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ATTENTION High School Seniors! It's Time to Apply!

Apply for one of **twenty-two \$1,000 scholarships** available through a random drawing.

Deadline to apply is March 1!



NEWSLINE

January 2026

Director Requirements pg 3 Operation Round Up pg 4

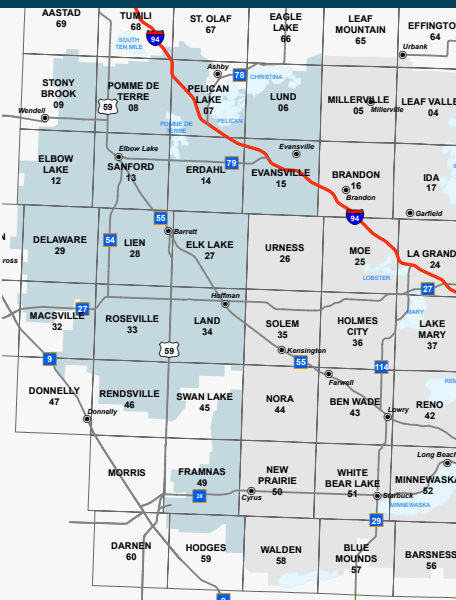
Attend Your District Meeting in February *Districts 3, 6 and 7 to Elect Directors in 2026*

Enjoy a meal, nominate directors, and visit with neighbors!

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 see page 3 for details on what is required to be a director.

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

District Three



District Three Meeting

Tuesday, February 10, 2026

Hoffman Community Center

127 Main Ave, Hoffman

5:30 p.m. Light Meal

6:00 p.m. Meeting

District Six Meeting

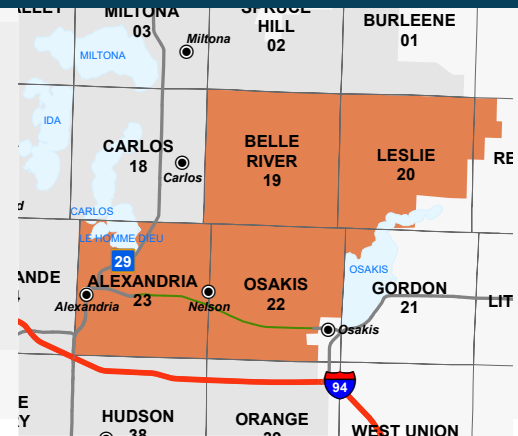
Wednesday,
February 11, 2026

Osakis Community Center
14 E Nokomis St., Osakis

5:30 p.m. Light Meal

6:00 p.m. Meeting

District Six



District Seven

District Seven Meeting

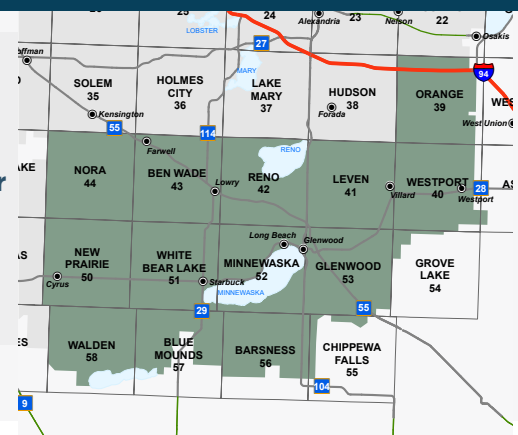
Thursday,
February 12, 2026

Starbuck Community Center

307 E 5th St., Starbuck

5:30 p.m. Light Meal

6:00 p.m. Meeting





Al Haman
CEO

A Note from the CEO

Residential rates to increase on average 3.8% in 2026

A year ago, I shared with you that wholesale power costs were projected to increase by 7.6% in 2025, and that's exactly what happened.

Since increases in wholesale power costs are beyond our control, we passed this additional cost through by adding it to the wholesale power cost adjustment (WPCA) on members' bills.

We have utilized the WPCA for many years. We start each year with a base, and then the WPCA can vary each month based on additional charges or credits on our power bill from Great River Energy. The WPCA is applied on a per kilowatt-hour (kWh) basis to energy sold and varies among different rate classes. For 2025, the WPCA base for general service accounts was 1.63¢ per kWh. As this number has increased over the past few years, we felt it was necessary to roll the WPCA into the actual rates. In 2026, the general service rate will increase from 9.69¢ (11.32¢ with the WPCA) to 11.70¢ and the WPCA will reset to zero.

In addition to the energy rate increase, rising costs have led us to increase the monthly fixed charge from \$52.50 to \$55.00.

On average, a residential or seasonal account will see an increase of approximately 3.8% or \$5.58 a month. All other rate classes will be adjusted accordingly.

The primary drivers for this rate increase are rising wholesale power costs and inflation of everything from construction materials to insurance. We cut

spending significantly in 2025 and need to restore some of those maintenance programs, such as tree clearing. Some cuts to the 2025 budget will remain in place, and we will look at these items a year from now when we prepare the 2027 budget.

This situation was not a surprise, and we've been evaluating options since September. Our electric rate consultant conducted a review of power supply costs and our expenses to ensure the new rates fall in line with the cost of providing service. After much review, analysis, and discussion, the Board of Directors concluded the best option was to move forward in 2026 with a rate increase.

Due to changes in the wholesale power market, we expect future costs to increase annually. On top of that, the effects of inflation during 2021 and 2022 can no longer be avoided through cost cutting measures that negatively impact the quality of service we provide.

I understand this may cause hardship for some of you. Please contact our office and we can suggest options that may help.

Thank you to everyone that attended the Christmas Open House in December. It was a pleasure to visit with so many members. We appreciate everyone who braved the cold and wind to come visit with their cooperative neighbors and the REA Board of Directors.

2025 General Service (GS1) Rates

| Fixed Charge | kWh | Wholesale Power Cost Adjustment (WPCA) Base | Combined rate per kWh |
|--------------|-------|---|-----------------------|
| \$52.50 | 9.69¢ | 1.63¢ | 11.32¢ |

2026 General Service (GS1) Rates

| Fixed Charge | kWh | Wholesale Power Cost Adjustment (WPCA) Base | Combined rate per kWh |
|--------------|--------|---|-----------------------|
| \$55.00 | 11.70¢ | \$0 | 11.70¢ |

REA Board of Director Meeting Highlights - November 2025

- » Mrs. Nelson reviewed the Financial Report for October 2025 noting the October margin is close to budget and year-to-date kWh sales are 3.5% under budget.
- » Selected Director Winter to accompany the auditor to the warehouse for an optional inventory count in January.
- » Reviewed participation in REA's EV program, water heater program, cycled cooling/air-source heat pump program, and crop drying profile.
- » Adopted amendments to the Section 125 Cafeteria Plan for 2026, per federal law, allowing an increased Dependent Care Flexible Spending Account limit from \$5,000 to \$7,500.
- » Mrs. Nelson and CEO Haman presented the 2026 draft budget and answered questions from the Board. The final budget will be presented at the December board meeting.
- » **The regular January Board Meeting will be Tuesday, January 27, 2026.**

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 re-election 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.



Snowmobile Safety Tips

- » Watch out for power poles and electrical equipment that can be hidden in the snow.
- » Power poles are often anchored with wires extending out from the pole. Avoid snowmobiling directly next to or underneath power lines.
- » Slow down, know the area and stay on marked trails.
- » If you see a downed power line, stay away from it and call 911 to report it. Always assume it is live and can carry currents strong enough to kill.



WINNERS:

Jack's Gingerbread House
Lake Ida Shooting Star
Oak Trees and Snowmen

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 2026 drawing.

FREE Christmas String Lights Recycling

Recycle Christmas/Holiday string lights & power cords at the Pope/Douglas Solid Waste Recycle Center, ALP, REA, Ace Hardware Glenwood & Alexandria, True Value Hardware in Osakis, or the Glenwood Library.

Accepted until January 30, 2026.





Making a Difference with REA's Operation Round Up®

Some of the organizations receiving REA Operation Round Up grants in December include: First row l to r – Sandra Dunn, TAIL-Wind Direction; Amanda Gramm and Sara Nichols, BIO Girls; Dawn Daily, Douglas County Library; Shirley Ross, Alexandria Senior Quilters; Faye Giese, Lands Cemetery Association; and Ashley Bennett, Discovery Days Preschool. Second row l to r – Bob Friederichs, Kardinal Kitchen; Kris Chisholm, Car Care Program; Aaron Feltman, LOVE INC; Nancy Dobbert, Alexandria Small Mall; Hope Wilson, Vikingland Junior Shooting Sports; Barbara Haacke, Runestone Museum Foundation; Kari Gilbertson, Gather and Give, Inc; Stacy Helwig, Osakis Women's Association; Sharie Kalina, Theresa Tvrdik and Connie Faith, Holy Quilters of St. John Nepomuk Church and Laurie Lee, Grant County Humane Society. Third row l to r – Andy Balendy, Legacy of the Lakes Museum & Gardens; Pryce Score, Kensington Area Heritage Society; Todd Roth, Toys for Kids; Dean Blade, Rosehill-Trinity Cemetery Association; Mark Gibson, Lakes Area Alpine Ski Team and Scott Threimen, Vikingland Curling Club.

Through the contributions of Runestone Electric Association's participating members, the Operation Round Up® Trust Board recently approved \$18,400 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 37 grant applications and distributed funds to 33 projects and programs. Community-based projects and programs have received over \$1.3 million since the program's inception in 2003. On average, participating REA members contribute \$6.50 for the year 2025. Proof that small change adds up. Best of all, 95% of all funds collected are distributed as grants.

Youth:

- » Experimental Aircraft Association(\$500)
- » Toys for Kids (\$1,000)
- » BIO Girls (\$200)
- » Hancock Post Prom (\$200)
- » Vikingland Curling (\$500)
- » Lakes Area Alpine Ski Team (\$400)
- » Alex MN Youth Football (\$300)
- » Vikingland Junior Shooting Sports (\$500)
- » Discovery Days Preschool (\$250)

Seniors:

- » Central Minnesota Elder Network (\$500)
- » Alexandria Senior Quilters (\$300)

Community:

- » Holy Quilters of St. John Nepomuk Church (\$300)
- » Honor Quilts of WC MN (\$1,000)
- » Runestone Museum Foundation (\$500)
- » Legacy of the Lakes Museum & Gardens (\$500)
- » Friends of Christmas (\$500)
- » Car Care Program (\$3,050)
- » Osakis Women's Association (\$600)
- » St. Mary's Mission Quilters (\$300)
- » Douglas County Library (\$500)
- » Gather and Give (\$750)
- » Calvary Lutheran Church Quilters (\$300)
- » Alexandria Figure Skating Club (\$300)
- » Kardinal Kitchen (\$750)
- » Alexandria Small Mall (\$500)
- » Wendell Santa Day (\$250)
- » Jingle Bells Foundation (\$1,000)
- » Kensington Area Heritage Society (\$250)
- » Love Inc. (\$1,000)
- » Grant County Humane Society (\$500)
- » TAIL-Wind Direction (\$500)
- » Rosehill-Trinity Cemetery Assoc. (\$300)
- » Lands Cemetery Assoc. (\$300)
- » Lake Amelia Cemetery Assoc. (\$300)



Runestone Electric
ASSOCIATION

NEWSLINE

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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, 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

Al Haman, CEO

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!



The deadline to apply for the next round of funding is February 6, 2026.
Apply at RunestoneElectric.com.