



NewsFlashes

OCTOBER 2026

Following severe storms in June, LREC crews helped Runestone Electric Association (REA) restore power, demonstrating the cooperative principle of **Cooperation Among Cooperatives**.

CEO Column

As an organization, strategic planning is an exercise that allows us to think about where we want to go in the year ahead, align our priorities, and ensure the resources needed to achieve our goals are identified and in place. Last month, our board of directors, senior leaders, and staff gathered for a two-day strategic planning session. With help from *Cooperative Finance Corporation (CFC)* representatives and insights gained from member feedback, we looked at ways to grow our organization and improve our level of service.

Vegetation Management (VM) efforts in particular will be an area of focus for 2027. While we were able to increase our 2026 VM budget to \$3M and progress has been made, results from the summer outage recap (*Page 3*) show that additional resources will likely be required to help reduce tree-related interruptions. Important details about VM and our approach to future maintenance cycles can be found in the article by Arborist Abe Nebgen on *Page 2* – I encourage you to take a look.

As we begin the process of creating the action plans that will help us move forward with strategic planning goals, I want to thank our members for their engagement and willingness to let their voices be heard. Your input will play an integral role in the decisions we make as we move toward accomplishing our objectives.

With that in mind, please keep an eye out for our annual *Member Satisfaction Survey*. A link to complete the survey should arrive by email or text no later than mid-October. This important survey provides our members with the opportunity to share their concerns, suggest possible improvements, and weigh in on our performance over the past year. I look forward to your participation.

Until then, please do not hesitate to reach out if there's anything you would like to discuss.

Cooperatively yours,

Joel Janorschke, CEO



Contact the CEO Email: jjanorschke@lrec.coop Cell: (320) 292-4036

October is National Cooperative Month

Like many in the 1930s, Lake Region Electric Cooperative was formed to bring electric service to a rural area not served by municipal or investor-owned utilities. Thanks to the forethought of farmers, engineers, and residents – and the establishment of the Rural Electrification Act – local communities in our service territory gained access to reliable power.

Every October for over 60 years and counting, National Cooperative Month has been recognized as a time to highlight and celebrate the cooperative difference. Unlike other utilities, our cooperative is owned by the members we serve and guided by a set of operating principles that promote local governance, provide safety education opportunities, and offer support to those in need.

Keep an eye out throughout the month and into our 90th anniversary year, as we share stories of LREC living out each one of the **Seven Principles of a Co-op**, which can be found by scanning the QR code.



Member Satisfaction Survey

We are conducting our annual *Member Satisfaction Survey* in October. Please take this opportunity to let us know what you think! Look for an email or text message from one of the following:

Email: lrec@lrec.coop // Text: (218) 853-5732



Celebrate Cooperative Month with us! Stop by every Thursday during the month of October for cider and cookies in the lobby.

Building a Sustainable Vegetation Management Cycle at LREC



Abe Nebgen
System Arborist

LREC's Vegetation Management (VM) Program has gained momentum over the past six years, fueled by increased budgets, dedicated policy implementation, technological advancements, better planning, enhanced efficiencies, and thorough audits. Although crews clear only about 10% of the system each year, tree-growth-related outages continue to decline. This pattern supports the program's effectiveness and suggests LREC is successfully prioritizing areas with the greatest need.

Preserving these results is essential, and even the limited short-term data show a positive effect. In 2025, crews completed work on 198 line miles across nine circuits – the subdivision level at which VM is managed. In 2026, they are on track to complete 300 line miles across nine circuits. These years provide the most meaningful comparison because the VM policy has been applied consistently only during this period. The policy requires additional tree removals within the LREC maintenance corridor, increasing the effort required per mile and limiting the total mileage crews can complete. However, it also creates a more sustainable and consistent maintenance cycle that is easier to maintain over time.

Completing this work at appropriate intervals may also reduce spending per circuit: data from circuits trimmed twice

within seven years indicate potential savings of 10% to 43%.

That being said, because forest composition varies across LREC's service area, a fixed rotation length is impractical. Through its partnership with AiDash, LREC has developed a hybrid VM cycle that directs work to circuits based on their individual vegetation management needs.

Implementing the hybrid VM cycle will be challenging because LREC's distribution network spans 3,300 miles and vegetation management is expensive. In June, the Board reviewed a proposed seven-year implementation plan, but securing sufficient funding remains the primary obstacle.

Overall, LREC's VM results to-date demonstrate meaningful improvements in both reliability and operational efficiency. Reduced tree-related outages, improved prioritization, and a more consistent maintenance approach provide confidence in our path forward.

Most importantly, I am deeply grateful for the continued support of our members. Your trust and investment in the VM program make this work possible and help ensure a safer, more reliable electric system. Together, we will continue building a sustainable vegetation management program that delivers long-term value for LREC and its members.

Employee Spotlight

Karin Haugrud
Member Services Representative



Family? I have two adult children and three cats.

How long have you worked at LREC? 7 years

What position did you start with? I started my career at LREC in Member Services and have enjoyed serving our members ever since.

What are some of your primary responsibilities?

My primary responsibility is assisting members both over the phone or when they visit the office. I help answer billing questions, process payments, and assist with service order requests.

As a frontline employee, what are some different ways you've used to connect with our members?

Sitting at the front desk, I strive to make members feel welcomed and valued when they stop in. I enjoy getting to know our members on a personal level and building relationships with them. Over the years, I've come to consider many of them as friends. I take pride in being a familiar face they know and can trust.

What do you enjoy most about collaborating with other departments? I enjoy working with co-workers

from different departments because it helps us learn from and support one another. Building those connections makes communication easier and helps us resolve issues more effectively.

What is a hobby or interest you enjoy outside of work? Tackling DIY home improvement projects like tiling, painting, and flower gardening. I've learned that what starts as a "quick weekend project" often takes a little longer than expected, but I enjoy the creative process and seeing the finished result. Most of all, I cherish spending quality time with my family and making memories together.

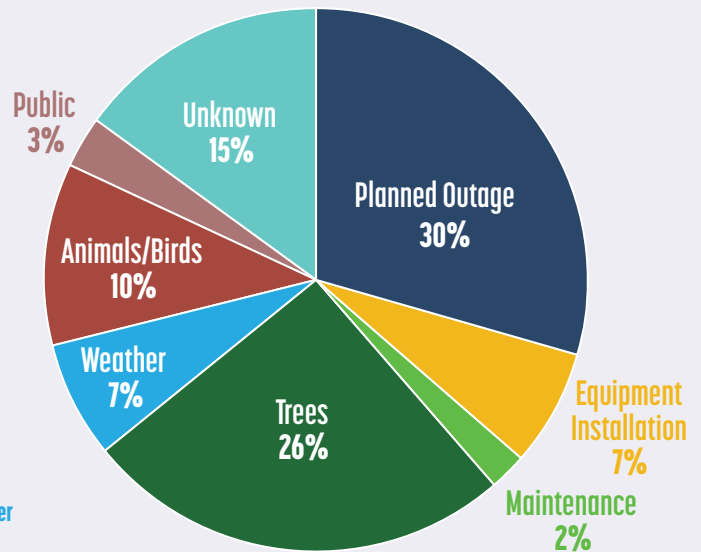
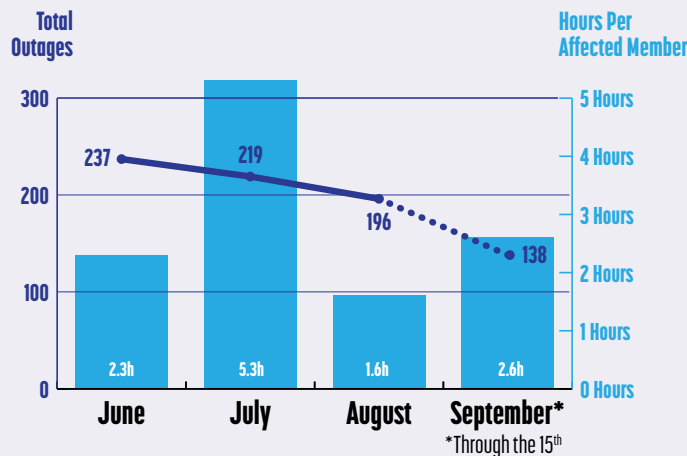
Funny/interesting LREC memory you can share?

One of my favorite memories at LREC started a couple of Christmases ago when a group of us decided to spread a little holiday cheer. We strolled from office to office singing Christmas carols! As we made our way through the building, we were met with smiles, laughter, and plenty of holiday spirit! While our singing talents may have been questionable, our enthusiasm was not!

Breaking Down LREC's Summer Outages

LREC tracks the cause of every outage in order to see what affects reliability across LREC's system. Outage data from this summer helps identify trends and where ongoing improvements can make a difference.

Trees were the leading unplanned cause, accounting for more than a quarter of all outages and spiking in June and September. Our *Vegetation Management* program continues to address this critical need.



Animals and birds were another notable cause, with the highest number of incidents occurring in August. Finally, planned outages, at 30 percent, are necessary interruptions that let crews safely upgrade and strengthen the system.

Tracking these trends helps LREC focus its maintenance, vegetation management and system improvements where they can have the greatest impact on reliability.

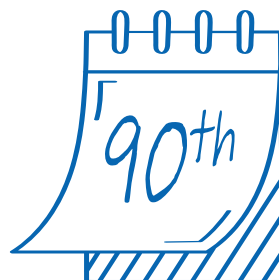
Dual Fuel Members: Check Your Back Up System Fuel Supply

LREC reminds our Dual Fuel members to check and fill their backup fuel supply *before* winter. Dual Fuel and Short-Term Storage heating systems may be controlled during periods of high electric demand, wholesale price spikes, or system emergencies.



NEW Energy Services Video: Generators

The latest installment in our video series provides useful information on how to keep your unit running properly – and how our team can help. Scan the QR code or visit www.lrec.coop/energyservices to give it a watch.



Coming Soon: LREC 2027 90th Anniversary Calendar

We're celebrating our 90th anniversary all year long with this special monthly calendar. Information on how to pick up your **FREE** copy will be available in the November *NewsFlashes* and on our Facebook page – keep an eye out!

Notice to Distributed Generation Facilities

In compliance with Lake Region Electric Cooperative's adopted rules relating to cogeneration and small power production, Lake Region Electric Cooperative is obligated to interconnect with and purchase electricity from cogenerators and small power producers, whom satisfy the conditions as a qualifying facility. Lake Region Electric Cooperative 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 is subject to resolution by the Lake Region Electric Board of Directors. Interested members should contact Lake Region Electric Cooperative, 1401 S. Broadway, PO Box 643, Pelican Rapids, MN 56572 or call (800) 552-7658, or visit the cooperative website at www.lrec.coop.

REPAC: Your Voice In Government

The Rural Electric Political Action Committee (REPAC) is a grassroots organization comprised of electric cooperative employees and members focused on protecting the mission of providing safe, reliable, and affordable energy. Made entirely by individual contributors, donations to REPAC play an important role in ensuring a voice at the table by providing fundraising support to legislators aligned with our priorities. While contributions alone do not determine outcomes, the direct connection to lawmakers created through REPAC demonstrates participation by a constituency that is engaged and united in preserving our self-governance and the cooperative difference. Annual suggested giving levels start at \$25. **Interested? Contact croesch@lrec.coop for details.**

Board Meeting Highlights

Lake Region Electric Cooperative's Board of Directors conducted its regular monthly meeting Thursday, July 30, 2026. All nine Board members, CEO Joel Janorschke, department leaders, Attorney Chad Felstul, and other LREC staff members were in attendance.

The following reports were given:

CEO Joel Janorschke and department leaders provided updates on employee and member engagement initiatives, member communications, vegetation management concerns, and summer work schedules.

Department leaders reported on electric system reliability, outage causes, substation projects, generator performance, and information technology staffing.

CFO Amanda Fuller presented June 2026 financial results for both LREC and Lake Region Energy Services (LRES), along with forecasts, power cost trends, and updates to the cooperative's Financial Management Plan.

Technology Services Manager Dave Hotchkiss presented a business plan for expanding IT Shared Services, including organizational structure, staffing needs, client opportunities, and plans to form an LLC to support future growth.

Great River Energy Director Mike Brasel reported on GRE strategic planning, transmission

projects, generation resources, and long-term regional power supply initiatives.

Attorney Chad Felstul provided updates on the Rural Utilities Service (RUS) financing process and recent legal and regulatory cases affecting electric cooperatives, including utility easements, smart meter litigation, and third-party solar interconnection issues.

The following actions were taken:

- ▶ Approved a \$75 Homestead Fund contribution for each enrolled employee.
- ▶ Approved January 7-8, 2027, as district meeting dates and April 22, 2027, annual meeting date.
- ▶ Approved June 2026 LREC & LRES financial statements.
- ▶ Approved updated signers for CoBank.
- ▶ Approved the Bruhn Beach natural gas line extension project.
- ▶ Approved revisions to Policy 706 regarding workday, workweek, on-call duties, call-outs, recovery time, and overtime compensation.
- ▶ Approved proceeding with the RUS loan process.

STRENGTHENING OUR GRID

In September, LREC lineworkers continued progress on our 4-year construction work plan by replacing and upgrading both poles and conductors in an area outside of Underwood. The work – much of which is done with the lines still energized – involved leaning the older poles out of the way to allow newer poles and equipment to be set and restrung. Installation of the larger conductors and improved line will result in a reduction in line loss – the amount of electricity lost when power travels from generation to distribution – and the ability to reliably handle larger load.

Board of Directors

DISTRICT 1

Kurt Krueger

Vice Chair

kkrueger@lrec.coop

DISTRICT 2

Cecil "Bud" Hensel

Secretary/Treasurer

chensel@lrec.coop

DISTRICT 3

Mike Brasel

GRE Board of Directors Rep.

mbrasel@lrec.coop

DISTRICT 4

Jeff Hildebrandt

jhildebrandt@lrec.coop

DISTRICT 5

Patrick Meyers

pmeyers@lrec.coop

DISTRICT 6

Charlie Blixt

cblixt@lrec.coop

DISTRICT 7

Tom Jennen

Chair

tjennen@lrec.coop

DISTRICT 8

Jim Gronbeck

jgronbeck@lrec.coop

DISTRICT 9

Gary Olson

garyolson@lrec.coop



OUR MISSION

Provide our members with **safe, reliable, and affordable energy**, and lead by offering **innovative services** to grow the cooperative.

OUR VISION

Leading, empowering, and guiding members to use energy wisely to secure a better future for **our families, our communities, and our world.**

OUR VALUES

- ◆ Safety
- ◆ Integrity
- ◆ Innovation
- ◆ Accountability

- ◆ Open, honest communications
- ◆ Commitment to members, community, and employees