

Connections

July 2023

For the member-owners of Federated Rural Electric



Volume 27, Issue 7

In person Annual Meeting returns with pork chop & Bingo, while mailed ballots continue

We will see you in person at the 88th Federated Annual Meeting Thursday, August 3. After three years of drive-in annual meetings due to COVID, the cooperative will resume the in-person meal, Bingo and meeting at the Martin County West High School in Sherburn.

Federated will again mail ballots due to the popularity of the previous two years — where more members voted. “This is the third year Federated will mail ballots to all current members,” stated Scott Reimer, Federated’s general manager. “Members who cast their vote will be entered into a drawing to win \$1,000 worth of electric bill credits. Those who didn’t vote by mail, can still vote in person on the day of the Annual Meeting and be eligible for the drawing.”

Watch for your ballots to arrive in the mail near July 1. You’ll have ballots for one director district featuring three candidates and two Nominating Committee positions. (See Pages 5-6 for the candidates.) Vote and put the ballot inside the blank anonymous envelope, which goes inside the bar-coded envelope; be sure to put a stamp on the outside envelope and sign this envelope too. The bar-coded envelope is how you are entered into the \$1,000 bill credit drawing. Drop it in the mail so Federated receives your ballot by Wednesday, August 2, at 4:30 p.m. or vote in person Thursday, August 3 from 5-6:30 p.m.

The Martin County Pork Producers will grill pork chops on a stick for the supper. The meal will feature a bag of chips



Always a winner...enjoy the Martin County Pork Producers’ grilled pork loin! Federated members who attend the Federated Annual Meeting August 3 can enjoy the pork on a stick from 5-6:30 p.m.

and cookies, plus a bottle of water. The meal is served from 5 p.m. to 6:30 p.m.

Bingo starts at 5:30 p.m. and runs until 6:15 p.m. Kids ages four to 10 can register for the Legos prizes. See Page 15.


During registration and the meal, visit booths for Federated Broadband, Heartland Security and Federated programs/rebates. In addition, explore the Federated Rivian electric pickup and ask questions about electric vehicles. Best of all, enjoy the time to socialize with other Federated friends and neighbors!

Final tabulation of the ballots occurs during the meeting. 

At A Glance



Upgrade to new dehumidifier & use our rebate

Is your dehumidifier prehistoric? If so, buy a new Energy Star dehumidifier; receive a \$25 Federated rebate. Energy Star dehumidifiers have more efficient refrigeration coils, compressors and fans, so they remove the same amount of moisture, but use nearly 30 percent less energy. 



Like a stoplight, radio receiver lights indicate status

Vehicles stop at a red light and go on a green.

The same principle applies to Federated's radio receivers. These gray boxes on the side of your house are used for controlling water heaters and dual heat, plus cycling central air and heat pumps. For commercial accounts, like livestock barns, the radio receiver starts and stops standby generators in the cooperative's program.

If you see a green light on your radio receiver, this means the radio control has power and is communicating with the transmitter tower.

The top left red light indicates a water heater's status. If the red light is on, it means the water heater is being controlled (the electricity is "stopped" due to the control period). If you signed up for storage water heating program, the red light is on from 6 a.m.-10 p.m. in the winter and 9 a.m.-10 p.m. in the summer. The water is heated at night when the red light is off because electricity costs the cooperative less. If you have peak-shave water heating, the red light is on only during a control event, typically later afternoon to early evening on anticipated high demand days. Early morning control on these water heaters is also possible on cold winter days.

Depending on the time of the year, the top center amber light indicates that summer cooling or dual heat control was activated. In the summer this amber or red light means central air and heat pumps' compressors are being cycled 15 minutes on and 15 minutes off. However, the unit's fan continues to circulate the cool air. During the winter, the amber/red light means your electric heat has switched off and the backup fossil fuel or storage heating source is running.

Federated appreciates the members' participation in these money-saving programs. If the receiver was removed or is no longer in use, please inform the cooperative. (U)



What is your radio control telling you? Different models use different lights, as indicated by the three lighting examples. Which one do you have? The green light (#1) means the receiver is receiving a communication signal. #2 red light means the water heater is being controlled. The #3 light that is red or amber indicates the status of the cycled air in the summer or the dual fuel in the winter. The #4 light is for a standby generator. On certain models lights #5 and #6 are not used.

Radio receiver reminders: upgrades continue to new units

Federated is upgrading Scientific Atlanta and Comverge radio control models to Entek models.

Federated's electrician is changing out radio controls during service calls and water heater installs. Plus, Federated hired Arp Electric, Jackson, to change out radio controls as well; they are currently working in Petersburg Township and LaCrosse Township/Dundee area. Townships that are mostly completed are: Round Lake, Wisconsin, Fish Lake, Enterprise, Des Moines

and the city of Dunnell. Follow updates on our Facebook page as changeouts occur in other townships.

- Radio receivers are the property of your electric cooperative. If the house will be remodeled or re-sided and you need to remove the receiver temporarily, call the cooperative. Be sure to have the receiver reinstalled immediately after work is finished.

- Do not paint over the receiver; this covers the lights and slows down access and maintenance. (U)

Your electric cooperative evolves, tackling the changing industry for both electricity & internet, to serve you better

Change is the only constant in life — especially in our industry. This past year was definitely an adventurous ride for both the electric and broadband sides.

Electricity industry evolves

The electric utility industry is evolving from fossil fuels to renewable energy. State and federal legislation are driving these changes at an unprecedented pace with Minnesota mandating 100 percent carbon free electric generation by 2040. We will be watching the new technology, plus emphasizing the need for reliability and affordability. State and federal dollars are available for these investments, ranging from grid resiliency, electrification of the transportation sector and transmission lines. Working with our state and national partners this year, Federated applied for \$8 million in grants for our distribution line projects through two Smart Grid applications.

Meanwhile, Federated crews completed some big projects this past year. The main one so far was the new substation for the City of Sherburn. This does a couple things for us:

1. We now have all of our system operating at the same primary voltage; and
2. It adds redundancy allowing multiple sources to back feed power during outages. Now the process is underway to dismantle the old substation and reclaim the land.

This summer our underground contractor is installing 4.5 miles of new underground in Martin County. Meanwhile, the Jackson crews are plowing in five miles of underground east of Loon Lake and at other locations in the county. The cost and lead times for these materials remain high. Several other projects are in the queue to be completed prior to the end of the construction season so these numbers will likely grow.

The increasing costs of materials, higher interest and competitive wages led Federated to a three percent rate increase April 1, which involved the monthly service charge and demand charges increasing. When you put that in perspective with the 6.4 percent inflation rate for 2022, we are proud of our fiscal responsibility using your rate dollars wisely. However, our financial forecast predicts incremental rate increases will be needed to maintain the level of service our members have come to expect. Stay tuned to *Connections* for more details later this year.

Our 2022 reliability benchmarks remain very tolerable and well within the norm. We were pleased to add outage text notifications and a public outage map in 2022. See Page 11 on how to enroll in outage text notifications.

We welcomed 104 new members this year from the city of Dunnell February 22. Crews changed out their meters, radio controls, replaced several poles past their prime and



David A. Hansen
President



Scott Reimer
General Manager

fixed street lights in the downtown area. The electric system will be part of our work plan process from here on out.

Broadband business grows

Federated Broadband completed its first year of business in 2022. The cooperative's balance sheet and financial condition continue to be strong. At year-end we maintained an equity, as a percent of assets ratio, of 56 percent. Having a strong balance sheet allowed

Federated to expand into providing Broadband.

We added more Broadband towers and more subscribers, exceeding our 2022 budget forecast! Thank you members for signing up to receive not only your electricity, but internet service through us. We also streamlined billing by going from two separate bill vendors to one for both electric and broadband for greater efficiency.


The fixed wireless system is the interim measure before hopefully delivering fiber internet service to rural Jackson and Martin Counties. The City of Ceylon fiber project will be done this summer thanks to the town's grant, the contractors involved and our own staff for their diligence in getting services connected. We applied for a state grant covering: Northrop, serving 116 locations; and rural Jackson County, serving 480 locations. We are waiting to hear on a federal grant to provide fiber service to 2,500 locations in Martin County. Hopefully, by Annual Meeting time we have updated news for you on these grant applications.

The local cooperative difference demonstrated!

Being your local electric provider, we are involved. We make a difference with high school scholarships, Operation Round Up, 4-H county fair T-shirts and Adopt-A-Highway. Our employees are coaches, civic group members and serve on their local fire departments. Economic development is important to us too; we participate in Jackson and Martin counties to the extent possible. Federated returned more than one million dollars in capital credits to you, our member-owners, from your patronage ranging from 2002-2021 electricity use.

Celebrate with us at the Annual Meeting August 3

Finally, we can return to an in-person meeting and the pork chop on a stick supper is back! We hope to see you at the Martin County West School August 3 from 5 p.m to 6:30 p.m. for the meal and registration with the meeting starting at 6:30 p.m. If you can't make the meeting, we hope you exercise your right to vote; your ballots will arrive in the mail shortly. Cast your ballot for director and nominating committee members to represent you.

As always, you are a member-owner of Federated. Reach out to us with any questions or concerns. Serving you is our priority! 

Introducing Federated's Board of Directors



Glenn Dicks
Lakefield
District 1
Board Member
17 years



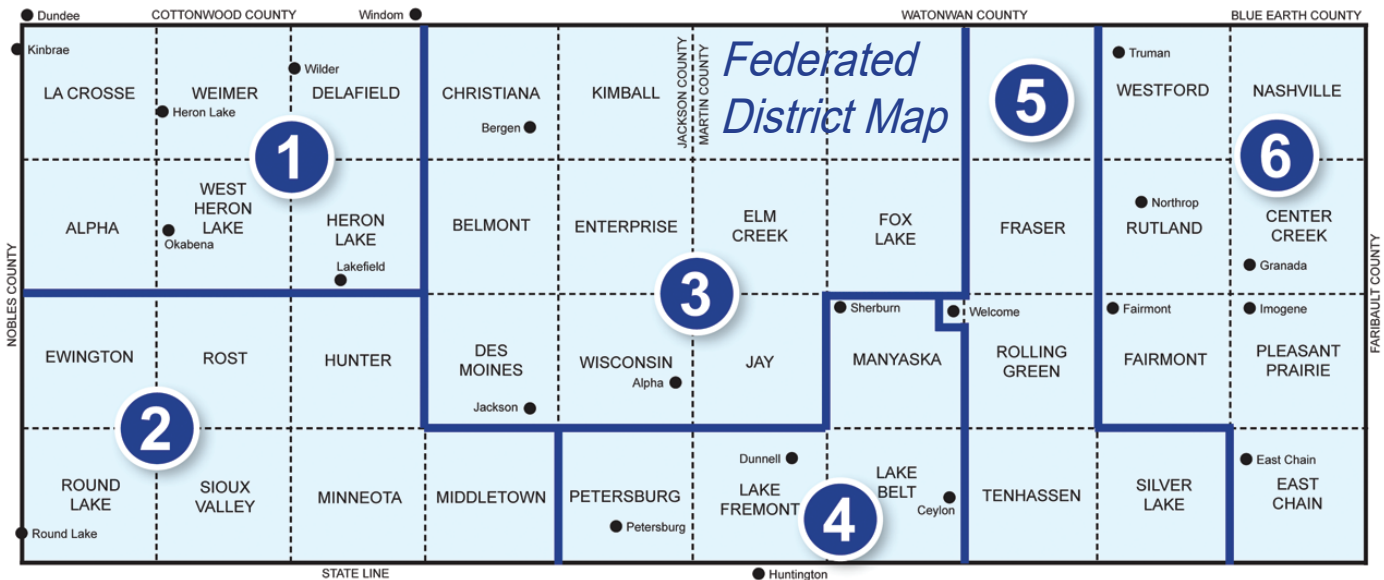
David A. Hansen
Jackson
District 3
Board President
23 years



David Meschke
Welcome
District 5
Board Vice President
18 years



Bruce Brockmann
Granada
District 6
Board Member
10 years



Darvin Voss
Lakefield
District 2
Board Secretary/Treasurer
13 years

Director duties:

- Attends monthly meetings and serves as a delegate at other meetings, as needed. Attends director training.
- Approves policies, procedures and budget. Reads reports, policies and other information pertaining to the co-op.
- Evaluates co-op's performance and plans for growth.
- Assures democratic process, according to Bylaws and Articles of Incorporation.
- Hires general manager.
- Responds to members' input and concerns. (U.S.)




Scott Thiesse
Welcome
District 4
Board Member
7 years



Jon Saxen
Sherburn
Director At-Large
Board Member
16 years

Director candidates & sample ballots



SAMPLE
2023
BALLOT FOR DIRECTORS
AS A MEMBER, I VOTE FOR:

At-Large District — VOTE FOR ONE
4-YEAR TERM — 2024 to 2027

<input type="checkbox"/>	Douglas Landsteiner Fairmont, MN	Nominated by Committee
<input type="checkbox"/>	Jon Saxen Sherburn, MN	Nominated by Committee
<input type="checkbox"/>	Gordon 'Gordy' Toupal Fairmont, MN	Nominated by Committee
<input type="checkbox"/>		


2023
BALLOT FOR NOMINATING COMMITTEE
AS A MEMBER, I VOTE FOR:

District Five — VOTE FOR ONE
4-YEAR TERM — 2024 to 2027

<input type="checkbox"/>	John T. Garbers Welcome, MN	Nominated by Committee
<input type="checkbox"/>		

District Six — VOTE FOR ONE
4-YEAR TERM — 2024 to 2027

<input type="checkbox"/>	Ron Fowler Truman, MN	Nominated by Committee
<input type="checkbox"/>		

The term for the cooperative candidates starts December 31, 2023. The Nominating Committee candidates' biographies and photos are on Page 6. 



Follow us on Facebook for updates on outages, co-op elections and events. 

Director At-large: Any Federated member



Douglas Landsteiner

Douglas Landsteiner lives in Tenhassen Township with his wife, Colette. Their two adult children live in Minneapolis. He retired from the Navy and serves as the Martin County Veterans Services Officer going on 22 years. He is a life member of the American Legion, Veterans of Foreign Wars and Disabled American Veterans. He attends St. John's Lutheran in Antrim Township and St. Paul's Lutheran in Wilbert. Landsteiner likes to spend time on home projects and occasionally pretends to play golf in his free time.

Landsteiner served previously on Federated's Nominating Committee from 2011 to 2015 and 2017 to 2021.

"I am running for director because the members should have a choice," he stated. "I think the incumbent is a good man and if I am not elected he will continue to do a great job for Federated. I believe I would do a good job because I believe in reliable, safe power at reasonable rates and so does Federated. I would proudly represent the Cooperative and its members, while assisting in those efforts to continue what Federated has done so well since it began — providing reliable, safe power at reasonable rates. I have been interested in electricity and electronics since my Navy electronics training. Learning about the processes and management of the cooperative will not be easy, but it will be interesting. Thank you for your support."



Jon Saxen

Incumbent Jon Saxen lives in Manyaska Township with Jennifer, his wife. They have two grown children: Taylor and Alex. Jon is the president of the Welcome State Bank where he has worked for 39 years. Saxen attends Trinity Lutheran Church, Welcome, which is a member of the Circle of Faith Parish; he has served in several church leadership positions and is currently serving as president. After 35 years Saxen retired from the Welcome Fire Department. Saxen enjoys fishing, boating, hunting and spending time with his family. He is a former director and chairman of Federated's Operation Round Up Trust

Board; he has served 16 years as a Federated director.


"I am interested in serving as a Federated director because I want to continue to help guide the cooperative on being a financially-strong organization, while providing electricity at reasonable and stable rates," Saxen stated.



Gordon "Gordy" Toupal

Gordon "Gordy" Toupal resides in East Chain Township with his wife, Karen. They have two sons: Nathan and Ryan. They are the owners of Center Creek Orchard, Fairmont. Toupal worked 45 years in the electric utility field starting as a meter reader, then journeyman lineman, to operations manager and retired as the district manager for Alliant. He also worked as a safety ambassador for the Minnesota Rural Electric Association (MREA).

Toupal attends Grace Lutheran Church in Fairmont. In his free time he enjoys hunting, fishing, golfing, RVing and boating.

"Most of my career I worked for the larger investor-owned utilities — Interstate Power and Alliant Energy," Toupal explained. "For the last five years I worked as a safety ambassador for MREA, visiting many of the rural electric cooperatives around Minnesota. I can bring a diverse perspective of what it takes to provide good electric service at an affordable rate." 

Nominating Committee candidates

District 5: Fraser, Rolling Green, Tenhassen and Silver Lake Townships, plus the town of Welcome



John T. Garbers

John T. Garbers has farmed in Fraser Township raising crops for 35 years. With his wife, Rita, they raised two daughters, Krista and Shawna. Garbers has also served for 30-plus years as a supervisor on the Fraser Township Board. He also served on the Martin County Township Association Board and the United Township Fire Association Board. Garbers attends Trinity

Lutheran Church in Welcome; he currently serves on the church council as a trustee. In his free time he enjoys wood working and gardening.

Garbers was appointed this year to fill a vacancy on the Federated Nominating Committee.

"This would be a good opportunity to hear and learn about something else besides farming-related or township business," Garbers said. "We all count on reliable electricity!"

District 6: Westford, Nashville, Rutland, Center Creek, Fairmont, Pleasant Prairie, & East Chain Townships, plus the towns of Northrop, Granada & Imogene



Ron Fowler

Ron Fowler lives in Rutland Township and farms with his son, Travis, and grandson, Jed. They raise corn and soybeans on 1,600 acres, along with 20,000 hogs a year. Fowler has farmed since 1974. Fowler and his wife, Dora, raised three sons: Travis, Ryan and Craig; they have seven grandchildren and one great-grandson.

Fowler is a member of the Martin County Pork Producers; he previously served as president. Fowler attends Bethel Free Church, Fairmont. He has served as chairman, trustee and now with the men's ministry. His hobbies include fishing and snowmobiling.

"I've been asked to give back to Federated," Fowler stated. "I now have more time to do so." 🗨️

Annual Meeting Notice

88th Annual Meeting notice

The 88th Annual Meeting of the stockholders of the Federated Rural Electric Association will be held Thursday, August 3, 2023. Members will do mail-in voting or in-person voting, with the schedule as follows: Members may vote either by mail with ballots returned to Federated's office by 4:30 p.m., August 2; OR vote at the meeting August 3 at the Martin County West High School, Sherburn, between 5 to 6:30 p.m.

The meeting will be called to order at 6:30 p.m. in the gym for:

1. Determination of quorum.
2. Reading the meeting notice with proof of the due publication of mailing.
3. Presentation and reading of unapproved minutes of previous meetings of the members and the taking of necessary action.
4. Presentation of Nominating Committee minutes for approval.
5. Election of Director and Nominating Committee members.
6. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
7. Unfinished business.
8. New business.
9. Adjournment. 🗨️

MINNESOTA FARMFEST[®]
August 1-3, Redwood Falls

Visit the Touchstone Energy Cooperatives' booth
Bring this coupon. Enter the grand prize drawing for battery-powered electric tools.



Federated Rural Electric Farmfest 2023
Drawing at the Touchstone Energy Cooperatives' Booth #2301

Name _____
 Address _____
 Town/state/zip _____
 Phone # _____

Clip this coupon & put it in your wallet now!



“I have been a Federated Broadband customer for more than seven years, when it was first Back40 Wireless,” stated Darvin Voss, Lakefield, Federated board secretary/treasurer. “The service is great! Broadband is the only way to have good internet access and it’s dependable. The service is always there. I use Federated Broadband for my farm and Federated online meetings.”

Residential packages

- 6MB down/2MB up** \$50/month
 - Perfect speed for e-mails, surfing & Facebook
 - 15MB down/2MB up** \$70/month
 - Upgrade to streaming TV & drop satellite TV
 - 25MB down/3MB up** \$80/month
 - Works with larger households, downloads & gaming
 - 40MB down/3MB up** \$90/month
 - Gamers, work from home and all of the above!
- Basic installation fee starts at \$150**

We also offer business packages!

TV packages through SW Stream with Roku, smart phone, tablet or web browser

- Basic 102 channels \$70/month
 - Expanded Basic 136 channels \$80/month
- Ask about our Starz & Showtime packages!
Visit our website for the full channel listings

New tower location!

Westford Township in Martin County (south-east of Truman). Sign up today for service!

Annual Meeting booth special!

Sign up as new Broadband subscriber during the Annual Meeting August 3 to receive FREE installation (\$150 savings); you will also be entered into a drawing for a FREE month of service.

Bring this coupon to the Federated Broadband Booth August 3 during Annual Meeting registration



Name _____
 Address _____
 Phone # _____
 Phone # _____
 E-mail _____



info@federatedbroadband.coop • www.federatedbroadband.coop



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Federated Broadband

507-847-1001

Review the 2022 Annual Meeting minutes

The 87th Annual Meeting of the Stockholders of the Federated Rural Electric Association (Federated) was held by drive-in on Wednesday, August 3, 2022, at the Jackson County Fairgrounds, Jackson, Minnesota. The business meeting started at 6 p.m. and was broadcast live on the radio. All Federated members had the opportunity to vote one of two ways: (1) by mail or (2) by drive-in at the Jackson County Fairgrounds prior to the business meeting.

The ballots were mailed to all current members prior to the meeting, arriving in the mail to the members around July 1, and due back to Federated's office by 4:30 p.m. on August 2. For those members who chose to vote by mail, they were instructed to put their marked ballot inside the blank anonymous envelope, place that inside the bar-coded envelope, as provided, and sign the outside of the envelope prior to returning.

Secondly, members could vote the day of the meeting, August 3, from 4:30 p.m. to 6 p.m. by drive-in voting at the Jackson County Fairgrounds, Jackson, Minnesota. The member registration coupon was made available in the Annual Report featured in the July *Connections* and included a barcode for quick registration. Members who voted by drive-in could register as they drove into the designated areas at the Jackson County Fairgrounds, and were then given the ballots, instructed to pull ahead and park, vote by ballot, then proceed to the ballot box to submit their ballots.

All registered members who voted properly were entered into a prize drawing with the opportunity to win one of five bill credit prizes to be applied to their September bill. There was one grand prize winner receiving a \$500 bill credit, one winner receiving a \$250 bill credit, one receiving a \$150 bill credit, and two receiving a \$50 bill credit. Winners were randomly selected following the meeting with their names announced the following day via the media.

The brief business meeting was held on the south side of the grandstand following the drive-in voting. The business meeting was called to order by David

Hansen, President of the Association, at 6:00 p.m. at the Jackson County Fairgrounds, Jackson, Minnesota. President Hansen welcomed all and encouraged members to participate in the business meeting by listening to the radio station 105.7 FM. Members could listen either from their parked vehicles or another location. President Hansen also provided a phone number the members could call or text during the meeting, should they have discussion questions.

President Hansen then asked Secretary Darvin Voss if there was a quorum present. Secretary Voss stated there was a quorum, with 1,229 members registered. There were 1,197 ballots cast by mail, and 32 ballots cast at the drive-in voting.

President Hansen then called on Secretary Voss to read the Notice of Meeting. Said Notice and Printer's Affidavit of Publication are appended to the minutes of this meeting.

President Hansen asked the members if they would prefer the minutes of the 2021 Annual Meeting printed on pages 8 and 9 of the Annual Report be read or to entertain a motion to approve the minutes as printed. After a brief pause for questions or discussion, members were asked to honk their vehicles' horns in response. A motion was made and seconded via honking of horns. A motion was made, seconded, and carried approving the 2021 Annual Meeting minutes, as printed.

President Hansen then introduced Federated's Attorney, Brad Anderson, who presented the 2022 Nominating Committee Report. Attorney Anderson summarized the highlights of the minutes of the two 2022 Nominating Committee meetings, which were printed in full on pages 12 and 13 in the Annual Report. He reported that the committee elected Jeff Ziemer as chair, Chris Winter as vice chair, and Harold Knutson as recording secretary. He further reported that one of the duties of the Nominating Committee is to review the directors' compensation and make any recommendations to the membership. To assist with the process the committee had been provided a 2022

updated Director Compensation Survey, which included the current compensation for the Federated directors. Attorney Anderson informed the members that after review and consideration, the committee recommended no changes to the directors' current compensation. Attorney Anderson then reported the Nominating Committee's recommendations of candidates for directorship and nominatorship. Afterward, President Hansen called for a motion to approve the Nominating Committee's report and minutes, as printed in the Annual Report. A motion was made and seconded via honking of horns. Members were given a chance to call with any questions or discussion. A motion was made, seconded and carried to approve the Nominating Committee's report.

The following director candidates were nominated as prescribed by the Bylaws:

District One: Glenn Dicks (Unopposed)

District Two: Darvin Voss (Unopposed)

The following Nominating Committee candidates were nominated as prescribed by the Bylaws:

District Three: Tyler Ayers and Kilen Warmka

District Four: Paul Nelson and Curt Ringgenberg

President Hansen announced each of the director candidates for District One and District Two and the nominator candidates for District Three and District Four. He reminded members voting had occurred by mailed ballot and by drive-in.

President Hansen then asked if there was any new business from the membership, and repeated the number for members to call or text if there was. There was no new business.

Before closing, President Hansen told members if they had not yet voted to do so. He informed members the ballots would be counted following the meeting by the Nominating Committee and the Attorney. He reported that the voting results would be announced the next day with the media, on Federated's Facebook page, along with the September *Connections* newsletter.

President Hansen again asked for any new or unfinished business.

for approval

There being no new or unfinished business, he thanked the members for participating in the Annual Meeting, and he thanked the Federated employees for their service the past year.

The meeting was adjourned.

Following the business meeting, Julie Resch, CFO-office manager, and Attorney Brad Anderson, oversaw the tabulating of all the votes with the Nominating Committee, their selected helpers, and selected employees, which was held at the Federated Rural Electric Association's Jackson office.

Election results were announced Thursday, August 4, 2022, via media and Facebook, as follows.

The inspectors of election certified the following were duly elected as directors:

District One: Glenn Dicks

District Two: Darvin Voss

The inspectors of election certified the following were duly elected as nominators:

District Three: Tyler Ayers

District Four: Paul Nelson

Certificates of the inspectors of election are attached to these minutes. (U)

— Darvin Voss, secretary

The Minnesota Soybean Research & Promotion Council donates Annual Meeting attendance gift



Federated thanks the Minnesota Soybean Growers Association. They donated this year's Annual Meeting attendance gift — a pair of scissors. The scissors imprint says, "Biodiesel — Cutting Carbon. Right here. Right now." Pick up during registration August 3. (U)

T-shirts for the 4-Hers and the screened adult leaders given at both county fairs

Thanks go to these Jackson County youth for modeling last year's 4-H T-shirts at the Jackson County Fair.



T-shirt time! This summer Federated is handing out hot pink T-shirts to 4-H members and screened adult leaders with the slogan of "Seeing neon!" Jackson County 4-Hers pick up your shirts on July 24 from 3-7 p.m.; wear them for General Project Reveal July 25 or the livestock auction July 29 for a green surprise! Martin County 4-Hers can pick up their shirts on entry day August 14 from 3-7 p.m. Wear this shirt for the livestock auction August 18 and receive a green surprise! (U)



Be your home's super hero with a water heater from Federated

- \$589 plus tax
- Installation included
- American-made
- Lifetime warranty for the original owner against leaks

Call us to schedule your install at 507-847-3520 or 800-321-3520; press option 6.

2022

co-op in review



6,901
electric
accounts



2021 Minnesota average electric rate was 13.5 cents, while the national average was 13.7 cents/kWh.

Balance Sheet

December 31, 2022 and 2021

Assets

	2022	2021
Electric Plant		
In service	\$70,880,658	\$66,869,841
Under construction	<u>2,731,102</u>	<u>912,690</u>
Total electric plant	73,611,760	67,782,531
Less accumulated depreciation	<u>26,677,617</u>	<u>25,410,954</u>
Net Electric Plant	\$46,934,143	\$42,371,577

Other Property and Investments

Investments in associated companies	\$19,472,035	\$18,133,883
Special funds - revenue deferral	1,550,000	800,000
Economic development investments	753,504	749,500
Other investments	1,570,185	1,551,073
Non-utility property and goodwill, net	<u>1,739,664</u>	<u>1,625,650</u>
Total Cash and Investments	\$25,085,388	\$22,860,106

Current Assets

Cash and cash equivalents	\$2,856,275	\$4,443,652
Accounts receivable, net	3,078,514	3,099,992
Materials and supplies	1,939,282	1,196,397
Other assets	<u>110,471</u>	<u>131,028</u>
Total Current Assets	\$7,984,542	\$8,871,069

Deferred Debits

	<u>\$1,077,087</u>	<u>\$771,236</u>
Total Assets	\$81,081,160	\$74,873,988

Equities and Liabilities

Equities

Patronage Capital (Capital Credits)	\$39,152,303	\$38,621,746
Other equities	<u>6,121,270</u>	<u>5,471,599</u>
Total Equities	\$45,273,573	\$44,093,345

Long-term Debt, net current portion \$27,227,006 \$23,679,638

Current Liabilities

Current maturities of long-term debt	1,663,400	1,626,000
Accounts payable	4,251,614	3,703,385
Other current liabilities	<u>665,664</u>	<u>618,329</u>
Total Current Liabilities	\$6,580,678	\$5,947,714

Deferred Credits

	<u>\$1,999,903</u>	<u>\$1,153,291</u>
Total Equities and Liabilities	\$81,081,160	\$74,873,988

Eide Bailly audited the financial statements for the years ending December 31, 2022 and 2021 in accordance with generally accepted auditing standards and government auditing standards issued by the U.S. Comptroller General.

Statement of Operations

December 31, 2022 and 2021

	2022	2021
Operating Revenues	\$37,605,651	\$34,763,306
Operating Expenses		
Cost of purchased power	\$30,089,462	\$26,963,724
Distribution - operations	1,079,915	1,096,874
Distribution - maintenance	1,087,978	1,166,345
Customer accounts	361,312	318,659
Customer service and informational	449,046	452,882
Administrative and general	1,093,899	1,253,842
Depreciation and amortization	2,081,971	2,023,867
Interest	604,188	359,553
Other	176	662
Total Operating Expenses	\$36,847,947	\$33,636,408
Operating Margins	\$757,704	\$1,126,898
G&T and Other Capital Credits	1,875,767	857,064
Nonoperating Margins	1,909	374,600
Net Margins	\$2,635,380	\$2,358,562



29
employees to
serve you



\$1,496,053
in capital
credits
returned



1,353 kWh
average
residential
electricity
use

Breakdown of how

\$100
spent

\$82 goes to wholesale power costs

\$6 operations/maintenance

\$6 depreciation

\$2 administration/general

\$2 member accounts/services

\$2 interest

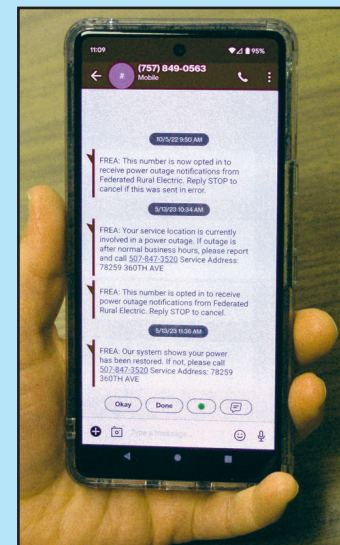
Ways to pay your electric bill:

1. Auto Pay (bank ACH; fill out brochure)
2. Online Pay (website)
3. Mobile app (search Federated Rural Electric)
4. Jackson drop box
5. Jackson office
6. Credit card
7. Welcome State Bank
8. Use Post Office stamp



Sign up for outage text notifications

Call the office during business hours or go to our website: federatedrea.coop; click on the outage text notifications box. You can enter up to three cell phone numbers. Know the status of your power whether you are at work or on vacation. ☎️



The Nominating Committee reports need approval

February 9

A meeting of the Nominating Committee of Federated Rural Electric Association, Jackson, Minnesota, was held on Thursday, February 9, 2023, at 10 a.m. The meeting was held at the Jackson office, with a Zoom option offered for those who could not attend in person.

Members of the committee who participated were: Mark Runge for District 1; Drew Wedebrand for District 2; Tyler Ayers for District 3; Paul Nelson for District 4; Tyler Sauck for District 6 (via Zoom); and Timothy Mailahn for District at Large. Federated's General Manager Scott Reimer participated, as well as Federated's Attorney Brad Anderson. District 5 Nominating Committee member, Jeff Ziemer, resigned his position in 2022 due to selling his property, making him ineligible to act as Nominator for District 5.

The business of election of chair and vice chair and recording secretary came before the committee. Committee member Timothy Mailahn was nominated and appointed chair; Drew Wedebrand was nominated and appointed vice chair; and Tyler Ayers was nominated and appointed recording secretary.

General Manager Scott Reimer reviewed with the committee the most recent financial highlights of the association and touched on highlights of the many happenings at Federated over the past year, including Broadband and the Work Plan. He also discussed the cooperative's future goals.

Attorney Brad Anderson of the association then reviewed with the committee the Nominating Committee's duties and responsibilities as outlined in the Bylaws of the association. He also reviewed qualifications necessary for directorship and the time necessary to be an effective director.

One responsibility of the Nominating Committee is to review director compensation and present recommendations to the general membership on the per diem, as per the Bylaws. The committee was presented with the Directors' Compensation Summary updated for 2023 that shows for comparison the



Federated's Nominating Committee develops a slate of candidates for positions on Federated's Board of Directors and next year's Nominating Committee. Seated: Vice Chair Drew Wedebrand, District Two; Chairman Tim Mailahn, District At-Large; and Tyler Sauck, District Six. Standing: John T. Garbers, District Five; Paul Nelson, District Four; Secretary Tyler Ayers, District Three; and Mark Runge, District One. (See Page 4 for the District map.)

directors' compensation of other area cooperatives. The Nominating Committee did not immediately recommend any changes to the Federated Rural Electric Association's board of directors' compensation; however, they will review the summary further and make a final determination at their second meeting in April.

To aid in their search for candidates, the committee was provided a copy of the Articles and Bylaws, a copy of the district map, a script of job duties, responsibilities, including time required for the offices of directorship, nominator, and trust board members. The committee members whose districts are up for election were also provided a bound copy of the membership listing for their respective districts to aid in their search. There was also a Contact - Questionnaire form provided that potential candidates will be asked to complete and submit to the cooperative. Because District 6 Nominator Tyler Sauck participated by Zoom, the membership listing and the other items were mailed to him following the meeting. Because District 5 Nominator position is vacant, General Manager

Scott Reimer will review the membership listing for potential candidates, and will seek assistance from the committee as needed.

In addition, the committee was informed that the Trust Board (Operation Round Up) Director for District 2 has resigned and will not serve a second term on the Trust Board. District 2 committee member Drew Wedebrand was asked to seek a replacement for District 2 Trust Board Director for the term of 2023 – 2026. He was provided a bound copy of the membership listing to aid in his search.

The committee considered the tentatively established date for the second Nominating Committee meeting and it was determined that the next Nominating Committee meeting be set for Thursday, April 20, 2023, at 10 a.m. at the Jackson office, when nominations for District 5 and District 6 Nominating Committee Members; and nominations for District at Large Board of Directors, will be completed. These candidates will be presented to the membership at the 2023 Annual Meeting. In addition, nominations for recommendations for Trust Board Directors for District at

during the cooperative's Annual Meeting August 3

Large and District 2 (due to resignation) will also be completed. The Nominating Committee's recommendations for Trust Board Directors will be presented to the electric Board of Directors for approval.

There being no further business, a motion was made, seconded, and carried to adjourn. Meeting adjourned.
— Tyler Ayers, secretary

April 20

A meeting of the Nominating Committee of the Federated Rural Electric Association, Jackson, Minnesota, was called to order by Chair Timothy Mailahn at 10:00 a.m., Thursday, April 20, 2023. Members of the committee present were: Mark Runge, District 1; Vice Chair Drew Wedeband, District 2; Recording Secretary Tyler Ayers, District 3; Paul Nelson, District 4; John Garbers, District 5, Tyler Sauck, District 6; and Chair Timothy Mailahn, District at Large. General Manager Scott Reimer and Attorney Brad Anderson were also present. The meeting was held at the Jackson office.

A motion was made, seconded and carried approving the agenda as printed.

New Nominating Committee member John Garbers, District 5, was introduced. John Garbers was appointed by the Federated REA Electric Board of Directors to fill the vacant position for District 5 Nominating Committee, effective February 28, 2023. It was determined that he is also eligible to

be on the ballot in August to serve a full four-year term.

A motion was made, seconded and carried approving the minutes of the February 9, 2023, meeting of the Nominating Committee.

The purpose of the meeting was to complete the nomination of Director candidates for District at Large; and complete nominations for Nominator candidates for District Five (5) and District Six (6) to be presented for election at the Annual Meeting of the Federated Rural Electric Association currently set for Thursday, August 3, 2023. In addition, the committee will submit nominations / recommendations for the Federated Rural Electric Trust Board for District at Large, as the current Trust Board Director has served two terms; and District Two (2), to fill a vacant position due to a resignation. These recommendations will be submitted to Federated REA's Electric Board of Directors for approval.

After due consideration, a motion was made, seconded and carried nominating the following candidates for directorship of District at Large.

District at Large (4-year term)

- Douglas Landsteiner, Fairmont
- Jon Saxen, Sherburn
- Gordon Toupal, Fairmont

After due consideration, a motion was made, seconded, and carried nominating the following candidate(s) for nominatorship of District Five (5):

District Five (5) (4-year term)

- John T. Garbers, Welcome

After due consideration, a motion was made, seconded, and carried nominating the following candidate(s) for nominatorship of District Six (6):
District Six (6) (4-year term)

- Ron Fowler, Truman

A motion was made, seconded, and carried approving the recommendations to the Federated Rural Electric Board of Directors of the following candidates for directorship of the Federated Rural Electric Trust Board:

District at Large (4-year term)

• Robert Poush, Fairmont
District Two (2) (2023-2026) To fill a vacancy due to resignation

- Jessica Williams, Jackson

At the February 9, 2023, Nominating Committee meeting, the committee reviewed the 2023 updated Director Compensation Survey, with the matter to be further reviewed and decided upon at the second meeting. After further review at this second meeting, a motion was made, seconded, and carried that the Nominating Committee recommends no changes to the Federated Rural Electric Association's current director compensation.

A motion was made, seconded and carried to approve the minutes of this April 20, 2023, Nominating Committee Meeting.

There being no further business, a motion was made, seconded and carried to adjourn. (s)

— Tyler Ayers, secretary

Seats still open! Join us August 9-11

Join us on a three-day trek across the Dakota Plains to tour the Antelope Valley power plant and the Coteau lignite mine August 9-11. In addition, tour the Garrison Dam and a gas-fired peaking plant.

Depart from Jackson August 9 on the air-conditioned charter bus. Plenty of movies, games and frequent rest stops break up the day. The big tour day is August 10. Depart Bismarck, North Dakota, for the Garrison Dam, power plant and mine. In the evening enjoy a relaxing supper and riverboat ride on the Missouri River. On August 11 the group stops east of Brookings for the peaking plant tour on the way back. Enjoy periodic rest stops and return to Jackson in the early evening.

As a co-op member-owner, learn about your electricity sources. The cost is only \$138 per Federated member or \$275 per Federated couple. The fee includes the cost for the hotel, bus, all meals, riverboat and snack breaks. Call and sign up today if you have never gone. (s)

August 9-11, 2023

Basin Tour Registration

1 Federated member for \$138

2 Federated members for \$275

Name(s) _____

Phone # _____ Paid \$ _____

Address _____

City/state/zip _____

Mail to: Federated Rural Electric, ATTN: Andrea, PO Box 69, Jackson MN 56143-0069 with the check or call 847-3520 or 1-800-321-3520 extension 2224 for Andrea and pay with credit card.

Federated comes to the rescue! Four fire departments receive matching fund donations totaling \$7,500 each

Federated recently presented a donation totaling \$7,500 to four local fire departments — Okabena, Sherburn, Round Lake and Dunnell-Lake Fremont.

Federated took advantage of matching funds from two organizations to triple the impact. “Federated donated \$2,500, then secured matching funds from CoBank’s Sharing Success Program and Basin Electric Cooperative,” stated Federated’s General Manager Scott Reimer. “Cooperatives are concerned about their local communities; we saw this as a way to help each fire department with costly equipment needs. This is the second year of helping our local fire departments; we will rotate this donation the following years until we’ve helped each fire department in our service area.”

CoBank is one entity that provides Federated long-term financing for line construction projects, while Basin Electric is one of Federated’s wholesale power providers.

The Okabena Fire Department will buy three sets of turnout gear with their donation. “Turnout gear is expensive and should be replaced every 10 to 20 years,” stated Chad Petersen, fire chief. “The turnout gear consists of the flame-retardant coat and bunker pants, plus the boots, gloves and particulate-blocking hood.”

The Sherburn Fire Department is currently raising funds to buy new radios to replace the old, outdated ones. “The cost of these radios is \$3,800 each and \$110,000 total,” stated Mike Ringnell, Sherburn’s fire chief. “These new radios ensure that we have reliable equipment to communicate during emergencies. We have raised 12 percent of the funds so far.”

Meanwhile, the Round Lake Fire Department will buy 15 pagers. “Pagers cost \$499 each,” said Kevin Turner, Round Lake’s fire chief. “Reliable communications helps us respond quickly to emergencies.”

Finally, the Dunnell-Lake Fremont Fire Department will purchase equipment for the department. Fire Chief Alan Helmers explains, “We will buy four self-contained breathing apparatus batteries, a battery-operated ventilation fan, plus additional hoses and nozzles.”



Dunnell-Lake Fremont Fire Department will buy breathing apparatus batteries, a battery-powered ventilation fan, more hoses and nozzles. Director Bruce Brockman (center of check) presented the donation.



The Okabena Fire Department will use their \$7,500 toward three sets of turnout gear with boots, gloves and particulate-blocking hood. Federated Director Glenn Dicks and General Manager Scott Reimer (third and second from right) presented the checks to the department.



The Round Lake Fire Department received \$7,500 that will buy 15 pagers for the firefighters. Director Darvin Voss (center) presented the checks to the department.



The Sherburn Fire Department accepts their \$7,500, which will go toward two new radios for firefighters. General Manager Scott Reimer (center of check) presented the donation.

Twins FREE! YOUTH BASEBALL CLINIC!

SATURDAY, AUG. 5 / HERON LAKE, MN
OPEN TO EVERYONE, AGES 6-12!

FIELD:

Laker Field
601 Chapman Ave
Heron Lake, MN 56137

HOST:

Heron Lake-Okabena &
Fulda High School Baseball

TIME:

4:00 – 6:00 PM

REGISTER:

PLAYBALLMN.COM



Federated will sponsor a drawing for five \$10 Dairy Queen gift cards.

Boys & girls: improve your batting, throwing and fielding skills. Register in advance. Bring your ball glove.

Cool summer rebates await!

- \$300 rebate on ductless air source heat pump
- \$350/ton for ground source heat pump
- \$1,000 for air source heat pump SEER 14-15
- \$1,500 for air source heat pump SEER 17 or higher



Find the rebate form on our website, call or e-mail Federated to request the form 507-847-3520

Wind/solar connection process



In compliance with Federated's adopted rules relating to cogeneration and small power production, Federated is obligated to interconnect with and purchase electricity from cogenerators and small power producers, whom satisfy the conditions as a qualifying facility. Federated is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any dispute over interconnections, sales and purchases are subject to resolution by the Federated Board.

Interested members should contact Federated Rural Electric, PO Box 69, Jackson MN 56143-0069, e-mail info@federatedrea.coop or call 847-3520 or 1-800-321-3520; ask for Jon Beckman. The application process is outlined on Federated's website: www.federatedrea.coop. (Co)

Kids 'Lego' to the Annual Meeting & win prizes too!



Let's go to the Annual Meeting to win Legos! Federated members: bring your children to the co-op's Annual Meeting August 3 and enter to win in the children's drawing. Federated will award Lego building blocks to ages 4-6, 7-8 and 9-10 in the children's drawing. Plus, each winner receives two passes to the Center Creek Orchard, Fairmont. The children must be present to win; this drawing occurs near the beginning of the meeting or around 6:30 p.m. (Co)



Official monthly newsletter
 77100 US Hwy 71, PO Box 69
 Jackson, MN 56143-0069
 E-mail: info@federatedrea.coop
 Website: http://www.federatedrea.coop
 Facebook.com/Federated
 Phone: 847-3520 or 1-800-321-3520
 Office hours: 8 a.m.-4:30 p.m. Monday-Friday

Scott Reimer, General Manager

David A. Hansen, President — 841-1176
 David Meschke, Vice President — 236-4896
 Darvin Voss, Secretary/Treasurer — 370-3201
 Bruce Brockmann — 399-3487
 Glenn Dicks — 840-1075
 Jon Saxen — 236-7027
 Scott Thiesse — 399-6427

The Board of Directors generally meets the last business day of the month at 8 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

Bring this registration card to the Annual Meeting. Clip it out!

Federated Rural Electric's Annual Meeting Thursday, August 3, 2023

Vote by mail-in ballot sent July 1 OR in person at Martin County West High School Gym, Sherburn, 5 p.m.-6:30 p.m.

Account # _____
 (As printed on your electric bill)
 Print name _____
 Signature _____

Bring this card with you to the Annual Meeting to exchange for Official Ballots and to enter the \$1,000 bill credit prize drawing. The bar code will be scanned to enter you in the prize drawing for electric member-owners.



Clip registration card to include the mailing address and bar code.



Registration/vote/meal	5 p.m. to 6:30 p.m.
Bingo	5:30-6:15 p.m.
Call to order of the 88 th Annual Meeting	6:30 p.m. Fairmont
Determination of quorum	
Welcome	Sherburn Mayor Bob Roesler
Invocation	Pastor Ben Fox, East Chain Evangelical Free Church, Granada
Introduction of guests	Scott Reimer, General Manager
Reading of the notice of meeting	Darvin Voss, Secretary
Minutes of previous meeting	Darvin Voss Secretary
Nominating Committee report	Tim Mailahn, Chairman
Election of director	David A. Hansen, President
Election of nominators	David A. Hansen, President
President's report	David A. Hansen, President
General Manager's report	Scott Reimer, General Manager
Unfinished business	David A. Hansen, President
New business	David A. Hansen, President
Report of election tellers	Tim Mailahn, Chairman
Adjournment of meeting	
Drawing for door prizes	Andrea Christoffer, Marketing & Communications Manager

Vote to win \$1,000 worth of Annual Meeting bill credits



Five members will win a total of \$1,000 worth of Annual Meeting prizes. Just vote by mail or in person at the Annual Meeting. Ballots are mailed around July 1 and must be received by mail or dropped off at our Jackson office by August 2 at 4:30 p.m. Otherwise, vote in person at the Martin County West High School Gym August 3 from 5 p.m. to 6:30 p.m. You can only vote once and the outer envelope must be signed. The grand prize is a \$300 bill credit. The other prizes will be for \$250, \$150 and six \$50 bill credits. The winners will be drawn at the end of the Annual Meeting. 🎉



88th Annual Meeting Agenda Annual Meeting

Registration/vote/meal.....	5 p.m. to 6:30 p.m
Bingo	5:30-6:15 p.m.
Call to order of the 88 th Annual Meeting	6:30 p.m. Fairmont
Determination of quorum	
Welcome.....	Sherburn Mayor Bob Roesler
Invocation.....	Pastor Ben Fox, East Chain Evangelical Free Church, Granada
Introduction of guests.....	Scott Reimer, General Manager
Reading of the notice of meeting.....	Darvin Voss, Secretary
Minutes of previous meeting.....	Darvin Voss Secretary
Nominating Committee report.....	Tim Mailahn, Chairman
Election of director.....	David A. Hansen, President
Election of nominators.....	David A. Hansen, President
President's report.....	David A. Hansen, President
General Manager's report.....	Scott Reimer, General Manager
Unfinished business	David A. Hansen, President
New business.....	David A. Hansen, President
Report of election tellers	Tim Mailahn, Chairman
Adjournment of meeting	
Drawing for door prizes	Andrea Christoffer, Marketing & Communications Manager

\$1,000 worth of electric bill credit drawing from those who voted in person or by mail (do not need to be present to win bill credits)

1. \$300 bill credit
2. \$250 bill credit
3. \$150 bill credit
- 4-9. \$50 bill credit winners



Be your home's
super hero with a
water heater
from Federated
\$589 + tax

- Installation included
- American-made
- Lifetime warranty for the original owner against leaks

Call us to schedule your install at 507-847-3520 or 800-321-3520; press option 6.



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A subsidiary of Federated REA

Visit the HSS booth to learn about protecting your home, business, cabin & medical alert systems.

\$100 off

monitored security system
annual meeting coupon
Expires September 4, 2023



Sign up for outage text notifications



You need your Federated electric account number and have your cell phone number(s) in our billing system. Use this QR code to enroll. Receive a text when power goes out and when it's restored for your location. Otherwise, call us during business hours to enroll.



Annual Meeting booth special!

Sign up as new Broadband subscriber during the Annual Meeting August 3 to receive FREE installation (\$150 savings); you will also be entered into a drawing for a FREE month of service.

Bring this coupon to the Federated Broadband Booth August 3 during Annual Meeting registration



Name _____
Address _____
Phone # _____
Phone # _____
E-mail _____

Check out the Rivian electric pickup at the front door



Go 320 miles for \$8.84 in kilowatt-hours, while gas costs \$59.80. Demand on electric bill would be about \$20/month.