

WELCOME TO THE ANNUAL MEETING APRIL 27, 2023

NEWSLINE

May 2023

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REA Members Gather for the Annual Meeting

Runestone Electric Association held its Annual Meeting on Thursday, April 27, at the Alexandria Area High School Performing Arts Center. Board of Directors seats were determined in Districts 3, 6 and 7, and scholarships were awarded to 18 students (see story on page 3).

Runestone Electric's bylaws allow for uncontested director elections to be elected by acclamation, as in District 3, where Audrey Hjelle, ran unopposed and was reelected. In District 7, Matthew Mattson, ran unopposed and was reelected.

In the District 6 Director election, Joel Seela was elected to the Board with 128 votes. Bruce Harvey received 90 votes and Paul Stennes received 65 votes. Hjelle, Mattson and Seela will serve three-year terms.

During the business meeting, Board President Barbara Johnson and CEO Al Haman gave reports on the activities and financial condition of the Cooperative. "At the end of 2022, the total assets of the cooperative were \$102 million. That includes plant assets like the office and warehouse, substations, lines, poles and transformers. We finished 2022 with 211 new accounts and surpassed 15,000 total accounts," said President Johnson.

In his presentation, CEO Al Haman said some of the biggest challenges of 2022 were three major summer storms, with storm expenses exceeding \$800,000. Looking at 2023, Haman said the Cooperative is challenged by inflation and supply chain issues while working to maintain and improve reliability. Focusing on the future, Haman highlighted the Carbon-Free by 2040 bill and two large transmission line projects within REA's service territory.

Retiring REA director, Clif Patrick, was recognized for his nine years of service representing District 6.

"Thank you to our members who made time to attend the Annual Meeting. I appreciate your feedback and kind words," Haman said.

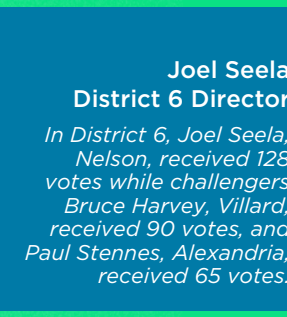
Immediately following the adjournment of the meeting, the Board of Directors held a Reorganizational Meeting to elect officers. Elected to their positions were Gary (Andy) Anderson (District 1), President; Mike Loken (District 5), Vice President; Matthew Mattson (District 7), Treasurer; and Dave Staples (District 4), Secretary. Other directors on the board include Barbara Johnson (District 2), Audrey Hjelle (District 3), and Joel Seela (District 6).

If you were unable to attend the meeting, a recording is available on REA's Youtube Channel: www.youtube.com/@runestoneelectricassociation



Audrey Hjelle
District 3 Director

Runestone Electric's bylaws allow for uncontested director elections to be elected by acclamation, as was the case in District 3, where Audrey Hjelle, Barrett, ran unopposed and was re-elected.



Joel Seela
District 6 Director

In District 6, Joel Seela, Nelson, received 128 votes while challengers Bruce Harvey, Villard, received 90 votes, and Paul Stennes, Alexandria, received 65 votes.

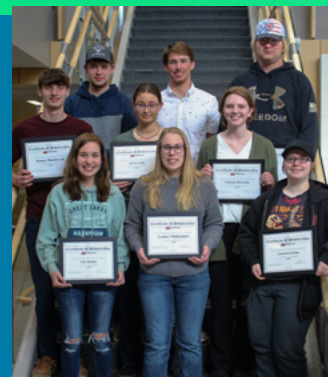


Matthew Mattson
District 7 Director

Runestone Electric's bylaws allow for uncontested director elections to be elected by acclamation, as was the case in District 7, where Matthew Mattson, Kensington, ran unopposed and was re-elected.



Scholarship Recipients were recognized during the meeting. Students that were able to attend were: Back row: Evan Stark, Cole Anderson, Jordan Reese. Middle Row: Roman Mihailovschi, Alivia Luthi, Victoria McGrane. Front Row: Lily Becker, Lyndsey Middendorf, Lauren Larson. More on scholarship recipients on page 3.





Al Haman
CEO

A Note from your CEO Highlights from the Annual Meeting

Thanks to everyone who attended our Annual Meeting. We are happy to see so many members willing to attend a meeting on a busy spring night. I thought I'd recap a few items I shared during my report to the membership.

- First and foremost, the three summer storms of 2022 were a huge challenge for us. Our storm expenses exceeded \$800,000, including normal storm restoration activities like labor and fuel and the cost of poles, wires, and damaged transformers. As a cooperative, REA can apply for assistance from the Federal Emergency Management Agency, commonly known as FEMA. I'm happy to announce that we have been approved for \$800,000 in aid and hope to receive that soon.
- Supply chain and inventory have become very difficult to forecast, and cost increases are beyond our control. In some cases, delivery dates keep pushing out. At the same time, material with long lead times suddenly shows up very early. Bucket trucks are a perfect example. We have a system of determining when trucks should be replaced with a good chance of receiving a new one before expensive repairs are necessary. We may have waited a year for delivery in the past, but now we have no guarantee of when replacement trucks will be delivered.
- Total accounts, or meters, passed 15,000 for the first time in the cooperative's history. We continue to see steady growth; however, sales are not increasing. The best explanation we can come up with is energy efficiency. New homes are equipped with modern appliances and weatherization, and older homes are getting new, energy-efficient appliances and other upgrades.
- REA is pleased to provide member outreach and public education on a variety of subjects, including

energy conservation, electrical safety, contractor training programs, electric vehicles, and more. You may have heard that grants and rebates are available in the federal Inflation Reduction Act. These new programs, along with activities at the state level, are driving many changes in how electricity will be used in the future. We intend to remain knowledgeable in these areas and can be a trusted source of information. Please let us know if you have questions. We can give you honest answers.

- Earlier this year, the Minnesota Legislature passed, and the Governor signed the Carbon-Free by 2040 bill. The bill increases the renewable energy standard for generating sources in place since 2007 and creates a new carbon-free standard for retail sales: the electricity we deliver to you. Great River Energy (GRE), REA's wholesale power supplier, is responsible for compliance with the new law, and we will advocate at GRE for the best approach for our membership.
- Finally, I want to make you aware of two large transmission projects coming through our system. Many of you have or will receive notice of public meetings to introduce the projects. The Alexandria-Big Oaks project involves adding a second set of wires to the line that runs along the interstate. That project should have minimal impact in this area since the towers are already in place. The second is a new line from the Ortonville area to Alexandria. The possible corridor runs east of Ortonville to Benson, then north to Alexandria. The line will terminate in the large transmission substation south of Alexandria along I-94. We will share information as these projects move through the planning process.

Good luck to our agribusiness members, as planting season should begin soon. Please remember to be safe, especially around power lines and electrical equipment.

REA Board of Director Meeting Highlights - February & March 2023

February

- » Reviewed the Financial Report for January 2023 noting sales were down for January 2023, resulting in a decreased gross margin. The negative effect on the REA margin was offset by expenses lagging the budget, particularly distribution plant maintenance items.
- » Selected Director Hjelle to serve on the Great River Energy Board of Directors and Director Anderson to serve on the STAR Energy Services Board of Governors.
- » Accepted pole inspection, substation vegetation control and padmount transformer inspection contracts as part of the 2023 Operations and Maintenance Budget.

March

- » Reviewed the Financial Report for February 2023 noting sales lagged behind budget in February. The margin for the year is under budget due to lower sales and to operations expenses incurred earlier than projected. The unpredictability of both cost and delivery timing for materials is still difficult.
- » Accepted the 2022 Audit Report. A clean opinion was issued.
- » STAR Energy Service Compliance Specialist Lisa Tickhill presented the 2022 Safety Year in Review.
- » Approved Electric Vehicle (EV) Charging Three Phase Service (EVP3) rate to coincide with the GRE Customer Specific Rate.
- » **The regular May Board Meeting will be Tuesday, May 30, 2023 at 9:00 a.m.**

Congratulations to REA Scholarship Winners

We wish you the very best!

REA's Scholarship Program is funded through unclaimed capital credits. This is money that would otherwise be claimed by the State of Minnesota. Scholarship applicants are required to have a parent or legal guardian that is a member of REA. Winners were determined through a random drawing.



Leah Bottemiller
Parents: Neil & Melanie Bottemiller
Prior Lake, MN



Victoria McGrane
Parents: Josh McGrane & Cassie McGrane
Carlos, MN



Kendra Klimek
Parents: Daniel & Sarah Klimek
Alexandria, MN



Evan Stark
Parents: Larry & Lisa Stark
Garfield, MN



Lily Becker
Parents: Ryan & Jennifer Becker
Garfield, MN



Alivia Luthi
Parents: Ryan & Heather Luthi
Evansville, MN



Cole Anderson
Parents: Richard Anderson & Kendra Stark
Elbow Lake, MN



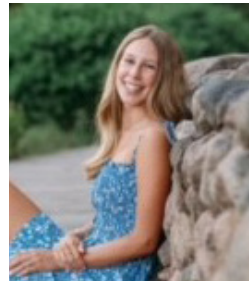
Roman Mihailovschi
Parents: Val & Olga Mihailovschi
Hoffman, MN



Ashley Larson
Parents: Brett & Renae Larson
Alexandria, MN



Claire Stark
Parents: Erick & Adrianne Stark
Hoffman, MN



Madison Cerney
Parents: Del & Lisa Cerney
Plymouth, MN



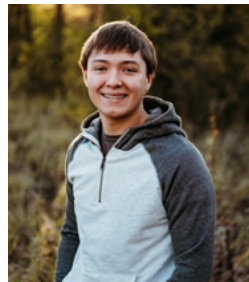
Jordan Reese
Parent: Pam Reese
Alexandria, MN



Lauren Larson
Parents: Jon Larson & Kaylene Thooft
Alexandria, MN



Lyndsey Middendorf
Parents: Travis & Jennifer Middendorf
Osakis, MN



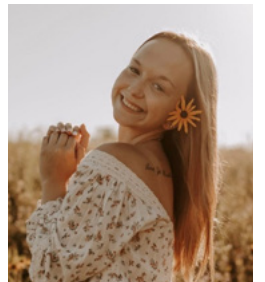
Reece Larson
Parents: Wade & Nissa Larson
Benson, MN



Allison Leitch
Parents: Rollin Janssen & Molly Fahlin
Morris, MN



Brady Blair
Parents: Curt & Angela Blair
Glenwood, MN



Ashlee Armstrong
Parents: Jeremy & Axeen Armstrong
Glenwood, MN



Capital Credits are REA Members' Ownership in the Cooperative

Capital credit checks were mailed mid April to the last known address that REA has for the membership. Please be sure to contact our office with updated address information. If you received a check for an REA member who is now deceased, please contact the REA office at 800-473-1722 or email rea@runestoneelectric.com.

For more information on capital credits, visit www.runestoneelectric.com/about-rea/capital-credits

What are Those Markers?

With construction season upon us, you may see flags or other markers within the road right of ways or perhaps even in your yard. Here's why:

When notified by Gopher State One Call, REA will mark our underground wire with red flags and red spray paint. Other utilities will mark their equipment with different colors (see chart below). It is required by law to call Gopher State One Call before you dig. If you see red markers, it doesn't always mean REA is conducting the work, it could be anyone who requested the locate, such as another utility, an excavator, or even you.

If the markers are white and not red, they are representing proposed excavation. White markers can be used by anyone preparing for an excavation project. REA uses stakes with white ribbon, like pictured to the right. If you see these, they typically represent where we will be plowing in new underground or replacing old underground.



Color Coding For Marking Underground Utilities	
White	Area of proposed excavation
Pink	Temporary Survey Markings
Red	Electric
Yellow	Gas, Oil, Steam, Propane
Orange	Communication, CATV, Fiber
Blue	Water
Purple	Reclaimed Water, Irrigation
Green	Sewer

Quick Note about locating:

Remember that utility power lines will be marked for free, up to your main meter. Underground powerlines from your main meter inward, however, are the responsibility of the member. Property owners need to call an electrician or a powerline locating company to have their private lines marked. A list of private powerline locators can be found at gopherstateonecall.org.

NEWSLINE

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

Board of Directors

- District 1: Gary (Andy) Anderson, President
- District 2: Barbara Johnson, Director
- District 3: Audrey Hjelle, Director
- District 4: Dave Staples, Secretary
- District 5: Mike Loken, Vice President
- District 6: Joel Seela, Director
- District 7: Matthew Mattson, Treasurer

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.



Co-op Day at the Capital

(Left to right) District 2 Director Barbara Johnson, Energy Services and Business Development Manager Ryan Rooney, District 4 Director Dave Staples, and District 1 Director Gary (Andy) Anderson attended Co-op Day at the MN Capital in Saint Paul on February 21, 2023.

Make Safety A Priority This Planting Season. ALWAYS look up and live!



Photo credit: Deb Johnson, Evansville