and Aclara Demand Response Units (DRUs) total \$667,000. In total, capital expenditures are up \$900,000 over last year, a 17% increase.

Due to wholesale power and inflation increases, to achieve adequate margin without a rate increase we chose to decrease a few discretionary items; the largest is tree clearing. We are hopeful GRE's projections for wholesale power are high, and the market comes in lower, allowing us to restore the budget items later in the year. In recent years, Carr's Tree Service has performed a significant portion of its annual work in November and December.

Budgeted kWh sales are 1.3% higher than the 2021 budget, but lower than 2021 projected because 2021 had dry summer weather and unusually high irrigation sales.

Depreciation expense is rising to adjust to a shorter useful life for some distribution plant assets.

We will draw the remaining \$4.5 million of our AU8 FFB loan; the final advance date is December 1, 2022. We will need cash early in the year for material purchases and for the general capital credit retirement.

Times Interest Earned Ratio (TIER) is forecast to be 1.58. TIER is a measure of a company's ability to meet its debt obligations based on its current income. Debt Service Coverage (DSC) is forecast to be 1.59. DSC is a measurement of the cooperative's available cash flow to pay current debt obligations. These ratios do not include associated patronage for budgeting, which positively affects the ratios. Both of those statistics easily meet our borrower obligations.

We do not anticipate an increase in revenue during 2022. However, we are currently reviewing our minimum cost of service in providing electricity and how it is recovered. Under the current rate structure, part of the minimum cost is collected through the monthly fixed charge and the remainder is collected through electricity sold.

The staff and I are working closely with the Board evaluating whether it is more equal to all members if a larger portion of the cost of service is placed in the monthly fee. We will keep you updated on our plan as we move forward.



REA'S CHRISTMAS LIGHT CONTEST

- Best Farm or Business: **A Bright Christmas at the Johnson's**
- Best Traditional Theme: **Paulzine's Winter Wonderland**
- Best Creative Display: **The Northern Magical Lights**

Thank you to all the entries for spreading the Christmas spirit with your beautiful lights and displays. Watch for details in the fall for the 2022 contest.

REA Board of Director Meeting Highlights - November 2021

- » Reviewed the Financial Report for October 2021. Electric revenue was 5% under budget in October. The year-to-date margin is currently ahead of budget but will be closer after budgeted expenses are incurred in the next two months.
- » Selected Directors Anderson and Patrick to accompany the auditors to the warehouse for inventory on January 5.
- » CEO Haman shared the presentation used for recent employee meetings discussing the fixed charge. Current plans are to continue discussing the fixed charge in the member newsletter with a focus on the February Advisory Council meeting as a listening session on how the Council suggests increasing the fixed charge.
- » Approved two Great River Energy Resolutions - one for a power purchase agreement amendment and one for an increased quantity of a power purchase agreement.
- » Approved refunding \$950,000 of capital credits in 2022.
- » Mrs. Nelson and CEO Haman presented the draft 2022 Budget and answered questions from the Board.
- » **The regular January Board Meeting will be January 25, 2022 at 9:00 a.m.**

YOUR Small Change...



...is Making BIG Change in Our Communities!

Representing some of the organizations receiving Operation Round Up® grants in December (front row from left to right): Holding the check: Leigh Nelson, Someplace Safe; Tanya Winter, Foster Closet Grant County; Connie Fields, Early Childhood Initiative; and Eric Sawatzke, WCA Ag Boosters. Back row from left to right: Al Glaeseman, Douglas County HRA; Roger Schultz, Dave Schultz and Donna Ortendahl, Salvation Army; Venessa Bruggeman, Honor Quilts; Grant Haugen, Toys for Kids; Rod Borden, Operation Round Up Trust Board member; Tim Lange, Lake Amelia Cemetery; Check Wencil, Red Willow Arts Coalition; Janet Johnson, Operation Round Up Trust Board member; Matt Gilbertson and Joe Korkowski, Jingle Bells Telethon.

Through the contributions of REA's participating members, the Operation Round Up® Trust Board recently approved \$16,100 to assist local community programs during its quarterly meeting.

REA's Trust Board, a voluntary board of seven REA members, reviewed and considered 24 grant applications and distributed funds to 18 projects and programs this past quarter. Community-based projects and programs have received more than \$1 million since the program's inception in 2003.

The deadline to apply for the next round of funding is February 11, 2022. Complete the application form at www.RunestoneElectric.com.

Fire Departments & First Responders:

» Donnelly Fire & Rescue (\$1,000)

Youth:

- » Toys for Kids (\$700)
- » Early Childhood Initiative (\$1,000)
- » Alexandria Youth Football (\$200)
- » WCA Ag Boosters (\$500)
- » Alexandria Figure Skating Club (\$250)

Community:

- » Salvation Army (\$1,500)
- » Foster Closet Grant County (\$1,000)
- » Central Lakes Concert Association (\$250)
- » Red Willow Arts Coalition (\$500)
- » Evansville Community Club (\$250)
- » Honor Quilts (\$1,000)
- » Someplace Safe (\$1,000)
- » City of Wendell Santa Day (\$250)
- » Lake Amelia Cemetery (\$250)
- » Douglas County HRA (\$500)
- » Jingle Bells Telethon (\$2,500)
- » True Friends (\$850)
- » 26 area cemeteries (\$2,600)

Operation Round Up Spotlight: Foster Closet Grant County

A sad reality is that many children often arrive in foster homes with little to nothing but the clothes they are wearing. "The Foster Closet helps meet the immediate and ongoing needs

of children in foster care," explained Tanya Winter, the founder of the Foster Closet of Grant County.

"Our families have many needs like diapers, personal care items for children and teens (body wash, deodorant, hair products, feminine products), twin/full bedding, clothing (newborn to teen), baby gear (no cribs), winter gear (especially glove/mittens), new backpacks/duffel bags, new shoes, new socks and underwear," said Winter.

Since creating the Foster Closet in 2019, Winter has served over 300 children in Grant County and the surrounding area. Her next goal is to develop foster closets in all counties in Minnesota.

If you would like to help, please send donations to:

Foster Closet Grant County
c/o Tanya Winter
14498 167th St.
Hoffman, MN 56339.

Nonprofit donation receipts are available. To donate clothes, diapers, furniture, etc., please contact Tanya at 320-986-2556 or send a message on Facebook: Foster Closet Grant County.



Attention High School Seniors!

It's Time to Apply!



Apply for one of thirteen \$1,000 scholarships available through a random drawing.

Scholarship applicants must be a graduating high school senior whose parents or legal guardians are members of REA. Students attending public, private, parochial or home school are eligible to apply. The deadline to apply for the REA scholarships is March 1, 2022. Winners will be announced in April.

Scholarship applications can be filled out online at www.runestoneelectric.com. If you're unable to fill out the application online, call REA for an application at 800-473-1722.

Businesses Needed for Annual Meeting Gift Certificates

The \$25 Annual Meeting Gift Certificate is back! Members attending the REA Annual Meeting on April 28, 2022, will receive a \$25 gift certificate (one per membership) to be redeemed at participating REA businesses.

If REA serves your business and you offer food, beverages, or other entertainment, consider participating in the program. We'd love to promote your business to the +400 REA members that attend the Annual Meeting. Like any other gift certificate, the gift certificate is used at your business and then submitted to REA for payment.

The \$25 gift certificates are:

- » Individually numbered and embossed to prevent replication
- » Not redeemable for cash
- » Cannot be replaced if lost
- » Expire December 31, 2022

To participate, call REA at (800) 473-1722 or email rea@runestoneelectric.com.

NEWSLINE

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Office Hours:
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, Vice President
- District 4: Dave Staples, Director
- District 5: Mike Loken, Treasurer
- District 6: Clif Patrick, Director
- District 7: Matthew Mattson, Director

Editorial Staff

- Al Haman, CEO
- Sue Lundeen, Editor
- Ally Koudela, 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 will use reasonable diligence to furnish adequate and dependable electric service, but it cannot and does not guaranty continuous and uninterrupted service.

This institution is an equal opportunity provider and employer

Sign up to get text messages from REA on control days!
Simply text #loadcontrol to 22300.
Msg and data rates apply.

This Month's Safety Tip...

Be careful when piling snow near pad-mounted transformers and beneath power lines where children might reach them. Just a quick look up is all it takes to make sure it is safe!



Recycle your old Christmas lights & power cords at the Pope/Douglas Solid Waste Recycle Center, ALP, REA, Osakis True Value, or Ace Hardware Glenwood & Alexandria.
Accepted until 1/31/22.

