



# NewsFlashes

MAY 2025



## CEO Column

I want to share your Board of Directors' appreciation for your participation at the co-op's Annual Meeting. Regardless of whether you were able to attend in person, at a satellite location, or tuned into the livestream on our website, your involvement is essential to the governance of the co-op. Certainly, 2024 was a year of growth and transition for your co-op. And, while 2025 is sure to be another year of change, including the welcome of a new CEO, LREC will continue to focus on service reliability, rate stability, and safety. Your input and involvement will be essential to guide us through the years ahead.

As we move into summer, I encourage LREC members and people interested in energy related issues to attend or view the livestream of our upcoming 4<sup>th</sup> Annual Energy Forum, held this year at Thumper Pond Resort on June 6<sup>th</sup>.



*Dan Husted's CEO Column is continued on page 2 →*

## LREC Holds 88<sup>th</sup> Annual Meeting

Over 1,100 attendees joined Lake Region Electric board directors and staff in three locations and online for the cooperative's 88<sup>th</sup> Annual Meeting on April 24<sup>th</sup>.

The event, held in person at Life Church in Fergus Falls and livestreamed to satellite locations in Frazee and Parkers Prairie, included a meal and live music by "Off Duty Chief" Tim Eggebraaten before conducting a business meeting comprised of year-end (2024) reporting, an outlook on 2025, and board director elections. A livestream was also



Dinner being served at the Fergus Falls Annual Meeting location.

available via the LREC website for members unable to attend in person.

Board Chairman Tom Jennen began the meeting by presenting consolidated and LREC-specific financial information (i.e., margins, equity) from the past year that reflected the operational strength of the co-op. Growth in staff and number of consumers was also highlighted.

Former LREC employee and interim CEO Dan Husted briefly reintroduced himself to members, followed by presentations by senior staff members



Tim Eggebraaten entertains members before the meeting.

*LREC Holds 88<sup>th</sup> Annual Meeting is continued with additional photos on page 2 →*

# CEO Column

Continued from front page.

Some of the industry leaders scheduled to appear include:

- **Jim Matheson, CEO, National Rural Electric Cooperative Association (NRECA)** will be joining remotely to provide his national energy issues perspective, including a look at possible reevaluation of certain EPA rules and future grid reliability.
- **Darrick Moe, CEO, Minnesota Rural Electric Association (MREA)** will discuss energy policy and legislation in Minnesota, including co-op viewpoints regarding issues such as the MN nuclear moratorium and net metering laws, and priorities for future energy policy.
- **Priti Patel, VP and Chief Transmission Officer at Great River Energy (GRE)** will address plans to build out regional and intrastate transmission resources necessary to accommodate load growth, service reliability, and provide renewable energy to GRE member co-ops in Minnesota.
- **Zac Ruzycki, Director of Resource Planning at GRE** will be on hand to discuss the development of generation and related resources necessary to meet the MN 2040 Carbon Free Standard while providing for system growth and service reliability.

In addition, LREC Energy Services staff will be on hand to answer your questions about our many energy product and service offerings, including standby generators, ETS water heating, GoWest™ Solar, and our new 2025 Smart Thermostat Pilot Program.

I hope to see you there. In the meantime, please continue to visit our website and Facebook page for updates affecting your cooperative, and don't hesitate to contact me with any questions or concerns.



**Dan Husted**  
LREC Interim  
CEO

# 88<sup>th</sup> Annual Meeting

Continued from front page.

Al Fazio and Dylan Aafedt on the recently approved 4-year Construction Work Plan, system improvements, 2025 vegetation management areas (i.e., tree clearing, etc.), member engagement/satisfaction, and a potential upcoming solar energy project, respectively.



Incumbent **Mike Brasel** was re-elected as Board Director for *District 3* following the conclusion of the election process; incumbent Board Directors **Charlie Blixt** (*District 6*) and **Gary Olson** (*District 9*) were re-elected via acclamation.

Members who were not able to attend the live event in April can find a video of this year's Annual Meeting by visiting [www.lrec.coop/annualmeeting](http://www.lrec.coop/annualmeeting).

# 4TH ANNUAL ENERGY FORUM

JUNE 6TH  
8:30AM-1:30PM  
THUMPER POND RESORT  
IN OTTERTAIL



Event is **FREE** with light lunch included. Please RSVP and submit any questions at [www.lrec.coop/energyforum](http://www.lrec.coop/energyforum)

### PRESENTERS/PANELISTS INCLUDE:

- Jim Matheson**, CEO of National Rural Electric Cooperative Association
- Darrick Moe**, CEO of Minnesota Rural Electric Association
- Priti Patel**, VP and Chief Transmission Officer at Great River Energy
- Zac Ruzycki**, Director of Resource Planning at Great River Energy



# Summary of Consolidated Financial Statements

Consolidated financial statements of Lake Region Electric Cooperative (*electric*) and Lake Region Energy Services (*natural gas*).

## STATEMENT OF OPERATIONS

December 31<sup>st</sup>, 2024 and 2023

### OPERATING REVENUES

	Dec. 31, 2024	Dec. 31, 2023
Electric	\$57,324,175	\$54,209,273
Natural Gas	\$1,656,596	\$1,783,870
<b>Total Operating Revenues</b>	<b>58,980,771</b>	<b>55,993,143</b>

### OPERATING EXPENSES

Cost of Energy	36,525,632	35,506,676
Distribution Expense - Operations	3,371,184	3,117,011
Distribution Expense - Maintenance	4,617,221	4,146,745
Consumer Account Expense	1,492,272	1,370,560
Customer Service and Information Expense	840,350	897,047
Administrative and General Expense	2,979,165	2,822,566
Depreciation	5,086,657	4,920,016
Interest on Long-Term Debt	2,144,666	1,969,697
Taxes & Other	342,360	364,901
<b>Total Operating Expenses</b>	<b>57,399,507</b>	<b>55,115,219</b>

Operating Margins After Fixed Charges	1,581,264	877,924
Generation, Transmission, and Other Capital Credits	1,401,719	2,175,919
<b>Net Operating Margins</b>	<b>2,982,983</b>	<b>3,053,843</b>

Interest Income	243,461	261,866
Other Non-Operating Income	229,141	419,305
<b>Total Non-Operating Margins</b>	<b>472,602</b>	<b>681,171</b>

<b>NET MARGINS</b>	<b>\$3,455,585</b>	<b>\$3,735,014</b>
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## BALANCE SHEET

December 31<sup>st</sup>, 2024 and 2023

### ASSETS

	Dec. 31, 2024	Dec. 31, 2023
<b>Utility Plant</b>		
Electric Plant in Service	\$168,363,936	\$160,085,860
Natural Gas Plant in Service	5,717,690	5,670,465
Construction Work in Progress	1,478,774	2,777,240
<b>Total Utility Plant</b>	<b>175,560,400</b>	<b>168,533,565</b>
Less Accumulated Provision for Depreciation	64,695,964	61,959,419
<b>Net Utility Plant</b>	<b>110,864,436</b>	<b>106,574,146</b>

### Other Assets and Investments

Investments in Associated Organizations	31,280,794	30,721,637
Other Investments	1,994,597	2,830,958
<b>Total Other Assets and Investments</b>	<b>33,275,391</b>	<b>33,552,595</b>

### Current Assets

Cash and Cash Equivalents	939,283	1,829,088
Accounts Receivable, Net	6,286,775	5,860,850
Materials and Supplies Inventory – Electric	2,690,548	2,211,818
Materials and Supplies Inventory – Natural Gas	345,548	209,181
Prepaid Expenses	432,278	348,305
<b>Total Current Assets</b>	<b>10,694,432</b>	<b>10,459,242</b>

### Deferred Debits

	1,096,041	1,261,496
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<b>TOTAL ASSETS</b>	<b>\$155,930,300</b>	<b>\$151,847,479</b>
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### EQUITIES AND LIABILITIES

	Dec. 31, 2024	Dec. 31, 2023
<b>Equities</b>		
Patronage Capital	\$59,319,211	\$58,147,285
Other Equities	11,698,232	11,011,348
<b>Total Equities</b>	<b>71,017,443</b>	<b>69,158,633</b>

<b>Long-Term Debt</b>	<b>68,510,774</b>	<b>67,608,879</b>
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### Current Liabilities

Line of Credit	500,000	-
Current Maturities of Long-Term Debt	3,071,000	2,920,000
Accounts Payable - General	1,349,154	642,673
Accounts Payable - Billed Power Costs	6,495,670	5,594,558
Consumer Deposits	350,881	361,407
Other Current and Accrued Liabilities	1,742,939	1,590,775
<b>Total Current Liabilities</b>	<b>13,509,644</b>	<b>11,109,413</b>

<b>Deferred Credits</b>	<b>2,892,439</b>	<b>3,970,554</b>
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<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$155,930,300</b>	<b>\$151,847,479</b>
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**LREC Member Appreciation Day**

Join us on **August 7<sup>th</sup>, 2025** at **Phelps Mill Park** from **3 to 7 p.m.**

- ☀ Free Meal and Park Entry
- ☀ Test Drive Ebikes and Vehicles
- ☀ Safety Demos

## Operation Round Up Recipients

Operation Round Up (ORU) is a significant way LREC members come together to make a difference in our community. Extra change generated from rounding up the monthly bills of participating members is used to fund requests by local charitable organizations. These small amounts – between \$0.01 and \$0.99 – all add up to make a big impact.



The most recent ORU meeting was held on April 7<sup>th</sup>, with 15 organizations being awarded a total of **\$29,750**.

- ◆ **\$500** to *Quilts of Valor*
- ◆ **\$1,500** to *Minnesota Deer Hunters Association in Fergus Falls*
- ◆ **\$2,000** to *Otter Cove Children's Museum*
- ◆ **\$5,000** to *Car Care Program*
- ◆ **\$750** to *Save The Trinity*
- ◆ **\$500** to *Our Saviors Ten Mile Lake Quilters*
- ◆ **\$500** to *Fergus Falls Police Department*
- ◆ **\$500** to *Lakes Area Community Square Dance Association*
- ◆ **\$1,000** to *Pelican Rapids Multicultural Committee*
- ◆ **\$7,500** to *WCI/Parkers Prairie Community Fund*
- ◆ **\$5,000** to *North Country Food Bank, Inc.*
- ◆ **\$2,000** to *Dunvilla Shooting Club, Inc.*
- ◆ **\$1,500** to *Henning Landmark Center*
- ◆ **\$1,000** to *Battle Lake Youth Center Inc.*
- ◆ **\$500** to *North Central Camp Cherith*

Since 2007, Operation Round Up has awarded **\$860,990**.

## Make Home Improvements and Pay Over Time with **EASY-PAY**

Lake Region Electric Cooperative offers **EASY-PAY**, which is product-specific financing on products we sell. This is an on-bill financing option paid monthly (*terms and interest rates depend on the product being purchased*). Currently, **EASY-PAY** is available for the following products:

- ◆ **Water heaters purchased from LREC**
- ◆ **Standby generators**
- ◆ **Level 2 EV Charger**
- ◆ **GoWest™ Solar**
- ◆ **Steffes ETS heating units**

If you are interested in one of the products above and would like to use **EASY-PAY**, please contact our Energy Services Team at (800) 552-7658.



## LREC Events

*Save the Date!*

### 4<sup>th</sup> Annual Energy Forum June 6<sup>th</sup> • 8:30 a.m.-1:30 p.m.

Save the date for our 4<sup>th</sup> Annual Energy Forum, featuring speakers from MREA, GRE, NRECA, and more! Attendees will learn, engage with presenters, and enjoy a light lunch.

### Twins Youth Baseball Clinic August 1<sup>st</sup> • 4-6 p.m.

Parkers Prairie High School and Lake Region Electric Cooperative invite kids ages 6–12 to a free baseball clinic! Meet at Parkers Prairie High School. Open to all. Register at [twins.com/clinics](http://twins.com/clinics)

### Member Appreciation Day August 7<sup>th</sup> • 3-7 p.m.

Join us for our Member Appreciation Day at Phelps Mill Park! Enjoy free park entry, a meal, ebike and electric vehicle test drives, safety demonstrations, and more as we celebrate and thank our members.

## The Energy Corner Now Available on LREC's Website

Lake Region Electric Cooperative (LREC) has brought The Energy Corner from a Facebook group to its own location on our website.

The Energy Corner (TEC) is LREC's dedicated space for members to find accurate, timely information about the energy evolution, economic transition, and cooperative news. TEC brings together news articles, press



releases, case studies, and research-backed data, all curated by LREC employees.

The Energy Corner makes it easy for members to stay informed at their own pace and on their own schedule. Our goal is to be your trusted, local source for energy information while giving our members a convenient, accessible resource whenever they need it.

Explore *The Energy Corner* today at [www.lrec.coop/energycorner](http://www.lrec.coop/energycorner)