

Connections

February 2026

For the member-owners of Federated Rural Electric & Broadband



Volume 30, Issue 2

After 56 years co-op's headquarters remodel aims to improve efficiency & fix needed repairs

Federated's Jackson headquarters office will receive a much needed remodel in 2026.

Repairs and upgrades needed

A 1970 building is not equipped to serve the needs of a 2026 business. Federated's office remodel includes the following repairs/upgrades:

- **Roof:** the metal roof installed in 1993 has fractured 2x4s from snow loading and leaks. It will be removed and replaced with a synthetic rubber membrane roof with a 30 to 50-year life.

- **Plumbing:** collapsed plumbing occurred in both main bathrooms and needs replacement with improved handicap accessibility.

- **Insulation/windows:** 1970s windows are metal framed and inefficient. The brick building has limited insulation in the walls, which will be improved.

- **Outlets:** In the 1970s one outlet was on an office wall. Today's PCs, printers, screens and equipment require more outlets, along with data outlets.

- **Heating/cooling/ventilation:** while an updated ground source heat pump serves the office, it is not large enough for the additions of a larger employee lunch room and linemen room. Rooftop units will be added for supplemental heating, cooling and ventilation that does not take up interior space.

- **Fire sprinkler system:** may be required by the state.

- **Additional space:** With more employees the lunchroom/meeting/training room is no longer large enough.

Bids quote requests were released in February. Remodeling demolition is expected to start in March. The project is expected to take 9-12 months.

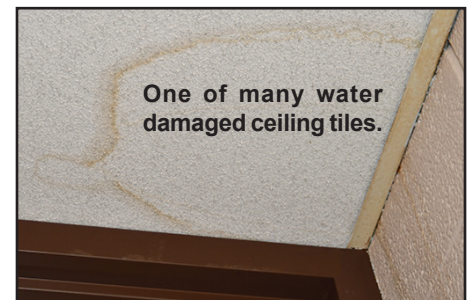
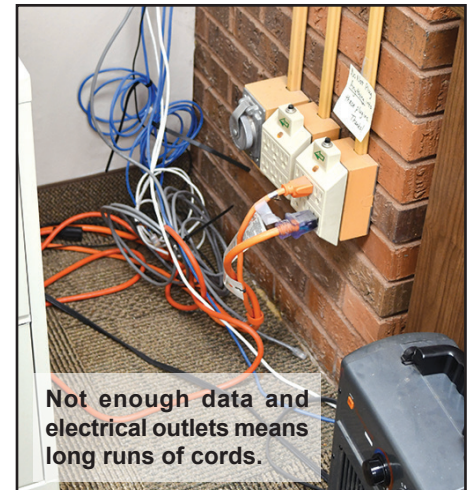
See Page 4 for details on this upgrade to better serve Federated member-owners in the short and long term.

Continue serving member-owners

The first step is that the 16 inside employees' offices will move February 21 and set up their temporary offices at Belmont Townhomes east of the Jackson golf course at 341, 343 and 349 Whitetail Lane, Jackson.

The goal is for members to still use the drop box in front of the existing office for check payments even during remodeling. Members wishing to pay in cash can stop at Bank Midwest (509 Third Street, Jackson); be sure to bring your account number and electric bill stub with your name so it is credited to the right account. Members can also enroll in Auto Pay or use the online pay app from the website. Federated's mail, email and phone numbers are unchanged.

Members requiring a face-to-face visit with Federated staff, should call or e-mail to request an appointment time 24 hours in advance. Line crews will still work from their Jackson and Welcome warehouses. ☎



At A Glance



Your Touchstone Energy® Partner

Broadband is hiring a customer service representative. Apply by February 16!

Come work with us in our Jackson office. Great benefits and pay! Find the job description on our website: www.federatedrea.coop under the employment tab. Assist members with questions on their bill, payment options, basic troubleshooting, inventory management and more. ☎

Upgrade to energy-efficiency to save on your electric bill; co-op's rebates provide incentives for this step

"A penny saved is a penny earned."

Taking it a step further, a kilowatt-hour saved means you never had to spend that on your electric bill, which also helps your electric cooperative save energy and the wholesale power supplier because they didn't have to generate or deliver it over transmission lines.

This is why Federated offers energy-efficiency rebates, as a win-win and it meets a state mandate. Members and the cooperative both save energy. Let's review the 2026 rebates available to Federated member-owners and a few changes with this year's rebates.

Energy Star appliance rebates

- **Energy Star refrigerator or freezer**, requires proof of recycling the old unit, and receives a \$75 rebate. By properly recycling your old refrigerator and replacing it with a new Energy Star-certified refrigerator, you can save approximately \$50 a year. In addition, replacing your old freezer with an Energy Star freezer could save you approximately \$35 a year. Sorry, no rebate exists for just buying a new one without recycling the old one.

- **Smart thermostat** \$25 rebate: Add a Wi-Fi smart thermostat to your home. You'll gain access to see through your smart phone what temperature your home is at if you are on vacation or even at work. Use your phone to change the temperature up or down. Requires connection to your home's internet.

Heat pump rebates

- **Ground source heat pumps**: \$500/ton. Keep in mind though that this is the most efficient heating/cooling system with 400 percent efficiencies. Compare that to a fossil fuel furnace in the 70 to upper 90 percent for efficiency.

- **Ductless air source heat pumps**: \$600 rebate. Install a ductless air source heat pump in a home or addition that does not have ductwork for more efficient heating and cooling (around 300 percent efficiency).

- **Air source heat pumps**: range from \$1,000 to \$1,500, depending on the SEER2 and HSPF rating. Air source heat pumps can be 200 to 300 percent efficient.

Agricultural/commercial rebates

- **Irrigation variable frequency drives** (VFD): \$10/ horsepower (hp)

- **High volume/low speed fans**: \$400

- **Livestock waterer** (energy-free or energy-efficient) \$75/unit



- **Variable frequency drive** (VFD): \$30 per hp
- **Electronically commutated motors (ECM) blower motor**: \$5 to \$15/unit, depending on the fractional hp ranging from 1/64 to 3/4 hp. See rebate form on website for details.
- **ECM circulators**: \$5 to \$15/ unit, ranging from 100 watts to 750 watts. See rebate form on website for details.
- **ECM evaporator fan motor retrofit**: \$5/unit to \$10/unit, depending on the watts and hp. See rebate form on website for details.
- **Retrofit commercial lighting**: switching from incandescents or fluorescents to LED lighting. Depends on the bulb wattage, fixtures, whether indoors or outdoors. See details on the website rebate form.
- **Refrigeration**: several rebates exist, such as for demand defrost controls, commercial refrigerators, commercial freezers, freezer/cooler (low or no-heat) doors, case night covers, strip curtains for walk-in freezer or coolers, restaurant/convenience store/grocery store freezer or coolers and floating pressure controls.
- **Commercial/restaurant food service**: electric combination oven, commercial dishwasher, commercial freezer, commercial refrigerator, electric convection oven, electric fryer, electric hot-food holding cabinets, electric steamer and ice machine all have rebates. See details on the website rebate form.
- **Commercial HVAC**: rebates exist for air source heat pumps, chillers, ductless Energy Star mini-splits, economizers, DX units, ground source heat pumps and packaged terminal heat pumps.

These rebates are found on Federated's website. If you need a hard copy mailed to you, call 507-847-3520 or 800-321-3520; press extension 2226 for Jon or e-mail info@federatedrea.coop.

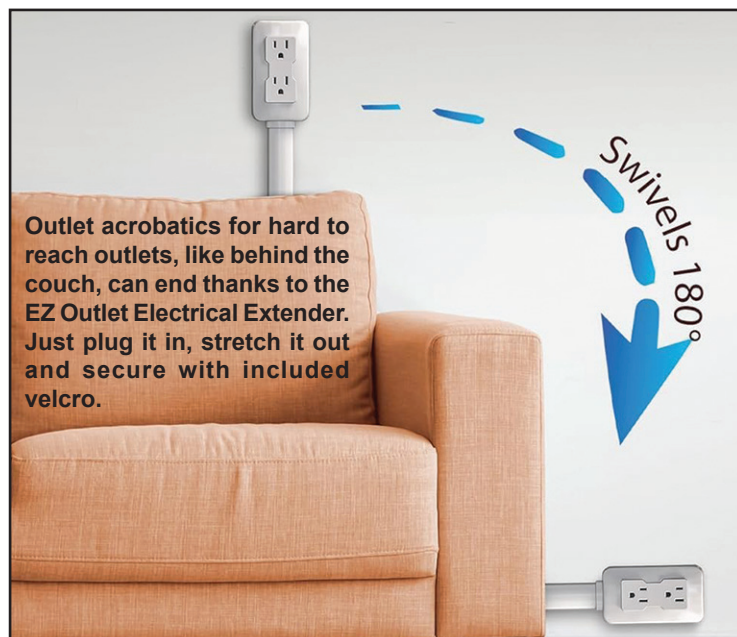
Outlet extender stops frequent bending & reaching

Tired of doing acrobatics just to plug in your cell phone or laptop because the outlet is behind the couch, dresser or bed?

The EZ Outlet Electrical Extender may become your new hero! Just once you have to plug it into the hard-to-reach outlet. Then it extends 22" to 34" — extending the outlet for easy-to-reach access. It extends upward and rotates 180 degrees to the side of the furniture. Simply use the velcro Command strips to secure it safely to the wall without any damage.

It features two outlets in front. Then the side of the outlets offers USB A and USB C ports for cell phone/device charging. You can even rest your cell phone on top of the EZ outlet during charging.

While this model costs about \$50 online from Walmart or Amazon, it features the ETL logo for safety certification and indoor use. Do not use for a high-wattage appliance, like a microwave or space heater. Buy a spare one to take along on vacation or gift one to an elderly relative. ⚡



Safety

Signs show you should replace an electrical outlet

Outlets are designed to provide safe and reliable power, but older or damaged ones can become a hazard. Do you have electrical outlets in your home that need replacing? Look for these common signs of trouble.

1. Loose connections

Over time, internal connections can become loose or worn out, potentially leading to electrical hazards. If an outlet feels loose or wobbly when you plug something into it, this may be a sign that the outlet needs replacement.

2. Damaged plates

If the outlet plate is cracked, damaged or shows signs of discoloration, it may indicate wear and tear or potential damage to the electrical components behind the plate. In these cases it's often safer to replace the entire unit, rather than just the plate.

3. Standard outlets in damp areas

If you have standard outlets located in potentially damp areas — such as the kitchen, bathroom or outdoors — upgrade them to ground-fault circuit interrupter (GFCI) outlets. A GFCI is a fast-acting circuit breaker that shuts off power in case the outlet comes into contact with water,



protecting against electrical shock.

4. Flickering lights

If you notice lights flickering when plugged into a specific outlet or after you plug another appliance into that outlet, it could indicate an issue. Loose connections or faulty wiring within the outlet can disrupt the flow of electricity.

5. Two-pronged outlets

If you have older two-pronged (non-grounded) outlets, it may be time to upgrade. Grounded three-pronged outlets provide better safety and protect against electrical shocks.

6. Get smart

Consider upgrading to smart outlets. Smart outlets save energy by automatically cutting power to unused plugged-in electronic devices. They also give you remote control of plugged-in devices through your smartphone or voice assistant. Just install the smart outlet and connect it using the accompanying app.

Replacing an outlet can be a do-it-yourself project, if you feel comfortable doing the work. Remember, however, safety is critical. If you feel uncertain about any electrical issues or replacing an outlet, contact a qualified electrician. ⚡

Federated Focus

Weekly drawing for bill credits



Thank you Federated members for signing up for electronic or paperless bills. Here's the winners in our drawing as of January 30:

- \$150 on January 23 — Jason Clymer, Alpha
- \$100 on January 30 — Chad Peterson, Windom

The earlier you sign up, the larger the bill credit will be for one lucky person who signs up each week:

- February 6 \$75
- February 13 \$50
- February 20 & 27 \$25

You can still enroll by using the "Online Pay" app on the website or calling our office during business hours. Thank you for helping us reduce our monthly billing postage and printing costs.

Rate change on February bills

As a reminder, the February 4 electric bills reflect the 2026 rate adjustments. In case you missed it, the November, December and January *Connections* newsletters explained it. You can find these newsletters on the cooperative's website under the rate adjustment page (www.federatedrea.coop).

As an electric cooperative, Federated aims to provide reliable, safe electricity at cost. The major part of this rate increase is due to the increasing rates from our wholesale power supplier Basin Electric. Federated still aims to provide one of the lowest electric rates in the state of Minnesota and the United States — under both the state and national averages. (B)



Scott Reimer

Manager's Message

Building remodel to serve you, our member-owners better

Last year Federated celebrated our 90th Anniversary. 56 of those years were spent serving members from our headquarters at 77100 US Highway 71. Now as we add Broadband service, more employees and technology to serve you, our member-owners, it's also time to upgrade and repair this building for the next decades of service. See the story on Page 1. Let me address some common questions.

Timeline for the office remodeling project?

Back in 2017, Federated hired Oleson+Hobbie Architects, Mankato, to evaluate the existing headquarters performing a facilities assessment. With the growth of employees in 2024, management hired Oleson+Hobbie Architects to perform a building evaluation study. This study served as the roadmap for the remodel project planned to begin in 2026. Inside employees were asked for their input and reviewed early blueprint plans for offices and how to make more efficient use of the existing space. The Board of Directors approved unanimously that the cooperative should take the next steps in finalizing costs, timeline and process. Bids were sought January 2. Inside employees will move to the Belmont Townhomes temporarily during the remodeling process with a targeted completion date of late 2026 or early 2027. We have added a page to our website to show you the issues discussed on Page 1, these frequently asked questions and remodeling photos as we progress.

Will my rates go up for this headquarters remodeling project?

Federated will finance the building remodeling project just like it finances new line construction and upgrades with long-term loans over a period of 30 years. This way the building is paid by the members who benefit now and in the future. Federated's high equity level helps make this possible. Several factors come into play when rates are discussed and results in rate increases. This project is not the main catalyst to cause a rate increase. Power supply costs represent 80 cents of every dollar spent, which continues to be the main catalyst for rate adjustments, with labor costs also being a contributor.

Wouldn't a new construction project be cheaper?

Federated briefly looked at a new facility; however, logistically and cost wise it did not become a serious thought. The warehouse addition in 2008 provided space for the larger line trucks and equipment. Other Minnesota electric cooperatives with new construction projects are spending anywhere from \$8 million to \$16 million. The office remodeling is estimated around \$5 million. The facility itself has "good bones" structurally, so it's a good plan to remodel vs. constructing new.

January cold snap tests the grid, causing long hours of load control

January brought the coldest temperatures. It's when grid operators talk about power generation, transmission line loading and the risk of not enough power. We're located in what's called MISO zone three. The Midcontinent Independent System Operator operates the electric grid for the central U.S. They ensure power flows reliably and affordably across 15 states from Manitoba to Louisiana. MISO facilitates the buying and selling of electricity in its region and partners to plan accordingly.

The January 23-26 cold snap tested the grid and created unusual load control times for several reasons: persistently high energy market prices, limited wind production, higher than expected generation outages, plus natural gas prices were over \$200/million btu at times. Sunday's pricing in the energy market was over 43 cents/kilowatt-hour and we charge 7.2 cents/kilowatt-hour for residential. This caused Great River Energy to call for unprecedented Dual Heat control from 6 a.m. to 6 p.m. and gensets were run five hours in the morning and five hours in the evening, along with water heater control. However, all of these steps helped keep the grid stable through the worst periods of the weekend. By the time you read this, we should be back to more seasonable temperatures, but preparedness never goes away. (B)

120 years of Federated service recognized!

Thank you employees & director for dedication



Steve Ruthenbeck
25 years



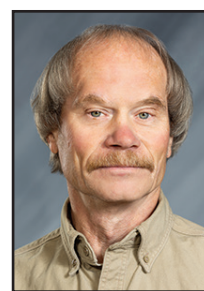
Dave Berlin
20 years



David Meschke
20 years



Angie Ziemer
20 years



Gary Armbrust
10 years



Scott Reimer
10 years



Julie Resch
10 years



Ellen Thompson
5 years

Congratulations goes out to the employees and a director who celebrated milestone anniversaries in serving Federated members. Seven employees and a director accumulated 120 years of total experience that was achieved in 2025. 🎉

Name	Title	Years
Ellen Thompson	Customer service representative	5 years
Gary Armbrust	Warehouseman/mechanic	10 years
Scott Reimer	General manager	10 years
Julie Resch	CFO/office manager	10 years
Dave Berlin	Master electrician	20 years
David Meschke	Board president/director	20 years
Angie Ziemer	Staff accountant	20 years
Steve Ruthenbeck	Communications specialist/mapping	25 years

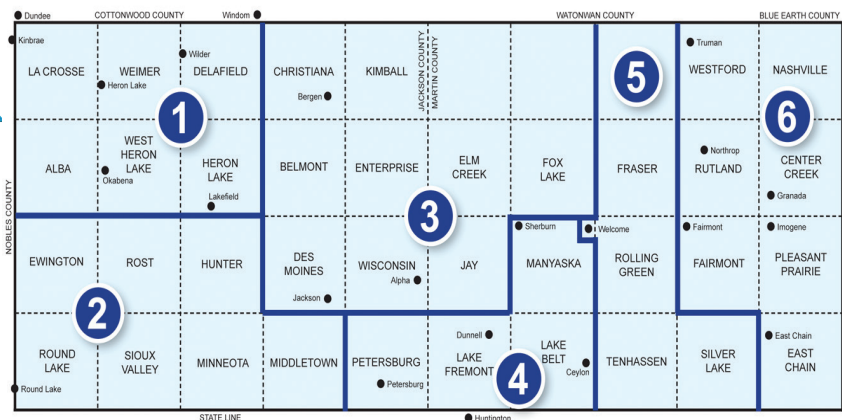
The \$700 Operation Round Up scholarship application inserted in February electric bills; high school seniors apply by April 1

Attention high school seniors: the Operation Round Up Scholarship application is now available. \$6,300 total will be awarded this spring as nine scholarships.

The application came with the February electric bill. Otherwise, find the application on Federated's website (www.federatedrea.coop), call or e-mail info@federatedrea.coop. Plus, seniors could stop by your school counselor's office for it. The student must be the son or daughter of a current Federated electric account member.

Federated's Trust Board approved awarding one \$700 scholarship for each of the six Federated districts and then three more from the remaining applications combined for additional chances to win one (a total of nine scholarships). The applications are due back at Federated's office by April 1, 2026. All nine recipients will be notified by May 1 with their photos published in the June *Connections* newsletter.

Students will receive the scholarship check after completion of the first semester of higher education with a 2.0 GPA or



The map shows the districts where the six scholarships will be awarded, plus three more chances to win exist under the District At-Large, which includes Districts 1-6

higher and submit proof of registration for the next semester. The scholarship check is jointly issued to the school and student.

Since 1995, Federated's Operation Round Up scholarships have assisted 274 students totaling \$161,200. This comes from unclaimed capital credits and about 75 percent of Federated members participating in Operation Round Up with their bills. Apply today! 🎉

Lifting the nuclear moratorium & reforming net metering top electric co-op state legislative goals

The 2026 Minnesota legislative session will convene February 17 and constitutionally must adjourn by May 18. After passing the biennial state budget in 2025, lawmakers are expected to focus largely on policy issues and the state's capital investment bill, which funds public infrastructure projects. This session unfolds with legislators keenly aware that all 201 legislative seats and the state's constitutional offices will be on the ballot in November.

During this session, the Minnesota Rural Electric Association (MREA) advocates for policies that ensure reliable, affordable and sustainable energy for all Minnesotans. While the legislative climate may present challenges, we see opportunities to make progress on key issues that benefit rural communities, strengthen the grid and advance innovative energy solutions.

This year, two priorities lead our efforts: lifting Minnesota's moratorium on nuclear energy and reforming outdated net metering policies.

Lifting state's nuclear moratorium

For decades Minnesota has maintained a moratorium on new nuclear energy projects, limiting the state's ability to explore carbon-free and reliable power generation. As electric cooperatives work to meet growing demand and integrate more renewable energy, baseload power from advanced nuclear technologies offers immense potential.

Nuclear energy plays a key role in the clean energy transition. Unlike wind or solar, it provides constant, reliable power regardless of weather conditions or time of day. With advancing technologies, like small modular reactors (SMRs), nuclear energy can complement renewables, while reducing carbon emissions.

Removing the moratorium doesn't commit Minnesota to nuclear projects today, but it opens the door to important conversations about ensuring a balanced energy mix for the future. MREA is co-leading efforts to lift the moratorium, alongside more than 40 partners, including utilities, labor unions, environmental groups and county



governments, through the Minnesota Nuclear Energy Alliance. This coalition is bringing together members from across the political spectrum, and we're optimistic 2026 can be the year Minnesota reopens the nuclear discussion. Learn more at mnnuclearenergyalliance.org.

Reforming net metering

Reforming Minnesota's outdated net metering policies is another top priority. While net metering has encouraged the growth of distributed generation, like rooftop solar, the current framework unfairly shifts costs to non-solar members.

Electric cooperatives fully support renewable energy, but policies must ensure fair and equitable treatment for all cooperative members, whether or not they generate their own power. MREA is working toward reforms that balance affordability with encouraging renewable energy growth. By aligning incentives with the true costs and benefits of distributed energy resources, we can foster continued innovation without overburdening those who can least afford it.

Additional areas of focus

While lifting the nuclear moratorium and reforming net metering are MREA's top priorities, several other issues remain important:


- Wildfire mitigation: Rural utilities and co-ops are key players to reduce wildfire risks. MREA works with stakeholders to coordinate strategies that protect communities and critical infrastructure.

- Utility worker protection: Existing laws mostly protect utility workers, but increasing public awareness remains a priority. We want to extend the cooperative culture of safety across our state.

- Energy affordability: Co-ops prioritize keeping electricity affordable and will continue defending against mandates that raise costs and undermine reliable, balanced energy solutions.

A trusted voice for rural energy

MREA is dedicated to standing up for electric cooperatives and promoting policies that safeguard affordability, reliability and local control. Whether through testimony, outreach or collaboration, we work to ensure the cooperative difference is front and center in Minnesota's energy discussions.


2026 offers a chance to shape a stronger, more sustainable energy future. Together, we can ensure that energy policies serve all communities fairly and equitably. To stay informed and join the legislative conversation, visit voicesforcooperativepower.com/minnesota. 



You'll love this water heater's warranty

Upgrade your old water heater to a Marathon from Federated for \$750, plus tax. Installation is included — lifetime warranty against leaks for the original owner! Call Federated today 507-847-3520. 

Making bacon! Bring on the bacon recipes for sizzling eats!

It's a great time for making bacon! Share your favorite bacon recipes with us, whether it's bacon in an egg dish, salad, hot dish, around a meat cut for grilling or on top of donuts! Send us your favorite bacon recipes to Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by March 26. Add your name and phone number. Thanks for sharing with us! 

Nominating Committee seeks co-op members to run as candidates; first meeting is March 9

Federated's Nominating Committee seeks candidates to run for the Board of Directors and Nominating Committee. Members vote on these candidates before the Annual Meeting September 10, using their ballots mailed in August. The Nominating Committee has its first meeting March 9; the candidates' names will be presented at the Nominating Committee's March 26 meeting.

If you would like to suggest a member, call Federated at 507-847-3520 or 1-800-321-3520; press extension 2224. Otherwise, e-mail info@federatedrea.coop. Most openings are four-year terms. Refer to the district map on Page 5.

Board of Director candidates


- Two nominees from District One
- Two nominees from District Two

Nominator candidates

- Two nominees from District Three
- Two nominees from District Four

Trust Board Director candidates

- One nominee from District One
- One nominee from District Two

These nominations will be posted at Federated 30 days before the Annual Meeting. The nominations can also be made by petition at least 20 days prior to the meeting. The candidates will be listed in the July *Connections* newsletter, while their biographies will be posted in the August edition. 



Chocolate Mint Brownies

by Elaine Deutchman, Bergen


1c. sugar 4 eggs 1 c. flour
 ½ c. margarine or butter, softened
 1½ c. Hersey's chocolate syrup

In a large bowl mix sugar and margarine until creamy; mix in eggs and then chocolate syrup. Add flour and mix. Pour batter into a greased 9x13" pan; bake at 350° F for 25-30 minutes until batter is set and baked through. Cool brownies.

Mint frosting: 2 c. powdered sugar
 ½ c. butter or margarine, softened
 1 T. water ¾ tsp. mint extract,
 3 drops of green food coloring

Combine ingredients in small bowl; beat until smooth. Spread on cooled brownies and cool slightly.

Chocolate topping: 6 T. butter/marg.
 1 c. semi-sweet chocolate chips

Melt in the microwave 30 to 60 seconds; mix with whisk til smooth. Spread on the cooled mint brownies and chill until chocolate is set. Cut bars when chocolate is slightly room temperature to keep chocolate from crumbling. Cover pan and chill until serving. 

Smart video cameras

Keep an eye on your home and family while avoiding unnecessary alerts.



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A Federated REA subsidiary




Call before digging:

1-800-252-1166



Contact Gopher State One Call before doing any digging more than 12" deep — 48 hours before digging for foundations, trees and

tiling. Register at www.gopherstate-onecall.org or call 811. Call a licensed electrician to locate the underground lines on your side of the meter. 



Fall in love with TV again with Federated Broadband's SW Stream service. The classic TV interface you like with the modern streaming experience.

Fabulous features for your TV viewing

SW Stream offers all your favorites:

- Local news channels (Minneapolis or Sioux Falls)
- National family channels
- College and professional sports
- Feel good home and travel channels
- History, science and more to learn
- Music channels for every mood and the option to add Starz and Showtime movies channels!

Packages

- Basic channels: 95-plus channels for \$85 a month
- Expanded channels: 125-plus channels for \$95 a month
- Movie packs: choose from Starz or Showtime for \$20/month or both for \$25/month

SW Stream offers features that let you make your experience all your own! Create a channel list and guide with just your favorite channels so you can get to your most watched shows faster. Record shows you might miss or know you are going to want to go back and watch again — you can even set up to record all new episodes of your favorite series, so you never miss the drama. 📺



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Bruce Brockmann — 507-399-3487
Troy Post — 507-360-5537
Scott Thiesse — 507-399-6427

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.

Fiber construction update:

You'd think that the chill of February would also bring a slowdown to our buildouts. While that is true for the actual construction, plenty of work continues throughout the winter to prep for the spring thaw!

Route planning and engineering are ongoing, as well as applying for all the appropriate permits we need to complete construction. We are sending letters and reaching out to those with property in our construction areas seeking returned consent forms. Ordering all the equipment and fiber is underway for this next construction season.



Work in the field doesn't halt. If you live in an area that had fiber buried this past fall, you will likely start seeing crews working in the area soon

splicing the fiber optic cables, along the mainline and at drops up to homes.

Remember Federated Broadband isn't just an internet service provider; we are part of your local electric cooperative. That means our primary goal isn't profit — it's service. Every dollar we invest in fiber is an investment in the longevity and prosperity of our rural communities. 📺