



REAL
PEOPLE.
REAL
POWER.

FEBRUARY/MARCH 2026

SPARKS

RED RIVER VALLEY COOPERATIVE POWER ASSOCIATION

89TH ANNUAL MEETING

2025 ANNUAL REPORT

NOTICE OF ANNUAL MEETING

The Annual Meeting of the members of Red River Valley Cooperative Power Association will be held at the **Legion Recreation Center** in Halstad, Minnesota, at 6 p.m. on Tuesday, March 24, 2026, for the following purposes:

1. To pass upon reports of officers and directors;

2. To elect two directors of the Cooperative;

Elections will be held for a three-year term for one director in District 2 and a three-year term for one director in District 3. One candidate for District 2 and one candidate for District 3 have been nominated via petition in accordance with the Cooperative's bylaws:

DISTRICT 2	DISTRICT 3
<i>3-year term</i>	<i>3-year term</i>
Paul Baukol	Trevor Sorby

Per the Cooperative Bylaws, nominees for open director seats must submit a petition at least

thirty (30) days before the Annual Meeting. This year, the deadline for filing a petition was Feb. 20, 2026, by 4 p.m. Please note that the Bylaws mandate that no nominations for director can be made from the floor at the Annual Meeting nor are write-in nominations accepted.

For each Annual Meeting, the Cooperative issues a mail ballot for electing directors during contested elections. Given that there is only one nominee who properly petitioned for each open director position, the Board has determined not to incur the costs associated with issuing separate mail ballots for the two uncontested elections. In accordance with the Bylaws, the election of the two candidates to their respective open director seats will be moved upon at the Annual Meeting.

3. All other matters, which may properly come before the annual meeting, or any adjournment or adjournments thereof.

*Bob Kinkade, Secretary
Dated: February 23, 2026*

SPARKS

FEBRUARY/MARCH 2026
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*CEO & Editor:
Rich Whitcomb*

ANNUAL MEETING GUEST SPEAKER



Marcy Douglas

Exec. Vice President, Chief Member & External Affairs Officer
Minnkota Power Cooperative

Marcy Douglas serves as Executive Vice President and Chief Member and External Affairs Officer at Minnkota Power Cooperative, the wholesale power provider for Red River Valley Co-op Power Association (RRVCP). In this role, she works closely with Minnkota's 11 member cooperatives, including RRVCP, to understand their needs, strengthen relationships, and deliver effective member services and shared opportunities. She also leads the cooperative's economic development, communications and rates teams.

Douglas earned a Master of Business Administration in Energy Management and a master's degree in Business Management from the University of Mary. Prior to joining Minnkota, she spent 13 years at Missouri River Energy Services, most recently serving as Vice President of Member Services and Communications. Earlier in her career, she worked for the City of Northwood, North Dakota, as City Administrator and Utility Manager.

ON THE COVER:

Nineteen skilled full-time employees work to keep the lights on for you, including Journeyman Lineman Jack Richards.

VOTING BY MAIL INSTRUCTIONS

Pursuant to the Bylaws of Red River Valley Cooperative Power Association, Art. I, Sec. 9, and Art. II, Sec. 4-6, the following information is provided along with the voting ballot:

1. The name of the candidate, nominated via petition, is shown on the ballot;
2. Fifty (50) members present in person or voting by mail are necessary to meet a quorum;
3. The candidate receiving a plurality of the votes cast for the director seat is elected; and
4. The mailed ballots must be received before 10 a.m. on March 24, 2026, to be counted.

VOTING BALLOT - DIRECTOR ELECTION

March 24, 2026

District 2 <i>(3-year term)</i>	District 3 <i>(3-year term)</i>
<input style="width: 80%; height: 20px;" type="text"/> *Paul Baukol	<input style="width: 80%; height: 20px;" type="text"/> *Trevor Sorby

*Denotes incumbent

DESIGNATION OF VOTING REPRESENTATIVE

_____ hereby authorizes

PRINT Name of Organization

PRINT Name of Designated Voting Representative

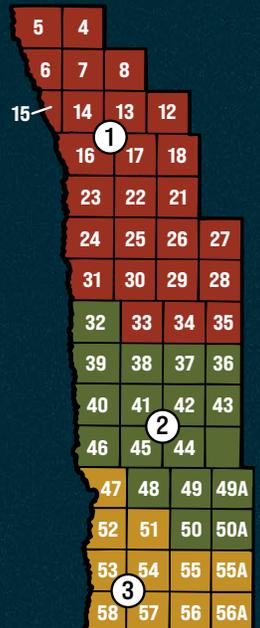
to represent the organization in any and all business, including voting, that may be conducted at Members' Meeting(s) of Red River Valley Cooperative Power Association held in 2026.

Signature and Title of Authorized Officer _____ Date _____

Voting Ballots Checklist: Have you...

- Marked your ballot clearly and legibly?
- Enclosed your ballot in a blank ballot envelope (not provided) and sealed the envelope?
- Enclosed the sealed ballot envelope inside a mailing envelope (not provided)?
- Printed your name and account number and signed the mailing envelope?
- Enclosed in the mailing envelope a "Designation of Voting Representative" if voting on behalf of a corporation, school board, church, etc.?
- Addressed your sealed mailing envelope to Red River and affixed proper postage?

BOARD OF DIRECTORS



Paul Baukol
Chairman
 District 2 | Hendrum



Curt Stubstad
Vice Chairman
 District 3 | Sabin



Bob Kinkade
Secretary/Treasurer
 District 1 | Ada



Roger Krostue
 District 1 | Fisher



Kelsey Jensen
 District 2 | Moorhead



Trevor Sorby
 District 3 | Glyndon

FROM YOUR CHAIRMAN AND CEO



Rich Whitcomb
CEO



Paul Baukol
Chairman

Behind every flip of the switch, a team of dedicated Red River Valley Co-op Power employees and power assets, totaling more than 1,800 miles, work for one purpose – you. **Real people. Real power.** Delivered locally. The power of the cooperative difference.

Your co-op demonstrated the following value in 2025:

- Crews worked safely on the electrical distribution system
- Rates remained below state and national averages despite increased wholesale power costs
- Returned **\$317,800** in capital credits back to members from 1998 and a portion of 1999
- Kept power on **99.985%** of the time
- Completed FEMA grant to convert **7.5 miles** of three-phase overhead line to underground between Hendrum and Halstad
- Received **75%** cost reimbursement from Minnesota for the June derecho event in Norman County
- Replaced or installed **275 power poles**
- Installed or converted **31 miles** of underground power line
- Provided **\$39,872** in rebates to members who installed off-peak electric heat and equipment like heat pumps, plenums, EV chargers and large-capacity water heaters
- Completed **72** new service requests

2026 OVERVIEW AND MANAGEMENT AGREEMENT

Generation and transmission cooperatives and investor-owned utilities across America are in a period of reinvesting in bulk power projects as their assets continue to age. Minnkota Power Cooperative (where we are a part-owner and receive our wholesale power) is no different in that respect. As a result, our wholesale power costs will have increased 12.6% between April 1, 2025, and April 1, 2026. This necessitated our own rate increases.

Additionally, a planned outage at one of Minnkota's power plants last fall lasted longer than expected at a time when the wholesale power market was volatile, causing Minnkota to incur additional expenses. Minnkota will pass on those additional costs in the form of a market surcharge from April to December. Fortunately, your cooperative finished 2025 in good financial condition and will defer \$200,000 in revenue to absorb this added expense.

This January, Red River Valley Co-op Power directors signed an agreement with Red Lake Electric Cooperative

to contract out management services on a 50/50 cost share basis. This unique arrangement will provide cost savings for the CEO position and lead to greater openness in working toward other efficiencies. It also allows for a deeper bench of knowledge amongst employees should a need arise.

CEO Whitcomb will remain an employee of Red River Valley Co-op Power and both cooperatives preserve full independence with their respective member-elected board of directors. This management alliance is an effort to be forward thinking in facing potential industry challenges and formally became effective Feb. 1.

Your cooperative works hard to provide you with great value for your energy dollar. Other ways that we are working to keep rates as low as possible include going after grant dollars (your cooperative will start its second reliability grant project this spring), requesting reimbursement after state or federal declared disasters, and internally monitoring controllable expenses. Additionally, participation in the off-peak program saved your cooperative about \$1.5 million in wholesale power costs while helping to minimize exposure in the increasingly volatile energy power market.

Finally, Red River Valley Co-op Power purchased 5 acres in north Dilworth last year and RESCO – a cooperative wholesale distribution supplier – purchased 15 adjacent acres. RESCO plans to build a 65,000-square-foot distribution facility this spring. This economic development effort will hopefully be the beginning of creating more growth in our service territory.

RELIABILITY PROJECTS

The aforementioned grant project in Clay County (relocating a three-phase overhead line that crosses I-94 to underground) will begin once the frost leaves the ground this spring. Likewise, 8 miles of old main three-phase underground east of Perley and Hendrum will be finished this year as well. Crews started that project late last fall until weather forced them to stop for the winter. Seven other site-specific reliability improvement projects are also planned this construction season.

Normal routine maintenance like tree trimming, brushing and pole testing will continue, all in an effort to continue providing a high level of reliability to cooperative members.

WHOLESALE POWER UPDATE

Minnkota continues to take a long-range approach to planning the power supply that serves its 11 member cooperatives, including Red River Valley Co-op Power.

Currently, Minnkota has a diverse power supply mix that includes coal, wind and hydro power. Efforts are underway to continue positioning this power supply portfolio to meet long-term needs. One of the most

recent steps in that planning process is an agreement to purchase the full output of a new 370-megawatt wind project to be constructed near New Rockford, North Dakota. The project is located adjacent to Minnkota's existing transmission infrastructure, which helps reduce the cost of delivering the energy into the cooperative's system.

The addition of this wind resource will help Minnkota and its members meet Minnesota's requirement for 100% carbon-free electricity by 2040. The wind farm is expected to begin commercial operation in 2028.

At the same time, Minnkota knows that maintaining reliable service requires a balanced portfolio of generation resources. Renewable resources must be complemented by dispatchable generation that can respond quickly to changing system conditions.

To address that need, Minnkota is evaluating the potential addition of natural gas generation in North Dakota. Early studies are underway to determine the most suitable location, technology and capacity for such a project.

As a not-for-profit cooperative, Minnkota recognizes that investments in the future of power supply and delivery also impact retail electric rates. Any adjustment to rates is taken seriously and all efforts are made to minimize increases despite persistent inflationary pressures.

Through careful planning and collaboration with member cooperatives like Red River Valley Co-op Power, Minnkota is taking important steps to power tomorrow's needs.

THANK YOU

Serving members remains our main priority. Please do not hesitate to call or email us regarding your service or anything Red River Valley Co-op Power. March 24, 2026, will be the 89th annual meeting at the Legion Recreation Center in Halstad. Directors and employees look forward to seeing you there!

OVERHEAD TO UNDERGROUND POWER LINE MIX

56%

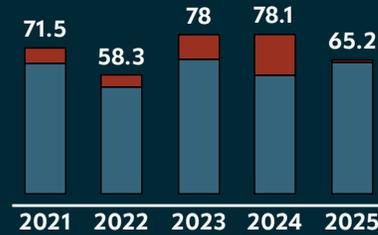
↑ Overhead: 1,041 miles

44%

↓ Underground: 816 miles

AVERAGE TOTAL OUTAGE TIME PER MEMBER/YEAR

(Minutes)

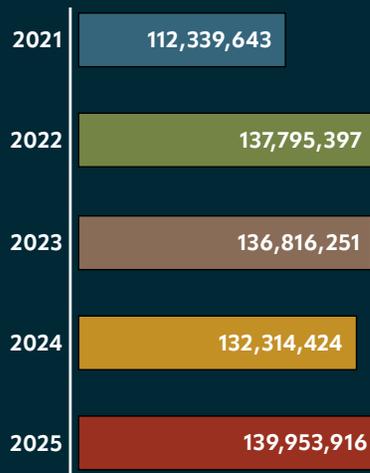


■ Distribution outage time
■ Transmission outage time

Figures do not include planned outages or major storm events, which are excluded from the official government target.

ENERGY SALES

(kWh)



PEAK LOAD SHED

Jan. 22, 2026 evening profile (MW)



On Jan. 22, your co-op peaked at 31.98 MW, but was able to shed about 15.5 MW during the peak pricing period, helping deflect \$1.3 million in wholesale power demand charges during this winter event.

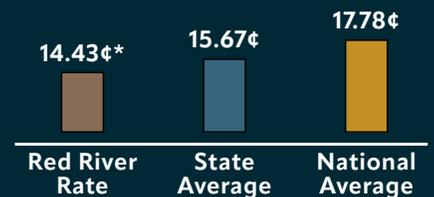
SERVICE STATISTICS

(Users)



BLENDED RESIDENTIAL ELECTRIC RATE COMPARISON

(EIA November 2025 – cents per kWh)



*Includes Red River's facility charge and off-peak kWh. National and state averages come from the Energy Information Administration.

On Jan. 24, Minnkota and its members navigated an extended Maximum Generation Event declared by Midcontinent Independent System Operator (MISO). During the event, energy market prices rose to extremely high levels as MISO managed limited power supplies. By using every available generating resource and managing demand carefully, Minnkota successfully navigated the event while working with its members (RRVCP included) to limit risks and maintain system stability.



A snapshot of the MISO pricing map at 4:50 p.m., on Saturday, Jan. 24. Measured in dollars per megawatt-hour.

2025 FINANCIAL REPORT

BALANCE SHEET

ASSETS

UTILITY PLANT

Electric plant in service	\$ 64,668,549
Construction work in progress	916,610
Total	<u>65,585,159</u>
Less accumulated depreciation	(17,850,117)
TOTAL	<u>47,735,042</u>

OTHER PROPERTY & INVESTMENTS

Invest. in associated organizations	2,843,951
Other investments	75,186
Economic development loan receivable	371,092
Special funds	295,012
TOTAL	<u>3,585,241</u>

CURRENT ASSETS

General cash & cash equivalents	945,778
Accounts receivable – net	2,094,035
Materials & supplies – electric & other	1,288,742
Prepayments	41,679
Other current & accrued assets	53,784
TOTAL	<u>4,424,018</u>

TOTAL ASSETS

\$ 55,744,301

EQUITIES & LIABILITIES

EQUITIES

Patronage capital	\$ 10,314,599
Other margins & equities	10,122,008
TOTAL	<u>20,436,607</u>

LONG-TERM DEBT

31,360,479

CURRENT LIABILITIES

Current portion of long-term debt	1,175,756
Accounts payable – purchased power	1,303,795
Accounts payable – general	38,930
Customer deposits	89,365
Other current & accrued liabilities	579,003
TOTAL	<u>3,186,849</u>

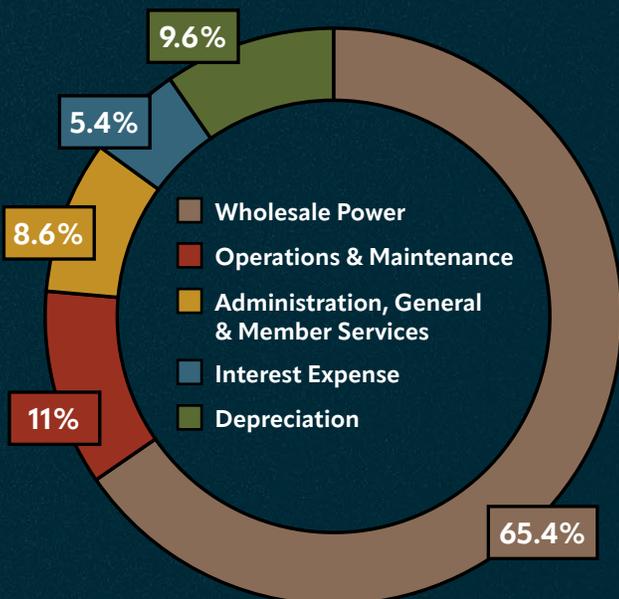
DEFERRED CREDITS

760,366

TOTAL EQUITIES & LIABILITIES

\$ 55,744,301

TOTAL COOPERATIVE EXPENSES



INCOME STATEMENT

OPERATING REVENUE

Sale of electricity	\$ 17,909,268
Other	62,056
TOTAL	<u>17,971,324</u>

OPERATING EXPENSES

Cost of purchased power	11,522,598
Distribution expense – operation	957,641
Distribution expense – maintenance	974,112
Consumer accounts expense	336,870
Customer service and informational expense	179,990
Sales expense	32,435
Administrative & general expense	961,937
Depreciation & amortization expense	1,698,887
Interest on long-term debt	953,809
Other interest	3,938
TOTAL	<u>17,622,217</u>

NET OPERATING MARGINS

349,107

NON-OPERATING MARGINS

Merchandising	(15,982)
Interest income	67,540
Gain (Loss) on Sale of Property	29,430
Other non-operating income	270,912
Other capital credits & patronage dividends	207,242

NET MARGINS

\$ 908,249

2025 ANNUAL MEETING MINUTES

Red River Valley Cooperative Power Association / *88th Annual Meeting of the Membership*
March 26, 2025

The 88th annual meeting of the membership of Red River Valley Cooperative Power Association was held at the TAK Music Venue in Dilworth on March 26, 2025.

Chairman Roger Krostue welcomed everyone to the meeting.

CALLED MEETING TO ORDER & ESTABLISHED QUORUM

Chairman Krostue called the meeting to order at 6 p.m. He declared a quorum for the annual meeting based on 59 members who registered in person.

PLEDGE OF ALLEGIANCE

Chairman Krostue led the Pledge of Allegiance and then turned the session over to Attorney Adam Bothun.

VALIDATING THE OFFICIAL NOTICE OF MEETING & MAILING

Attorney Bothun stated that the Official Notice of the Annual Meeting was mailed on March 7, 2025, and that the Affidavit of Mailing of Notice of Annual Meeting is on file in the cooperative's headquarters.

APPROVING THE UNAPPROVED MINUTES

A motion was made, seconded and unanimously carried to waive the reading of the Secretary's minutes of the March 21, 2024, annual meeting and approve as published.

REPORT ON NOMINATING PETITIONS

Attorney Bothun reported on the nominating petitions for the following candidates:

District 1 (3-year-term) Roger Krostue (Incumbent)
District 2 (3-year-term) Kelsey Jensen (Incumbent)

Attorney Bothun discussed the voting process and explained the cooperative's bylaws on director nominations and voting. Attorney Bothun explained that both candidates were properly nominated, running unopposed and that the cooperative's bylaws do not allow write-in candidates nor nominations from the floor. If the membership wished, a motion would be in order to declare Roger Krostue elected in District 1 and Kelsey Jensen elected in District 2. A motion was made, seconded and unanimously carried to declare Roger Krostue the winner in District 1 and Kelsey Jensen the winner in District 2.

CEO'S REPORT

CEO Whitcomb presented the report on activities and operations of the co-op for the year 2024 and provided a preview of activities and goals planned for 2025 and beyond. Topics included rates, reliability, Minnesota's 100% carbon free legislation, net metering, three grant projects the cooperative has planned for the next few years, and efforts to purchase 5 acres for a service center north of Dilworth. CEO Whitcomb thanked members for their participation in the affairs of their cooperative as well.

FINANCIAL REPORT

Matt Laughlin from Brady Martz presented the financial report of the cooperative for the year ending Dec. 31, 2024. Mr. Laughlin reviewed revenues and expenses, non-operating revenue, assets, and equities and liabilities.

GUEST SPEAKER

Andrew Sorbo, Vice President of Power Supply for Minnkota Power Cooperative (Red River Valley Co-op Power's wholesale power provider), provided a Minnkota update. Highlights of his speech included Minnkota's service territory, increasing volatility in the Midcontinent Independent System Operator (MISO) regional power market, and Flickertail Wind – a new wind resource (370 megawatts) slated to come online within three years. He also fielded two questions from members regarding Project Tundra and data center loads.

UNFINISHED OR OLD BUSINESS

Chairman Krostue called for any unfinished or old business. There was no unfinished or old business brought before the membership.

NEW BUSINESS

Chairman Krostue then called for new business. There was no new business brought before the membership.

ADJOURNMENT

There being no further business to come before the assembly, Chairman Krostue requested a motion from the floor to adjourn the meeting. A motion was made, seconded and unanimously carried to adjourn the meeting at 6:41 p.m.



**RED RIVER VALLEY
CO-OP POWER**

ANNUAL MEETING AGENDA

4 P.M.

Registration - Cookies and refreshments

5 P.M.

Supper - Meatballs and mashed potatoes
by Casey Jo's Catering

6 P.M.

Call to order

Paul Baukol

Pledge of Allegiance

Paul Baukol

**Notice of meeting/reading
of unapproved minutes/
nominating petition**

Legal Counsel

CEO report

Rich Whitcomb

Financial report

Brady Martz

Guest speaker

Marcy Douglas

Old business

Paul Baukol

New business

Paul Baukol

Adjournment

Paul Baukol

Awarding of prizes



MARCH 24, 2026

Legion Recreation Center

580 2nd Ave W

Halstad, MN 56548



GIVEAWAY!

SALT & PEPPER GRINDER

for every member
household who
attends and registers
at the annual meeting!