



## It's District Meeting Time!

Come for a **light meal**  
and learn about **YOUR co-op!**

This is the time to  
**nominate District 3, 6 & 7 Directors**

# NEWSLINE

January 2023

In this Issue: **Director Info** pg 3 • **Operation Round Up** pg 4

### Attend Your District Meeting in February

District Meetings offer REA members an opportunity to have a light 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](mailto:rea@runestoneelectric.com), or on our Facebook event.



**Clif Patrick**

## District Six Director Seat Open in 2023

After nine years on the Runestone Electric Association Board of Directors, Clif Patrick, from District Six, has announced he will not be seeking re-election in 2023.

### Thoughts from Director Patrick:

I wish to thank my fellow REA members of District 6 for allowing me the opportunity of three terms on the REA Board of Directors. And to the REA management and employees, thanks for the great job all of you do!

In nine years, change has been the constant. Technologies, challenges and risks of tomorrow are here today. Examples include AI (artificial intelligence), EVs (electric vehicles) or grid-scale renewables.

My best takeaway from my time on the REA Board is that REA is my trusted energy information source. A dependable advisor and in my corner. A good steward and source for wise use of energy and sustainability.

All the best to REA, the Board and the future. It has been a great nine years!

*-Clif Patrick*

### District Three

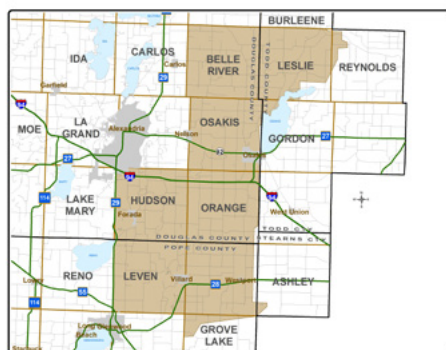


### District Three Meeting

Monday, February 13, 2023  
Barrett Community Center  
109 Barrett Ave, Barrett

**5:30 p.m. Light Meal**  
**6:00 p.m. Meeting**

### District Six

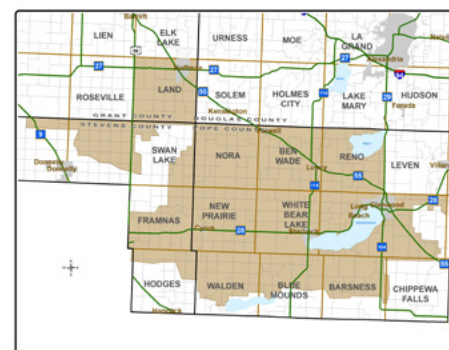


### District Six Meeting

Wednesday, February 15, 2023  
Villard Methodist Church  
540 Lincoln Ave, Villard

**5:30 p.m. Light Meal**  
**6:00 p.m. Meeting**

### District Seven



### District Seven Meeting

Thursday, February 16, 2023  
Rolling Forks Vineyard  
21505 Selnes Rd, Glenwood

**5:30 p.m. Light Meal**  
**6:00 p.m. Meeting**



**Al Haman**  
CEO

## A Note from your CEO 2023 Budget Highlights

This month, I'll share highlights of our 2023 budget. We plan for significant transportation expenditures, including receiving two heavy truck chassis and a pickup. Unfortunately, supply chain issues continue to challenge our plans. I signed purchase orders for the heavy

trucks earlier in 2022, but we now don't expect delivery until sometime in 2023. Once we take delivery, the chassis will be delivered to another vendor who installs the aerial devices. Unfortunately, this means we likely won't get the new unit until 2024! We are faced with extending the useful life of two trucks that should have left the fleet in 2022 and 2023.

We will continue the PCB transformer change-out program and complete a porcelain fuse holder replacement project. Underground cable replows are budgeted to be \$375,000. The Lake Mary Substation, scheduled for construction in 2022-2023 but delayed due to challenges acquiring transmission line right of way, is now back on track for completion in 2023. Inflation has driven the estimated cost up to \$1,500,000, an increase of roughly 20%. Approximately 12 miles of new and rebuilt three-phase underground lines are included in the 2023 budget.

New Aquanta water heater controls and Aclara Demand Response Units (DRUs) total \$765,000. This project, too, has suffered delivery issues and is beginning to push the budget higher. We must have this project completed by January 2026. Due to delivery issues and project delays, we are forced to roll even more costs into 2023, which pushed the capital budget up \$900,000 over last year, a 15% increase. Hopefully, things will get straightened out within the next 12 months.

Great River Energy supplies REA with power that we distribute to our members. Inflation continues to push our wholesale power costs higher. We are hopeful Great River Energy's projections for wholesale power costs are high and the actual power market prices come in lower. With this in mind, the 2023 budget will use a wholesale power cost adjustment (WPCA)

to compensate. A WPCA allows us to pass through differences in projected costs to actual costs on a monthly basis.

Due to the increasing costs of hosting the Pancake Feed, a difficult decision has been made not to hold the annual event in 2023. Moving forward, we hope to offer other less costly member engagement events. We see education opportunities ahead with funding available to our members through the Inflation Reduction Act. As program details are defined, we hope to host in-person and electronic informational sessions.

We forecast our Times Interest Earned Ratio (TIER) to be 1.56 and Debt Service Coverage (DSC) to be 1.71. TIER measures a company's ability to meet its debt obligations based on its current income, and DSC measures the cooperative's available cash flow to pay current debt obligations. Both of those statistics easily meet our borrower obligations.

In closing, you will notice on the front cover that our Director 6 representative, Clif Patrick, will not seek re-election. Clif spent nine years on REA's Board, and I have enjoyed working with him since his first day. He actively researched issues and collected feedback from members of his district, representing all sides. Always known to advocate his position during deliberations, he would become a full supporter of the final decision. Thank you for your service to REA Clif!



REA Crews offered mutual aid to Crow Wing Power in Brainerd, MN mid December. A winter storm caused snow and ice to build up causing hundreds of outages on their service territory. Our crews worked in the snowy conditions to help restore power to their membership.

## REA Board of Director Meeting Highlights - November 2022

- » Reviewed the Financial Report for October 2022. Energy sales were behind budget for the month of October. Energy revenue, excluding the wholesale power cost adjustment (WPCA), was over budget due to the rate change/increase effective October 1st. We recorded a Great River Energy (GRE) WPCA credit. This amount is also an offset to revenue in October and will be a credit on members' November bills. The 12-month change in member accounts is lower due to increased requests for account retirements related to the fixed charge rate change.
- » CEO Haman provided an update on the FEMA application process due to storm damage in May.
- » CEO Haman presented a request from GRE to vote in favor of the power sales contract between Southern Minnesota Municipal Power Agency and GRE. The contract would provide for transferring the City of North Branch, MN, electric distribution system to East Central Energy.
- » Mrs. Nelson and CEO Haman presented the draft 2023 Budget and answered questions from the Board.
- » **The regular January Board Meeting will be January 31, 2023 at 9:00 a.m.**



## Attention High School Seniors!

It's Time to Apply!

Apply for one of **eighteen \$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, 2023. Winners will be announced at the Annual Meeting on April 27, 2023.

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



**Enjoy 30% off all standard LEDs, a brilliant way to save energy and money!**

The days are shorter, which means the lights are on longer. But that doesn't mean your energy use has to go up. Make a difference for your home, your energy bill and the environment by making the switch to ENERGY STAR® certified LEDs. They use less energy, last longer and work well outdoors even when temperatures dip.

**Plus, standard LEDs are 30% off Jan. 3 - Feb. 28, 2023!**

Visit  
[energywisemnstore.com/LED](http://energywisemnstore.com/LED)  
or scan the QR code:



ENERGY WISE  MN



### Contest Results

#### REA'S CHRISTMAS LIGHT CONTEST

Best Large Display: **Paulzine's Winter Wonderland**

Best Small Display: **Brophy Spectacular**

Most Creative Display: **Mayer Family Christmas 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 2023 contest.

## 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.

## 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  
www.runestoneelectric.com

**24/7: 800-473-1722**

### 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.*



**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 1/31/23.*

## Making a Difference with REA's Operation Round Up®

Representing some of the organizations receiving Operation Round Up® grants in December, front row from left to right: Jean Johnson, Honor Quilts; Joyce Burghardt, St. Mary's Mission Group; Sandra Dunn, TAIL-Wind Direction and Brenda Thompson, Northern Lights Council-Boy Scouts of America. Middle row: Dennis & Kris Korkowski, Brandon History Center; Grant Haugen, Toys for Kids and Barb Friederichs, Friends of Nordic Meadow. Back row: Rich Duncan and Jeff Gaffaney, Operation Round Up Round Up® Trust Board Members; Jeff Anderson, Cyrus Volunteer Fire Department; Mike Doehling, Leaf Valley First Responders and Keith Ramsey, Garfield Fire Department.

Through the contributions of Runestone Electric Association's participating members, the Operation Round Up® Trust Board recently approved \$15,400 to assist local community programs during its quarterly meeting.

REA's Operation Round Up Trust Board, a voluntary board of seven REA members, reviewed and considered 33 grant applications and distributed funds to 26 projects and programs this past quarter. Community-based projects and programs have received over \$1.1 million since the program's inception in 2003.

### Fire Departments & First Responders:

- » **Leaf Valley First Responders:** Communication radios (\$1000)
- » **Morris Fire Department:** Fire prevention (\$500)
- » **Hancock Fire:** Air Packs (\$950)
- » **Garfield Fire Department:** Replace main Pumper hose (\$950)
- » **Cyrus Fire Department:** Cordless tools (\$950).

### Youth:

- » **Northern Lights Council Boy Scouts of America:** Camperships (\$500)
- » **Toys for Kids:** Toys for the less fortunate (\$1000)
- » **Alexandria MN Youth Football:** Indoor field time (\$300)

### Community:

- » **St. Mary's Mission Group:** Batting for quilts (\$300)
- » **Friends of Nordic Meadow:** Shelves & storage tubs for tenants (\$500)
- » **Evansville Community Club:** Santa Days (\$250)
- » **Central MN Elder Network:** iPad program (\$750)
- » **Runestone Days:** Fishing for Life (\$500)
- » **TAIL-Wind:** Community Supported Agriculture (\$500)
- » **Friends of Christmas:** Lighted Christmas parade (\$500)
- » **VFW Post 936:** Veterans get together (\$450)
- » **Honor Quilts:** Quilts for veterans (\$500)
- » **Red Willow Arts Coalition:** Red, White & Blue Concert (\$500)
- » **Lands Cemetery Association:** Perpetual care (\$300)
- » **Jingle Bells Foundation:** Jingle Bells Event 2022 (\$850)
- » **Wendell Santa Day:** Community event (\$250)
- » **Brandon History Center:** Purchase a TV (\$400)
- » **True Friends:** Outdoor enrichment for people with disabilities (\$500)
- » **Beyond the Yellow Ribbon of Grant County, Inc.:** Heroes Direct Assistance Program (\$500)
- » **Titus 2 Inc.:** Individual retreat (\$750)

**The deadline to apply for the next round of funding is February 10, 2023. Apply at RunestoneElectric.com.**