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NEWSLINE

May 2025

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Members Gather for the **ANNUAL MEETING**

Runestone Electric Association (REA) held its Annual Meeting on Wednesday, April 23, 2025, at the Alexandria Area High School Performing Arts Center. Board of Director seats were determined in Districts 1, 3 and 4, and scholarships were awarded to 19 students.

REA's bylaws allow for uncontested director elections to be elected by acclamation. In District 1, Gary (Andy) Anderson ran unopposed and was reelected, and in District 4, Dave Staples ran unopposed and was reelected. Directors Anderson and Staples will serve three-year terms.

In the District 3 director election, Jon Winter was elected to the Board with 215 votes. Glen Hjelle received 68 votes and Lori Sommers received 39 votes. Jon Winter will serve a one-year term to complete the open term.

Board President Gary (Andy) Anderson and CEO Al Haman reported on the cooperative's activities and financial condition during the business meeting. "At year-end, the cooperative's total assets were \$108 million. That includes plant assets like the office and warehouse, lines, poles, and transformers. All our ratios exceed lending requirements," said CEO Haman.

Member Advisory Council Chair Jim Stratton recapped the activities of the Council and presented the Director Compensation Resolution approved for recommendation at the December Council meeting. The resolution calling for REA Board of Directors to receive a \$300 retainer per month in addition to per diems currently in effect, was approved unanimously at the Annual Meeting.

Immediately following the adjournment of the meeting, the Board of Directors held a Reorganization Meeting to elect officers. Elected 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 include Barbara Johnson (District 2), Jon Winter (District 3), and Joel Seela (District 6).



REA Directors from left to right: Gary (Andy) Anderson, Dave Staples, Barbara Johnson, Jon Winter, Mike Loken, Joel Seela and Matthew Mattson.

RE-ELECTED IN 2025



**Gary (Andy)
Anderson**

District 1

RE-ELECTED IN 2025



**Dave
Staples**

District 4

WELCOME DISTRICT 3 DIRECTOR



**Jon
Winter**

District 3



A Note from the CEO

Highlights from the Annual Meeting

Thanks to everyone who attended our Annual Meeting. We were pleased with the turnout and impressed with the many questions asked by those in attendance. I thought I'd recap a few items I shared during my report to the membership.

- Since 2001, we have been in transition from fossil fuel sources to renewables. This transition was started by legislation enacted at the state level in 2001, which encouraged 10% renewables by 2015. This was changed in 2007 to require 25% renewables by 2025. A new law was passed in 2023 that mandates 100% carbon-free by 2040. New environmental regulations at the federal level have also pushed us away from fossil fuels during the last 25 years. We've been on this transition for a couple of decades, and the costs are becoming noticeable.
- Another element of cost concern is the transmission of power. Transmission has two components. The first is a charge we must pay to use the large bulk regional facilities, like the transmission line along Interstate 94. Due to the construction of new lines to facilitate load growth and future renewable generation, we forecast this expense to increase significantly over the next decade. The second transmission component is for the use of the local lines that connect to our distribution

substations. In our service territory, these lines are owned by Great River Energy, Otter Tail Power, Missouri River Energy Services, and Xcel Energy. The good news is that this expense is forecast to trend more closely to inflation over the next decade.

- With so much out of our control, I try to keep a daily focus on what we can control. Our 2025 budget includes replacement of aging transformers, upgrading our vehicle fleet, and continuing to keep the power line right of way clear of vegetation. We strive for high reliability and safety of the lines we own and operate by replacing aging poles, inspecting the system for defective equipment or hazards, and converting overhead lines to underground when possible. Member satisfaction with the service we provide is more important than ever as we remain knowledgeable about and innovate with new technologies. We must find and implement ways to save our members money.

The past 20 years have been a time of relatively stable wholesale power costs. There has been little or no growth in sales regionally since 2008. With the electrification of the economy and the mandate to bring more renewables online, we can expect to see our electric bills increase over the next decade. This industry has never seen challenges like we see today, and I'm committed to doing my best for the long-term interests of REA's membership.



This program is for residential and agricultural use.

Interest-free payment plans available.

Is it Time for a New Water Heater?

REA Energy Wise® water heating program uses electricity efficiently to save you money. This program offers high-efficiency storage water heater options and the use of electricity during non-peak usage times.

General Service Rate
\$2,300.00 Suggested retail price
- 1,225.00 Discount
\$1,075.00 REA price

Energy Wise® Off-peak Rate
\$2,300.00 Suggested retail price
- 975.00 Discount
\$1,375.00 REA price

Price includes a mixing valve, controller, and sales tax. Installation not included in price. Installation of the controller is required to receive the discounted price. Contact REA for warranty information.

REA Board of Director Meeting Highlights - February & March 2025

February

- » Reviewed the Post Closing Financial Report for 2024 and the Financial Report for January 2025 noting January 2025 kWh sales were 3.5% ahead of budget. Sales revenue and power cost variances were about even, resulting in a margin close to budget for the month.
- » Reviewed the District Meetings. Staff was directed to continue with a similar format in 2026.
- » Approved new Member Advisory Council members: Dist 1: Rodney Allebach, Parkers Prairie, and Jacob Brechbiel, Carlos; Dist 4: Ben Haarstad, Hoffman, Gene & Joan Serba, Brandon, and Gary & Ida Adamson, Kensington; and Dist 5: Max Radil, Alexandria.

March

- » Reviewed the Financial Report for February 2025 noting energy sales & operating expenses, and therefore margin, are close to budget for the first 2 months.
- » With the uncertainty of supply chain issues and unknown effects of tariffs, the Board authorized the purchase of a substation power transformer for the Glenwood Substation with 60% paid in 2025 and 40% paid at the time of shipment in Quarter 1 of 2026.
- » Accepted the 2024 Audit Report presented by CliftonLarsonAllen LLP. A clean opinion was issued.
- » **The regular May Board Meeting will be Wednesday, May 28, 2025 at 9:00 a.m.**

Congratulations to REA Scholarship Recipients!

We wish you the very best!

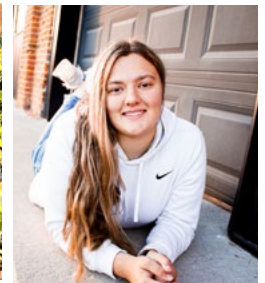
REA's Scholarship Program is funded through unclaimed capital credits. This is money that would otherwise be claimed by the State of Minnesota. Scholarship applicants are required to have a parent or legal guardian that is a member of REA. Winners were determined through a random drawing.



Addison Staples
Parents: Dave & Amy Staples
Kensington, MN



Alex Aldis
Parents: James & Carmen Aldis
Alexandria, MN



Brooklyn Taylor
Parents: James & Natasha Taylor
Alexandria, MN



Ellie Douvier
Parents: Tony & Mandy Douvier
Glenwood, MN



Evan Rollofson
Parents: Chad & Gwen Rollofson
Barrett, MN



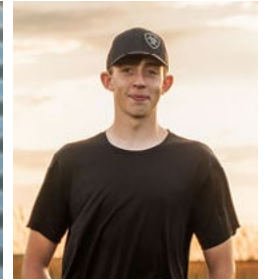
Grace Reinke
Parents: Keith & Angela Reinke
Osakis, MN



Jaxson Bakeberg
Parents: Kyle & Tina Bakeberg
Nelson, MN



Justin Miller
Parents: Jason & Julie Miller
Herman, MN



Levi Schultz
Parents: Nathan & Melissa Schultz
Lowry, MN



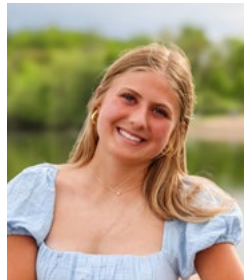
Luke Hoffman
Parents: Franklyn & Mindy Hoffmann
Glenwood, MN



Mason Gorghuber
Parents: Eric & Bonita Gorghuber
Garfield, MN



Natalie Meichsner
Parents: Bryan & Lisa Meichsner
Brandon, MN



Paislee Dummer
Parents: Erik & Carrie Dummer
Alexandria, MN



Pearse Byrne
Parent: John Byrne & Kelly Jahner-Byrne
Woodbury, MN



Sadie Koehler
Parents: Rodney & Kelly Koehler
Morris, MN



Taven Ebnet
Parents: Christopher & Lindsey Ebnet
Nelson, MN



Tyler Spaeth
Parents: Jeremy & Carla Spaeth
Alexandria, MN



Weston Olson
Parents: Garth Olson
Miltona, MN



Zachary Anderson
Parents: Randy & Nicole Anderson
Alexandria, MN

Scholarship recipients were recognized during the meeting. Students that were able to attend include: From upper left, left to right: Ellie Douvier, Luke Hoffman, Levi Schultz, Tyler Spaeth, Taven Ebnet, Mason Gorghuber, Alex Aldis, Justin Miller, Natalie Meichsner, Sadie Koehler, Paislee Dummer, and Evan Rollofson.





Making a Difference with REA's Operation Round Up®

Representing some of the organizations receiving Operation Round Up Grants:

front row l to r – Carolyn Carlson, Red Willow Arts Coalition; Karen Anderson, Andes Ski Patrol; and Amy Schlosser and Connie Facciotto, Piece Makers Quilting Group. Middle row l to r – Harold Peterson, Brandon Cemetery Association; Marv Trema, First Lutheran Lake Ida Cemetery; Sandy Susag and Bill Glade, Saturday Art Market; Shelli-Kae Foster, Alexandria Senior Center; Jodi Hintzen, Douglas County 4-H; Pam Henrickson, Junior Achievement North; Deb Hertzog, Central Lakes Symphony Orchestra and Anita Sheehan and Dana Lauer, The Caring and Sharing Room. Back row l to r – Jeff Gaffaney, Operation Round Up Trust Board Member; Richard Jepson, Alexandria Rotary; Leah Wolkow, Untied Way of Douglas & Pope Counties; Mike Cleary, Brandon History Center; Sharon Fredrickson and Bonnie Schultz, Osakis Area Heritage Center and Brenda Thompson, Northern Lights Council, Boy Scouts of America.

Through the contributions of Runestone Electric Association's participating members, the Operation Round Up® Trust Board approved \$11,600 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 27 grant applications and distributed funds to 25 projects and programs the first quarter of 2025. Community-based projects and programs have received over \$1.3 million since the program's inception in 2003.

Youth:

- » Brandon-Evansville Trapshooting Team (\$300)
- » Brandon-Evansville Post Prom (\$200)
- » Northern Lights Council Boy Scouts (\$500)
- » Douglas County 4-H (\$300)
- » Starbuck Police Department (\$1,000)
- » Junior Achievement North (\$300)
- » United Way of Douglas & Pope Counties (\$650)
- » Minnesota 4-H (\$500)

Seniors:

- » Alexandria Senior Center (\$500)

Community:

- » Andes Ski Patrol (\$500)
- » Alexandria Rotary (\$750)
- » Lakes Area Quilters (\$300)
- » Caring and Sharing Room (\$1,000)
- » Red Willow Arts Coalition (\$500)
- » Saturday Art Market (\$500)
- » Vikingland Band Festival (\$750)
- » Brandon History Center (\$500)
- » Hoffman Square Gymnasium (\$500)
- » Osakis Area Heritage Center (\$300)
- » Wendell Legion & Auxiliary Post 426 (\$300)
- » Central Lakes Symphony Orchestra (\$300)
- » Hoffman Harvest Festival (\$250)
- » Piece Makers Quilt Group (\$300)
- » First Lutheran Lake Ida Cemetery (\$300)
- » Brandon Cemetery Association (\$300)

The deadline to apply for the next round of funding is **August 8, 2025.**

Apply at RunestoneElectric.com.



Runestone Electric
ASSOCIATION

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: Jon Winter, 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

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