

CEO Column September 2026

Questions About the Rate Increase

This July, Brown County REA's Board of Directors approved changes to the cooperative's *General – Single Phase* and *General – Three Phase* rate classes, along with adjustments to our *Large Power* and *Irrigation* rates. The increases went into effect on September 1st. I would like to take this opportunity to answer some questions our members may have about the rate increase, starting with why we needed to raise rates at this time.

Over the past few years, Brown County REA has experienced increased costs, including higher wholesale power costs. We are also seeing lower-than-expected energy sales, and our current 2026 capital margins are negative. The Board determined that adjusting rates is the most reliable way to maintain the cooperative's financial health while continuing to provide safe, reliable electric service.

Curious how the rate change will impact your monthly energy bill? For a *General – Single Phase* account, the service charge is increasing \$6 per month, and the energy charge is increasing by \$0.002 per kWh (2/10ths of a cent).

Here is a helpful calculation for estimating bill impact for members with *General – Single Phase* accounts:

New bill impact = \$6 + (monthly kWh × \$0.002)

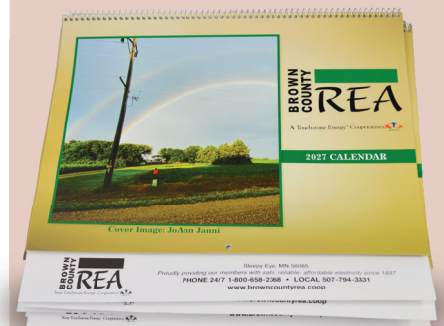
Members may also be wondering if the headquarters building renovation plans are one of the factors behind the need for a rate increase. The renovation is not a factor in the current rate increase; however, it will affect the cooperative's future expenses. Costs associated with the renovation will be financed through very low interest Rural Utility Service (RUS) loans, allowing the cooperative to repay them over time.

As a member-owned, not-for-profit cooperative, we are focused on keeping costs as affordable as we can for our membership – while still providing you with reliable electricity. Any excess margins at the end of the year are allocated to our membership as capital credits. The recently implemented rate adjustment will help cover the cooperative's current costs and allow us to maintain financial stability so we can serve you well now and into the future.

Mike Heidemann,
BCREA CEO

2027 Calendars
Now Available

Our 2027 calendar is here! This year's calendar features scenic photos submitted by members from across the BCREA service area as part of our recent photo contest. Thank you to everyone who shared photos showcasing the beauty of our local communities.



Members are invited to stop by the REA office during regular business hours to pick up a 2027 calendar. Wall calendars with pockets and pocketbook-style calendars are available. *Limit one calendar per member, while supplies last.*

Where Does Each Dollar Go?

For each dollar of revenue, here's the breakdown on how it is spent to provide reliable electric service and support cooperative operations.



BCREA Out & About

August was a busy month for Brown County REA at events throughout the area.

Three BCREA employees worked at FarmFest. Two linemen provided **electrical safety demonstrations¹** at the MREA booth, including pole climbing and demonstrations showing how contact with a power line can cause injury or fire. An office employee worked at the **Touchstone Energy booth²**, where members brought their cooperative's raffle ticket for a chance to win one of five EGO battery-powered tools. Winners were **Scott Helget, Brown County REA, string trimmer**; **Jada Olson, Lyon-Lincoln Electric, blower**; **Dennis Tauer, Redwood Electric Cooperative, wet/dry vac**; **Brian Davis, McLeod Cooperative Power, pressure washer**; and **Belle Harder, South Central Electric Association, chain saw**.

BCREA also supported local 4-H, contributing toward scholarships for four members. **Cindy Jensen⁴**, BCREA's 2024 Youth Tour representative, participated in her final year of 4-H, while District 1 Director Jim Hanson watched **his grandson⁵** earn a scholarship for showing an animal. **Craig and Joleen Dittbenner⁶** of Dittbenner's Spring Creek Dairy were honored as the 2026 Brown County Farm Family of the Year.

BCREA also participated in the **Sleepy Eye Summerfest parade³**, joining the annual celebration.



Operation Round Up Awards Local Grants



The Operation Round Up trust board met in the evening on August 18th to review applications. Funds were awarded to the **SWWC Foundation for Innovation in Education** and the **Minnesota Valley Action Council**. At the end of the meeting, board members were given an opportunity to tour the BCREA headquarters.

Donations are made possible through the generosity of REA members whose electric bills are rounded up to the nearest dollar each month. For example, if your bill is \$95.52, you pay \$96. The 48-cent difference is placed in the Round Up Trust account and distributed quarterly to worthy causes throughout the cooperative's service area. Also, your contributions are tax deductible.

For less than **\$12 per year**, you can help make a difference in the local area. Contact our office at (800) 658-2368 today!

Upcoming Dates

September 14th • Member Advisory Council

The second meeting of the current Member Advisory Council will be held September 14th, 2026 at the Brown County REA auditorium. Council members will receive additional details in the mail.

September 17th • Operation Round Up Meeting

The third quarterly Brown County Rural Electric Trust Board meeting for 2026 is set for September 17th. Organizations interested in applying for funding through the Round Up Trust can request an application from trust board members. Applications are also available on the REA website at www.browncountyrea.coop; click *Operation Round Up* under the *Programs & Services* tab or contact the office at (800) 658-2368. Applications should be submitted by **November 16th**.

Thank you to **Cooper Freitag**, who joined the BCREA team as a 1,000-hour lineman. We appreciate his hard work and hope he enjoys his time with BCREA!



Cold Weather Rule



Minnesota's Cold Weather Rule (*MN Statute, Sec. 216B.097*) provides some protection from October 1st through April 30th for residential members who may have difficulty paying their electric bills. However, the rule does not automatically prevent electric service from being disconnected during the winter.

Does the Cold Weather Rule prevent winter disconnections?

No. Members must meet certain requirements and take action to receive protection under the Cold Weather Rule.

How do I receive Cold Weather Rule protection?

If electricity is your primary heat source, you may qualify for protection if all of the following apply:

- ◆ *Your household income is at or below 50% of the state median household income. Your income may be verified using forms provided by the cooperative or a local energy assistance provider.*
- ◆ *You enter into a payment agreement with the cooperative based on your household's financial resources and make the agreed upon payments on time.*
- ◆ *You receive referrals from the cooperative to energy assistance, weatherization, conservation, or other programs that may help reduce your energy costs.*

If you receive a disconnection notice, contact the cooperative promptly to discuss your options and request Cold Weather Rule protection.

Can I still be disconnected during the winter?

Yes. Winter disconnections may occur if you do not qualify for Cold Weather Rule protection or do not follow your payment agreement.

Before disconnecting residential electric service between October 1st and April 30th, the cooperative will provide a 30-day notice of disconnection, information about your rights and responsibilities, a list of local energy assistance providers, forms to request Cold Weather Rule protection, and information about available payment plans and other options for maintaining service.

Where can I get help paying my energy bills?

Minnesota's Energy Assistance Program (EAP) helps eligible renters and homeowners with home heating costs and may also provide assistance with furnace repairs. Eligibility is based on household income.

To learn more or apply, visit the Minnesota Department of Commerce Energy Assistance website mn.gov/commerce/energy/consumer-assistance or contact your local energy assistance provider.

If you are having difficulty paying your electric bill, contact the cooperative. Even if you do not qualify for Cold Weather Rule protection or energy assistance, we can discuss payment options that may be available to you.

Building Renovation Planned

BCREA is planning a building renovation to replace our current HVAC system. As part of this project, the **main floor of our building will need to be temporarily closed** during construction.

We do not have a confirmed construction start date at this time, although work may begin as early as **September**. We will share additional information with members as the project timeline becomes more certain. Follow us on Facebook to see updates before the October newsletter.

While work is underway, our offices will be relocated to the **downstairs auditorium**. Members visiting the office should follow the posted signage and use the **South auditorium doors** to enter the building.

Thank you for your patience and understanding as we make much needed improvements to our facility.

Board Meeting Highlights

August Board Minutes

The Brown County REA Board of Directors held its monthly board meeting on August 26th, 2026.

Discussion and/or action were taken on the following agenda items:

- *Reviewed and approved the July 2026 board meeting minutes, new membership applications, member cancellations, payments to estates, and assignment transfers.*
- *Reviewed and approved July 2026 payroll and July 2026 financial statement.*
- *Reviewed Heartland Security Systems purchase of People's Security Company.*
- *Reviewed reports from directors who attended the Energy Issues Summit.*
- *Reviewed staff meeting reports, director meeting reports, and individual director reports.*

The next meeting is set for September 24th, 2026, at the Brown County REA office in Sleepy Eye, or at the SE Event Center if construction is underway.

Mike Heidemann – Chief Executive Officer

Board of Directors

Thomas Hayes, *President* – (507) 228-8954
William Berg, *Vice President* – (507) 766-1497
James D. Hanson, *Secretary-Treasurer* – (507) 829-6756
Brad Sprenger – (507) 317-5576
David Wendinger – (507) 276-3166
Greg Mages – (507) 276-0325
Joel Christensen – (507) 828-4550
Keith Hoffmann – (507) 227-8006
Landon Sletta – (507) 276-1899

The Board of Directors meets the last Thursday of each month.

APPLE DUMP CAKE **RECIPE**

INGREDIENTS

- | | |
|---|--|
| 6 apples, peeled, cored, and thinly sliced | 1 tsp. pure vanilla extract |
| 1/2 cup roughly chopped pecans | Pinch kosher salt |
| 1/2 cup packed brown sugar | 1 box yellow cake mix |
| 1/4 cup granulated sugar | 3/4 cup (1 1/2 sticks) butter, cut into small cubes |
| 1 tsp. ground cinnamon | Vanilla ice cream, for serving |
| | Cooking spray |

DIRECTIONS

1. Preheat oven to 350°F. Grease a 13" x 9" baking pan with cooking spray.
2. In a large bowl, toss apples, pecans, sugars, cinnamon, vanilla, and a pinch of salt together.
3. Pour apples into prepared baking dish. Top with cake mix, then place butter all over top.
4. Bake until top is golden and apples are tender, 50 to 60 minutes.
5. Serve warm with ice cream.



BROWN COUNTY REA

*Owned by
those it
serves*

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Payment Line (PSN): (833) 250-4481
Office Hours: 7:30 a.m. to 4 p.m. Mon.–Fri.

This institution is an equal opportunity provider and employer.