

# Connections

May 2026

For the member-owners of Federated Rural Electric & Broadband



Volume 30, Issue 5

## Members expanding business or need equipment? Turn to co-op's Revolving Loan Fund — \$400,000 awaits relending

Recipients	Year	How loan was used	Loan
City of Ceylon	2009	Buy fire truck	\$110,000
Tenhassen Township	2009	Township Hall meeting area & garage	\$134,000
Heron Lake Fire Truck	2017	Upgrade to new fire truck	\$231,515
Round Lake Fire Truck	2017	Upgrade to new fire truck	\$190,000
Okabena Fire Truck	2018	Upgrade to new brush fire truck	\$19,141
Fox Lake Conservation League	2021	Buy land for a public park	\$200,000
City of Okabena	2021	Buy payloader & build shop/storage building	\$75,000
Round Lake Vineyards & Winery	2021	Septic system to renovate/expand for permanent kitchen, more restaurant seating & expanded banquet seating	\$150,000
Bergen Meat Processors, Windom	2022	Waste treatment system	\$60,461
Hi-Lo Club, Lakefield	2023	Connection to the city's wastewater lines	\$159,582
<b>Total</b>			<b>\$1,329,699</b>

The local cooperative difference shines through the example of Federated's Revolving Loan Fund. What started as a \$244,000 grant has increased five times over. \$400,000 now exists in the fund waiting for the next co-op members' applications.

Federated business owners and eligible organizations looking to grow should consider the co-op's Revolving Loan Fund.

Back in 2009, Federated worked with the City of Ceylon as they were in need of a fire truck and Tenhassen Township wanted to build a townhall that was handicap accessible and had storage for the road grader.

Refer to the table above for how organizations/businesses have enhanced the local community thanks to these revolving loans. What started as a \$244,000 grant from the U.S. Department of Agriculture (USDA) with a 20 percent match from Federated, became the co-op's revolving loan fund. A second expansion of the loan fund grew when the Cities of Heron Lake and

Round Lake financed new fire trucks.


"The loan fund increases as loans are paid back," said Scott Reimer, Federated's general manager. "Presently, Federated has about \$400,000 in the Revolving Loan Fund, which supplements local capital."

Loans can cover up to 50 percent of eligible project costs and range from \$10,000 to \$200,000. Terms of repayment will be 10 years or less. The interest rate shall be 1 percent, along with a 1 percent service fee; the applicant pays the legal fees and closing costs. Fixed asset and working capital financing are available. Sorry, agriculture production costs are not eligible.

Loan fund applications are available by calling Federated at 507-847-3520, extension 2224 or e-mail [info@federatedrea.coop](mailto:info@federatedrea.coop). You will then receive the


program's policies and an application, which has to be approved by the Federated Board of Directors and USDA.

Businesses creating a lot of jobs may be eligible for other USDA loans, up to \$1 million covering up to 80 percent of eligible project costs. Again, reach out to Federated for possible eligibility. The application must be submitted to USDA by the cooperative before any groundwork begins.


Including all of the Federated economic development loan programs, the cooperative has assisted 25 businesses/organizations, retained 1,289 jobs and added 668 jobs to the local economy. Federated's economic development loan amounts since 1990 have totaled \$4.6 million. That's the cooperative difference of local involvement working for you and our rural economy! 

### At A Glance



Your Touchstone Energy® Partner 

**Beat summer's heat!  
Upgrade to heat pump  
now! Save with co-op  
heat pump rebates**

Avoid becoming hot under the collar (and everywhere else). Replace your old central air with an energy-efficient air source heat pump. Federated offers rebates of \$1,000 or \$1,500, based on the efficiency. No central air? Go with ductless air source heat pump with \$600 rebate. 

# Spring into energy savings!

Spring is a season of renewal — and a great time to refresh your energy habits too! As temperatures begin to warm and daily routines shift, a few small changes around your home can add up to meaningful energy savings.

Federated is committed to helping our members use energy wisely, while keeping homes comfortable year-round.

## Heating/cooling maintenance time!

Spring is the perfect time to schedule maintenance for your heating and cooling system. Spring and fall checkups conducted by a licensed professional can help ensure your system is running efficiently, safely and reliably before the peak seasons begin. A well-maintained unit uses less energy, lasts longer and helps prevent costly breakdowns when you need it most.

## Set ceiling fan to spin right way

If you're looking for a simple place to start saving, look no further than ceiling fans. Fans don't actually cool or heat the air, but they help you feel more comfortable by moving it. During warmer months, make sure your ceiling fan blades are set to rotate counterclockwise. This creates a downward breeze that makes you feel cooler, allowing you to raise your thermostat a few degrees without sacrificing comfort. In cooler months reverse the direction of fan blades clockwise to help push warm air down from the ceiling, improving efficiency when your heating system is running.

## Ready, set, go with thermostat

Speaking of thermostats, adjusting the temperature just a few degrees can make a noticeable difference on your energy bill. As spring arrives, try setting your thermostat slightly higher when cooling or slightly lower when

**Win energy savings with the proper ceiling fan spin!**  
In the summer set it to spin counterclockwise for a downward breeze. A clockwise spin in the winter pulls the cold air up and warm air down.



heating. Even a two- or three-degree adjustment can reduce energy use, while still keeping your home comfortable — especially when combined with ceiling fans or open windows on mild, pleasant days.


## Save with shorter showers

Hot water use is another area where simple habits matter. Taking shorter showers can help reduce the amount of energy used to heat water, which makes up a significant portion of most energy bills. Cutting just a few minutes off each shower not only saves energy, but also conserves water.

Finally, the time of day you use energy can also play a part in savings. When you run major appliances during off-peak hours (when energy demand is lower), you can take advantage of non-peak rates and help reduce pressure on the electric grid — that's a win-win!

By spreading out when you use major appliances you help reduce the demand charge on your electric bill versus using them all at once when you get home from work.

## Save with Federated rebates

Federated will help every season, every step of the way. We offer energy-saving programs and resources designed to help you lower energy use for your home or business and manage costs. If you have questions or want to learn more about energy-efficiency rebates and load management programs, visit [www.federatedrea.coop](http://www.federatedrea.coop), click on "programs" and then "rebates" or "energy efficiency". Federated offers rebates on new Energy Star freezers/refrigerators with recycling of the old unit, heat pumps, Smart thermostats, plus commercial rebates for farm and business improvements. 


## Drone fan ceiling light: screw into light bulb base

Adding a ceiling fan to a small room becomes as easy as screwing in a light bulb. In this case, you screw in a drone fan ceiling light.

Use the remote control to adjust the LED lighting color from warm, natural to cool white settings. The remote control allows for three fan speeds.

What a simple upgrade to your home. No tools are required to install it. Just screw it into an E27 light bulb screw base. Some models feature a socket extender or an extension rod so the fan/light hangs down farther. The fan blades fold up when you are not using the fan. The fixture's size is roughly 16" long by 12" wide and 4" high. The light consists of a 20-watt LED, while the fan is 16 watts. Models come in gray, white and light blue.

Imagine the small spaces that would benefit: apartment renters, garage, bedroom, bathroom, balcony and small rooms.

These drone fan ceiling lights can be found online at Walmart and Amazon for prices ranging from \$20 to \$40. 

**See the light! You'll be a fan of a cool drone fan ceiling light that's as simple to install as screwing in a light bulb! No tools are required!**



## Safety

### Plant seeds of safety this spring during field work

Farmers look forward to planting corn and soybeans each spring. We hope you plant the seeds of safety this spring as well.

Whether working the ground, planting or spraying, do all of this spring work with safety "seeded" in all that you do!


- Watch out for the guy wires, green padmount transformer cabinets and poles. Go slower with the larger equipment when farming around the field if poles are along the field's edge.
- Look up for the low hanging wires before you enter the field. Call the cooperative in advance if line crews need to work on it.
- Besides looking up, your cooperative reminds you to look down too. What's buried underneath? Is there underground electric cable or fiber lines? Remember to call Gopher State One Call at least 48 hours in advance so the underground electric lines and fiber can be located to keep you safe.

If your farm equipment comes into contact with power lines, stay in the cab and call your electric cooperative for help. If the power line is energized and you step outside, your body becomes the path to the ground for the electricity. Warn others who may be nearby to stay away and wait for the utility crew to arrive to avoid an electrical shock or electrocution.



**Keep on the straight and narrow path... away from entanglement with power lines and guy wires, as you farm this spring. By planting safely you reap what you sow!**

If leaving the cab is necessary due to a fire from the downed lines, the proper action is to jump — not step — with both feet together, hitting the ground at the same time. Do not allow any part of your body to touch the equipment and ground at the same time. Hop to safety, keeping both feet together.

By planting safely you'll reap what you sow. 

# Federated Focus

## Closed Memorial Day, May 25



Federated is closed Monday, May 25, for Memorial Day. We salute all those who have served our nation, preserving our freedom! Make it a safe holiday weekend.

## May day! May day! Brrr shower?



Are you sending out a distress signal because your water heater no longer provides hot water? Call Federated to the rescue!

Federated's Marathon water heaters feature a lifetime warranty against leakage for the original residential owner. Call Federated to schedule your water heater installation for \$750, plus tax, by calling 507-847-3520, extension 2226. A gas changeout water heater costs an extra \$50 for the breaker and wiring. If you want Federated to remove the old water heater from the basement and dispose of it, that's an extra \$75.

## Cycled Air credit changes to \$5

# \$5

The 2026 rate adjustment also included a change to the monthly Cycled

Air credit for the June, July and August electric bills. It was changed to \$5/month due to a wholesale power provider change.

Cycled Air is a program where members enroll their central air or heat pump to cycle 15 minutes on and then 15 minutes off during the hottest summer peak periods, typically from 5 p.m. to 9 p.m. This load management program helps Federated and our members use energy wisely when it costs the most on the market to stabilize electric rates. ☎️



Scott Reimer

# Manager's Message

## The budget and workplan were approved

As Federated enters 2026, we are operating in a period of rapid and accelerating change. Advancements in energy, technology and data demand, combined with evolving regulatory expectations, are reshaping our industry. While growth in electric usage and broadband adoption remains steady, it is this broader transformation that most influences how we plan, budget and position Federated for long-term success. Change impacts everyone differently, but it is constant. Our responsibility is to approach it proactively, while maintaining our core commitments: reliability, affordability, safety and member value. The 2026 budget reflects that balanced approach. This budget serves as our roadmap, guiding decisions, measuring progress and reinforcing our commitment to those we serve.

## Energy & technology landscape redefine system needs

Across the country and locally, large-scale transmission development and increasing energy demand, driven in part by artificial intelligence and data infrastructure, redefine system needs. These trends reinforce the importance of a resilient electric grid and robust fiber network. Emerging technologies, including renewed interest in nuclear generation and small modular reactors, highlight the need for long-term flexibility, even if they are not immediate solutions for Federated.

## Planning for the long-term

Our long-range financial forecast remains the foundation of the budgeting process. It is a dynamic tool guiding decisions across all departments, ensuring we meet current operational needs, while preparing for future demands.

On the electric side investments remain focused on system resiliency and growth. Ongoing upgrades, including pole replacements, conductor improvements, transformer upgrades and substation investments, strengthen reliability and prepare the system for increased load, new opportunities and technologies. Substations, in particular, remain critical to both reliability and future expansion. System hardening efforts, including underground conversions and modernized standards, reduce outages and improve service quality. However, elevated material and labor costs persist, requiring disciplined financial management and careful rate considerations.

## Operations, technology & cybersecurity upgrades occur

Federated remains operationally stable. Staffing transitions in 2025 were successfully managed, with key roles filled internally and new team members onboard. In 2026, Federated will begin transitioning to a new enterprise software system (NISC), positioning the cooperative for improved integration and long-term efficiency. At the same time cybersecurity remains a top priority. Investments in IT-related systems, system monitoring and staff awareness are critical to protecting our operations and maintaining member trust.

## Major Broadband growth planned this year

Broadband continues to be a defining part of Federated's future. Expansion efforts in 2026 focus on increasing subscriber density, completing key projects, and leveraging grant opportunities. Major initiatives include:

- Completion of the Border-to-Border Round 10 project in Martin County
- Expansion through BEAD funding across three counties
- Additional growth through the DEED Line Extension program
- Continued work on the Windomnet acquisition

These efforts are guided by a disciplined strategy that balances growth, financial sustainability and co-op principles. Higher-density builds strengthen financial viability and enable expansion into more rural areas over time.

## Facility investment & operations continue

A major headquarters remodel began in 2026 to modernize our workspace and support future growth. Staff temporarily relocated to the Belmont Heights facility. Careful planning ensures service quality and minimal disruption to members. ☎️

# Federated invests more than \$800,000 in 2026 work plan on electrical line improvements

Federated plans to do more than \$800,000 worth of line improvements to provide reliable electricity to our member-owners.

Loosbrock Digging Service, Lismore, was hired to do the underground work for projects one through five listed below this summer.

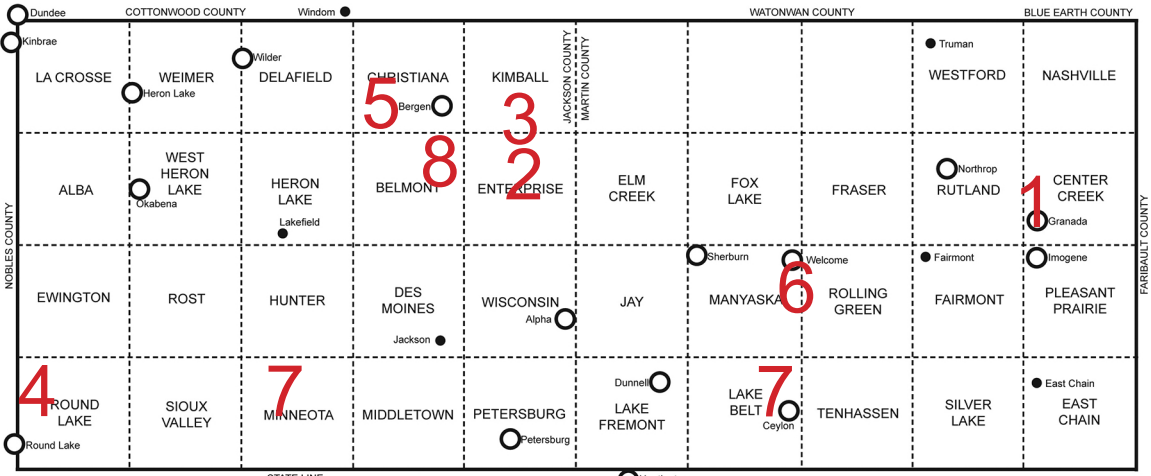
**1** A half of a mile of new three-phase underground tie line provides the city of Granada a backfeed for another source of power, if needed, to reduce outage time.

**2** Two miles of three-phase underground replaces the overhead lines after the Jackson County Highway Department finishes their road grade project (this fall or spring 2027) on County Road 29 from 850<sup>th</sup> Street to 870<sup>th</sup> Street.

**3** One mile of single-phase underground replaces the overhead lines after the Jackson County Highway Department finishes their road grade project (this fall or spring 2027) on County Road 29 from 870<sup>th</sup> Street to 880<sup>th</sup> Street.

**4** Three and a half miles of single-phase underground replaces the old overhead lines that have been patched up from ice storms for many years, along State Highway 264 from 730<sup>th</sup> Avenue to 770<sup>th</sup> Avenue.

**5** Three miles of three-phase underground replaces the old overhead lines that were built in the 1950s and



The numbers indicate the work that will be done in the co-op's service area under the 2026 construction work plan to enhance reliability.

weathered many storms along 900<sup>th</sup> Street from 490<sup>th</sup> Avenue to 520<sup>th</sup> Avenue.

**6** One mile of three-phase underground replaces the old failing underground cable coming out of the south and east circuit at the Welcome substation.

Co-op crews will complete the following projects:

**7** Install animal protection in the Ceylon and Minneota substations.

**8** Install two-way switchgear to allow the Enterprise substation and the Wilder substation to be backfed safely to reduce outage time.

Federated crews work on service installs/upgrades for members planning new houses, grain bins or livestock barns. Call Federated's Operations Department (507-847-3520, extension 2241) to schedule your project; materials must be ordered and each project added to the construction list.

## Congratulations on achieving journeyman status Jacob & Noah!

Federated gives a tip of the hard hat to two linemen who achieved journeyman status this year. Congratulations Noah Ringnell who reached journeyman status January 19, while Jacob Kummer reached this milestone February 6.

Both participated in the Career Development for Linemen (CDL) program, which instructs utility personnel in the safety-related work practices and technical skills necessary to install, operate and maintain power distribution systems. The CDL Journeyman program also meets the Federal and State Department of Labor requirements for apprentice training.

This certification program involves on-the-job training, along with testing in different areas, ranging from safety to meters, transformers, power lines and substations. The program covers more than 7,500 hours of training and testing.

Ringnell's first day at Federated was January 5, 2022, while Kummer started his career at Federated April 11, 2022.



Celebratory cake marked Jacob Kummer and Noah Ringnell achieving journeyman status this year. Congratulations!

# Co-op members fund \$19,092 from Operation Round Up for this spring's 29 recipients

Organization	Amount	Purpose
Heron Landers 4-H Club	\$150	Fabric to make quilts for homeless shelter and foster kids
Grace Lutheran Quilters, Worthington	\$150	Quilt batting for 25 quilts for people in accident or facing illness
HLO Elementary	\$200	Positive behavior reward/incentives
Huskies Baseball 11U	\$250	Toward balls and bat
HLO Agriculture Department	\$250	Toward locking charging stations for computers
Heritage Acres, Fairmont	\$300	Toward blacksmith for August Threshing Day
Rhythm of the River, Jackson	\$432	Create kids' bags with activities & musical instruments
Fairmont Area Human Rights Organization	\$500	Toward Disability Awareness Day expenses at Martin Co. Fair
JCC Middle School	\$500	Life skills equipment for disabilities' student class
HLO Prom	\$500	Prom DJ and post-prom activities.
JCC Post Prom	\$500	Toward post prom
Fairmont Post Prom/Youth First	\$500	Toward event activities and prizes
JCC Agriculture Department	\$500	Flowers for the student-created bouquets in floriculture class
JCC Schools Speech/Language Therapy	\$500	Speech assessment materials to ID/monitor students' progress
Fairmont Girls Basketball Association	\$500	Toward scholarships for camps & travel teams
SWWC Foundation for Innovation in Education, Marshall	\$500	Fees for students in knowledge bowl, writing & spelling bee
JCC Earth & Space Science	\$530	Sunspotter Keplerian telescope for 9 <sup>th</sup> grade classroom
Lakefield Aquatic Center	\$600	Replace outdated/worn safety signs at the pool
JCC Anatomy Physiology Class	\$600	Toward transportation costs to visit SDSU Cadaver Lab
JCC Science Class	\$630	Digital microscope for students with visual impairment/disabilities
Jackson Fire & Relief Assn.	\$1,000	Electric vehicle fire blanket to fight this type of fire
Jackson County Library System	\$1,000	For Zoo Man summer reading program at three county libraries
Jackson Food Shelf	\$1,000	Will buy food to meet the increased demand
Jackson County Conservation League	\$1,000	Help stock panfish in select Jackson County lakes
Rebuilding Together Minnesota	\$1,000	Accessibility ramps for Jackson County low-income homes
Sherburn Lions	\$1,000	Accessibility ramps for Sherburn homes
Alpha Fire Department	\$1,500	Toward two new pagers for new members in the department
Minnesota Valley Action Council, Martin Co.	\$1,500	Income-eligible energy assistance funds for Federated members
Salvation Army	\$1,500	Income-eligible energy assistance funds for Federated members
<b>Total</b>	<b>\$19,092</b>	

The Federated Rural Electric Trust awarded \$19,092 through Operation Round Up this spring. These donations occur due to monthly contributions by participating Federated members. 29 groups received money in this 63<sup>rd</sup> round of funding. 35 applications were submitted totaling \$74,976. The Trust Board meets in the fall to determine the next recipients. The application deadline is September 18.

In addition, \$700 was awarded to Minnesota West Community & Technical College, Jackson, for a Jackson or Martin County student enrolled in the line worker or electrician program. These funds were designated at the previous Trust Board meeting.

About 73 percent of Federated Rural Electric members participate in

Operation Round Up. They allow their electric bills to be rounded up to the nearest dollar. For example, a bill of \$55.75 is rounded up to \$56. The extra cents go to a special trust fund, which is administered by an independent Trust Board that consists of seven Federated members. Since the first round of funding in 1994, \$1,045,575 has been awarded to local organizations and as high school scholarships.

"Operation Round Up is a way for members to help members," said Ruth Dicks, Federated's Trust Board president. "Just a few cents a month, when added with other members' cents, can really add up and do some good in our communities. On average, a member's Round Up contributions amount to approximately \$6 a year,

which is tax-deductible."

The Trust Board's policy outlines project categories eligible for funding:

- community service (emphasis on public safety, health care and enhancement of cultural environment)
- community leadership programs
- education and youth projects (social problems and wellness/athletics)
- environmental projects (recycling, environmental education and environmental ag research)
- emergency-energy assistance funds to organizations for distribution
- disaster relief.

Go to [www.federatedrea.coop](http://www.federatedrea.coop) to download the application; otherwise, e-mail [info@federatedrea.coop](mailto:info@federatedrea.coop) for it or call 507-847-3520 press extension 2224 for Andrea.

## Peas — pretty please! Share your recipes using peas with us

Peas porridge hot, peas porridge cold... Please send us pea recipes, whether fresh, frozen or canned. Send us your family favorite peas recipes, as a side dish, salad, soup or casserole. Send to Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by May 25. Add your name and phone number. Thanks for sharing with us! 📧

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### Party Fruit Salad

by Joann Wink, Fairmont

- 1 can 13 oz. peaches, cut up
- 1 can 13 oz. pears, cut up
- 1 can 13 oz. pineapple chunks
- 2 cans 11 oz. mandarin oranges
- 2 c. grapes (green)
- 1 pint strawberries, cut up
- 3 sliced bananas
- 1 can apricot pie filling
- 2 c. mini marshmallows

Drain fruit. Combine with grapes, strawberries and bananas. Add pie filling and marshmallows to fruit mixture.

Provides 35 servings. 📧



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### 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](http://www.gopherstate-onecall.org) or call 811. Call a licensed electrician to locate the underground lines on your side of the meter. 📧

## Connecting what matters most...



Rural living doesn't have to mean an unconnected, out-of-touch lifestyle. Although we all enjoy the quieter evenings and slower pace that comes with living miles from town, we know it's still important to stay in sync with the world.

Today's homes and farms rely on internet access everywhere — not just in the living room. Whether you're running a business from the shop, streaming music on the back patio, checking barn cameras for new additions to the herd, or uploading planting data from the machine shed, strong Wi-Fi across your entire property is becoming essential.

Shop and outbuildings are some of the most common Wi-Fi trouble spots; metal siding and long distances often make that connection from the main router in the house weak or not available altogether. But there are options to extend your services to wherever you may need it on your property:

1. Mesh Wi-Fi Systems: Mesh systems act like mini routers taking the signal from the main router and pushing it further. These are great for large homes, attached garages and three-season rooms.

2. Outdoor Access Points: Weather-rated access points can be mounted on the exterior of houses to extend your signal outside into the yard — great for patios, backyards and non-metal small outbuildings.

3. Wireless Hop: Small point-to-point equipment with a secondary Wi-Fi router connects buildings further from the house with the same service connection you're already paying. Great for shops, barns or sheds further from the house with no current signal connection.

Your internet shouldn't stop at the living room. With the right setup, you can enjoy strong, reliable Wi-Fi across your entire property. If you're unsure what solution fits the needs of your home or farm, the Federated Broadband team is happy to help evaluate your setup, recommend best options and help with installation. ☎



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The Board of Directors generally meets the first Thursday of the month virtually at 8 a.m. 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.

## Sign up for Broadband's phone service today!



Say goodbye to dropped calls and hello to crystal-clear voice quality with Federated Broadband's VoIP Services! Our phone service is a perfect fit for businesses looking to upgrade their phone systems or for a home phone connection.

Residential phone services start at \$25/month and business services start at \$30/month. You can even keep your current phone number (when porting is available) or start fresh with a new number.

Upgrade to smarter calling with Federated Broadband's VoIP services. Enjoy better quality, more features and often lower costs compared to your traditional landline. Make the switch today! Contact our office now to learn more about how Federated Broadband can be your one stop shop for internet, TV and phone! ☎