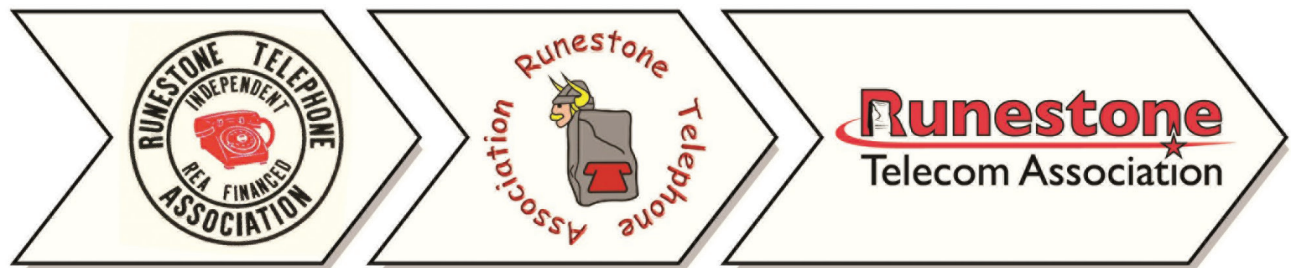




# *75 Years of Keeping You Connected*



# Runestone Telecom Association

## 75th Annual Meeting

Wednesday, July 16th, 2025

West Central Area School – Barrett, MN

Dinner Served during Video Presentation—5:00 p.m.

Registration—6:30 p.m.

Meeting—7:00 p.m.

- ① Welcome
- ② Report on the number of members present to establish a quorum
- ③ Report of the Notice of the Meeting and Proof of Due Publication or mailing
- ④ Approval of the 2024 Annual Meeting Minutes
- ⑤ Election of District 3 Director to serve a 5 year term
- ⑥ Presentation and consideration of reports of officers and manager
- ⑦ Guest Speaker: Brent Christensen, President/CEO of Minnesota Telecom Alliance
- ⑧ Unfinished business
- ⑨ New business
- ⑩ Door Prizes, Three \$100 Cash Winners, Twins Ticket Giveaways

*Thank you for joining us to  
celebrate our 75 years  
of service to our communities!*

Please be sure to pick up your  
complementary gift after the meeting.





# Welcome from the Manager & President

***Dear Runestone Telecom Cooperative Members,***

We are pleased to present Runestone Telecom Association's Annual Report for the year ending 2024. We have experienced significant growth again this year as we continue to build out our Fiber Optic network to our valued members. A major milestone was reached in late 2024 as our members in the City of Hoffman were upgraded to fiber optic service, marking the completion of a journey more than 20 years in the making to bring high-speed fiber connectivity to every member of our Cooperative.

In late June 2023, Runestone Telecom was honored to receive its seventh State of Minnesota Border-to-Border Broadband Grant with the award of the Crow Lake Township project. This Low-Density Grant will fund 75% of the \$2 million project cost, enabling us to bring high-speed broadband service to the rural areas surrounding Brooten and Belgrade. This achievement reflects our ongoing commitment to expanding reliable connectivity to even the most remote parts of our service area.

2024 was also a significant year for Runestone as a Cooperative, as November marked the 75th year since our Articles of Incorporation were filed. For 75 years, our telecom cooperative has proudly served its members by delivering reliable, essential communication services that keep our communities connected. Runestone has remained committed to keeping our rural communities connected and has adapted and evolved alongside the rapidly changing world of technology. With significant changes over the past 75 years, from the early days of party lines, rotary phones, and a switchboard that required human intervention, to today's high-speed fiber internet and smart home connectivity, our mission has always been rooted in service. While the tools may have changed, our dedication to our members remains stronger than ever.

RTA originally served just the exchanges of Barrett, Hoffman, and Donnelly. In 1955, the cooperative expanded by acquiring the Kensington Exchange, followed by the additions of Norcross, Tintah, and Wendell in 1956, and the Cyrus Exchange in 1963 - marking key milestones in our growth and commitment to serving our rural communities. Made possible through the capital and trust provided by our member-owners, RTA undertook significant efforts to modernize and improve service reliability by replacing outdated overhead open wire with underground cable and introducing automatic switchboards. By the end of 1974, every Runestone member benefited from the added convenience and privacy of having a private line, an important milestone in our commitment to delivering quality, modern telecommunications. These advancements not only improved service reliability but also supported the cooperative's steady growth. With the addition of the Elbow Lake Exchange in 1985, the Cooperative's territory became contiguous for the first time in almost 30 years. The Lowry exchange was purchased in 2010 giving the cooperative a 20% gain in our customer base and setting RTA up geographically for the expansion that would come in the years 2015-2024.

In 1989, new digital switchboards were installed and officially placed into service on February 14, 1990, marking a major technological upgrade for RTA and its members. This advancement introduced touch-tone dialing and enhanced calling features such as Call Waiting, Speed Dial, and 3-Way Calling-providing a more modern, convenient, and efficient communication experience for our customers.

Runestone expanded into the cable television business in 1993, further diversifying its services to better serve members. By the end of 1995, cable systems had been successfully built in all Runestone communities. These communities were interconnected by a fiber optic network and served by a centralized "headend" located in Barrett, which eliminated the need for individual satellite receiving stations in each town. This strategic approach streamlined operations, reduced costs, and delivered high-quality television service across the region.

Throughout the years, Runestone has embraced innovation and invested locally in the latest advancements to meet the growing needs of our members, improving technology and building a stronger, more connected community. In 1996, we expanded our service offerings by introducing dial-up Internet, marking our first step into the digital age and opening new possibilities for our members. Many Internet subscribers requested second telephone lines for this service to keep their main line open for calls. As a result, telephone lines grew substantially, peaking at almost 5,800 lines in June of 2001.

A few years later, the Digital Subscriber Line (DSL) became available in mid-2001 and Runestone was able to offer speeds of over 25 times what a 56k Dial up modem could provide. The addition of DSL allowed customers to talk on the phone and use their computer on the same line, eliminating the need for separate phone lines, and leading to the steady decline of telephone lines. As DSL technologies advanced, internet speeds grew to over 750 times faster than those of a traditional 56k modem, offering a dramatically improved online experience. Staying at the forefront of innovation, Runestone continuously adapted to meet the evolving needs of its members. With the widespread adoption of faster, more reliable broadband services, the cooperative officially discontinued its dial-up Internet offering in 2012, marking the end of an era and the beginning of a new chapter in digital connectivity.

In 2005, Runestone began to gradually deploy fiber optic cables to all homes within our service territory to improve reliability and modernize infrastructure once again. This allowed customers to receive voice, Internet and Cable Television over the same reliable medium, an option that was previously only available to those in town. Over the past 20 years Runestone has been upgrading in phases, which ensured steady progress without compromising financial stability. This thoughtful and deliberate changeover reflects our commitment to responsibly budgeting and investing the capital provided by our member-owners. This investment not only enhances service quality and protects against weather-related disruptions but also strengthens the long-term resilience of our network. Thanks to the continued support of our members, all homes and businesses now have the critical infrastructure in place to dependably serve your communication needs well into the future.

Financially, 2024 was another great year for your Cooperative, with Runestone finishing the year with Net Margins of \$5,098,110. Our financial audit was completed successfully, and the Board of Directors has approved an allocation of the 2024 margins to our members totaling \$2,918,745. Runestone's continued success reflects both the continued support of our members and the solid financial health of the Cooperative. On behalf of the Board of Directors and our Employees, we sincerely thank you for your continued patronage and support. Your loyalty and trust have been the foundation of our success. We are honored to serve you as your local cooperative and look forward to continuing to grow in the years ahead.

We hope that you can attend the 75th annual meeting for the members of Runestone Telecom Association at West Central Area Secondary School in Barrett. A meal will be served from 5:00 to 6:30 p.m. with the meeting to follow at 7:00 PM. This is a wonderful opportunity to connect with our community and to celebrate our shared history. We look forward to seeing you there and sharing this special occasion with you.

**~ Kent Hedstrom, CEO/General Manager**  
**~ Robert Leegaard, President**



# Statement of Operations

Years Ended December 31, 2024 and 2023

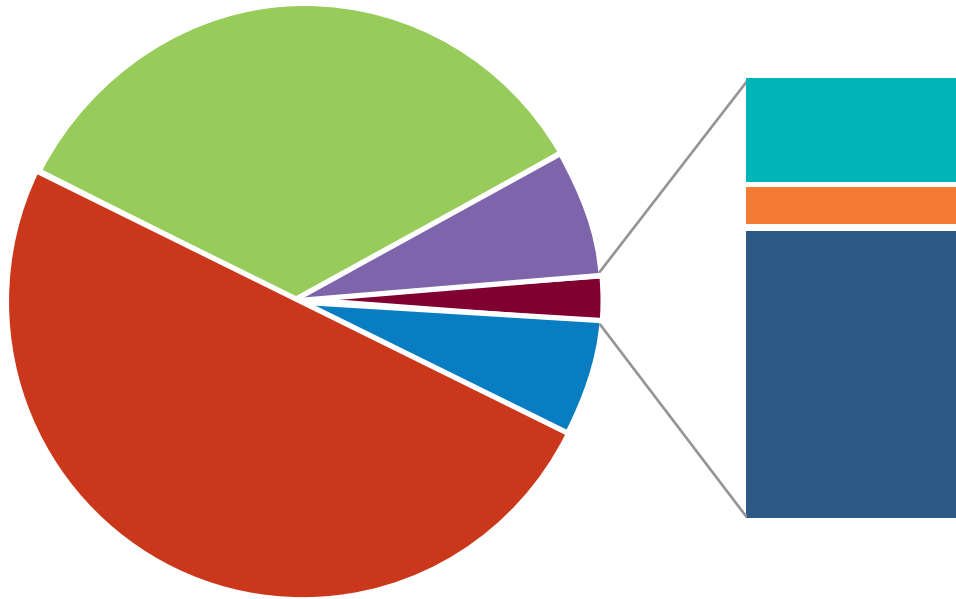
	2024	2023	Difference	
<b>Operating Revenues:</b>				
Network Access	\$6,408,591	\$6,391,938	\$16,653	0.3%
Internet	4,395,726	3,937,360	\$458,366	11.6%
Local Network	770,931	708,196	\$62,735	8.9%
Cable Television	883,346	859,733	\$23,613	2.7%
Long Distance	71,911	80,541	(\$8,630)	-10.7%
Miscellaneous	190,503	153,859	\$36,644	23.8%
Directory	29,316	32,142	(\$2,826)	-8.8%
Uncollectibles	4,874	13,569	(\$8,695)	-64.1%
<b>Total Operating Revenues:</b>	<b>\$12,755,198</b>	<b>\$12,177,338</b>	<b>\$577,860</b>	<b>4.7%</b>
<b>Operating Expenses:</b>				
Depreciation	\$2,753,454	\$2,457,533	\$295,921	12.0%
Corporate	984,478	953,919	30,559	3.2%
Plant Specific	1,317,638	1,154,059	163,579	14.2%
Cable Television	789,819	795,707	(5,888)	-0.7%
Customer	747,492	767,760	(20,268)	-2.6%
Internet	721,306	791,325	(70,019)	-8.8%
Plant Support	297,482	358,249	(60,767)	-17.0%
Miscellaneous	153,393	118,934	34,459	29.0%
Long Distance	67,825	87,124	(19,299)	-22.2%
Other Taxes	55,459	60,829	(5,370)	-8.8%
<b>Total Operating Expenses</b>	<b>\$7,888,346</b>	<b>\$7,545,439</b>	<b>\$342,907</b>	<b>4.5%</b>
<b>Operating Margins</b>	<b>\$4,866,852</b>	<b>\$4,631,899</b>	<b>\$234,953</b>	<b>5.1%</b>
<b>Other Income and Expenses:</b>				
Investment Income	155,484	122,202	33,282	27.2%
Equity in Income of LLCs	84,055	90,492	(6,437)	-7.1%
Income Taxes	(8,281)	(7,996)	(285)	3.6%
<b>Total Other Income and Expenses</b>	<b>\$231,258</b>	<b>\$204,698</b>	<b>\$26,560</b>	<b>13.0%</b>
<b>Net Margins</b>	<b>\$5,098,110</b>	<b>\$4,836,597</b>	<b>\$261,513</b>	<b>5.4%</b>
<b>Telephone lines end of year</b>	<b>3667</b>	<b>3835</b>	<b>-168</b>	<b>-4.4%</b>
<b>Catv Subscribers end of year</b>	<b>867</b>	<b>916</b>	<b>-49</b>	<b>-5.3%</b>
<b>Internet subscribers end of year</b>	<b>5454</b>	<b>5171</b>	<b>283</b>	<b>5.5%</b>

# Balance Sheet

Years Ended December 31, 2024 and 2023

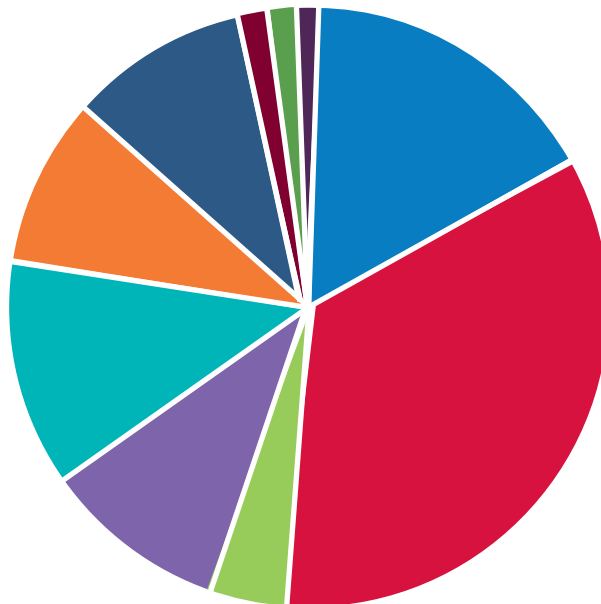
	2024	2023
<b>Current Assets:</b>		
Cash And Temporary Cash Investments	\$5,459,560	\$4,528,671
Current Portion of Notes Receivable	55,010	59,054
Other Accounts Receivable	1,352,722	2,152,385
Materials and Supplies	2,856,132	3,093,511
Prepaid Expense	122,350	126,032
<b>Total Current Assets</b>	<b>\$9,845,774</b>	<b>\$9,959,653</b>
<b>Investments And Other Assets:</b>		
Notes Receivable	132,940	139,537
Goodwill & Intangibles	0	49,538
Temporary Cash Investments	213,364	229,517
Investments in Partnerships & LLCs	994,990	996,511
Prepaid Expense	49,026	67,542
Other Assets	0	0
<b>Total Investments And Other Assets</b>	<b>\$1,390,320</b>	<b>\$1,482,645</b>
<b>Telecommunications Plant:</b>		
In Service	\$51,054,863	\$46,922,641
Under Construction	7,439,712	6,277,850
Accumulated Depreciation	(29,500,094)	(27,614,518)
Net Telecommunications Plant	\$28,994,481	\$25,585,973
<b>Total Assets</b>	<b>\$40,230,575</b>	<b>\$37,028,271</b>
<b>Current Liabilities:</b>		
Accounts Payable	484,849	513,105
Other Accrued Liabilities	480,340	449,274
Customer Deposits	0	0
<b>Total Current Liabilities</b>	<b>\$965,189</b>	<b>\$962,379</b>
<b>Deferred Liabilities</b>	<b>\$807,473</b>	<b>\$779,452</b>
<b>Members Equity:</b>		
Patronage Capital	\$16,401,901	\$15,287,022
Other Equities	22,056,012	19,999,418
<b>Total Members Equity</b>	<b>\$38,457,913</b>	<b>\$35,286,440</b>
<b>Total Liabilities &amp; Members Equity</b>	<b>\$40,230,575</b>	<b>\$37,028,271</b>

## 2024 Revenues



■ LOCAL NETWORK ■ NETWORK ACCESS ■ INTERNET ■ CABLE TELEVISION ■ LONG DISTANCE ■ DIRECTORY ■ MISCELLANEOUS

## 2024 Expenses



■ PLANT SPECIFIC ■ DEPRECIATION ■ PLANT SUPPORT ■ CUSTOMER OPERATIONS ■ CORPORATE OPERATIONS ■ INTERNET  
■ CABLE TELEVISION ■ LONG DISTANCE ■ MISCELLANEOUS ■ OTHER TAXES



# Our Board of Directors



**Bob Leegaard**



**Tory Belgium**



**John Kapphahn**



**Jolene Vipond**



**Dick Staples**



**Kent Hedstrom**

**Bob Leegaard, President** Representing  
District 3  
Barrett, Cyrus, Hoffman

**Tory Belgium, Vice President**  
Representing District 5  
Belgrade, Brooten, Elrosa, Lowry,  
Glenwood, Sauk Centre, Villard

**John Kapphahn, Secretary/Treasurer**  
Representing District 2  
Elbow Lake, Wendell

**Jolene Vipond, Director**  
Representing the District 1  
Donnelly, Norcross, Tintah, Beardsley,  
Campbell, Graceville, Herman, Wheaton

**Dick Staples, Director**  
Representing District 4  
Kensington, Holmes City, Alexandria

**Kent Hedstrom**  
CEO - General Manager



# Runestone Telecom Employees



## Network Technicians

*Left to right:* Braeden Long, Shawn Engler, Christian McGaffey, Cyndi Gulbranson, Matt Lloyd, Brady Combs, Dan Perry, Brad Frank, Curt Hyatt, Ryan Schonhardt, Gary Ness, Nathan Richards, Chris Veldhouse

*Not Pictured:* Marvin Perkins



## Network - Internet IT Technicians

*Left to right:*  
Joe Polzin,  
Russ Froemming  
James Simonson,  
Ken Elvehjem,  
Chris Schmiesing

## Customer Experience

*Left to right:*  
Dawn Bumgardner,  
Pam Randt,  
Liza Long, Michelle  
Martinson,  
Angie Huseh



# **Annual Meeting of the Members Of Runestone Telecom Association**

**July 17, 2024**

The members of Runestone Telecom Association held their 74th Annual Meeting on July 17, 2024, at 7:00 p.m. at the West Central School Auditorium in Barrett, MN, with President, Robert Leegaard and Secretary/Treasurer, John Kapphahn being present. Other directors in attendance were Tory Belgum, Richard Staples and Jolene Vipond.

President, Robert Leegaard, welcomed everyone to the 73rd Annual Meeting and thanked Ken Elvehjem for providing entertainment prior to the meeting.

A register signed by the members established the attendance of a sufficient number of members to constitute a quorum. The Secretary was directed to file the registration for the establishment of a quorum and make the same a part of the minutes of this meeting.

Secretary/Treasurer, John Kapphahn, read the Affidavit of Publication of Notice of Annual Meeting. President Leegaard then asked for a motion to approve the Affidavit and the 2023 Annual Meeting Minutes as presented in the 2023 Annual Report. A motion was made by John Dosdall, seconded by Rod Melin and carried to approve the Affidavit and Minutes and make the same a part of the minutes of the meeting.

General Manager Kent Hedstrom explained the 2024 uncontested nomination and election of Richard Staples as a Director of District. A motion was made by Dave Hedner, seconded by Rod Melin, and carried to elect Richard Staples by a voice vote to a 5-year term starting July 17, 2024, as the Director of District 4.

General Manager/CEO, Kent Hedstrom, presented the 2023 financial statement along with updates on fiber to the home projects and Border-to-Border grants, membership growth, and the potential impacts of Artificial Intelligence. A motion was made by Les Alvstad, seconded by Richard Torgusen, and carried to accept the financial statements as presented.

There was no old or new business to come before the meeting.

The Runestone directors and employees were introduced, and door prizes were given out.

The members were then invited to stay for brownies, treats, and ice cream served by some of the West Central Area Trap Shooting students.

A motion was made by Eileen Olson, seconded and carried to adjourn the meeting at 8:04 p.m.

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Secretary

Approved: July 16, 2025



# Capital Credits



Since 1978, Runestone has returned over  
**\$32,500,000**  
in Capital Credits to Runestone members!

Capital Credit checks will be mailed out in November, refunding approximately \$2,000,000. We'll be refunding the remainder of 2006 and 30% of 2024. Allocation statements were mailed out to our customers on June 11th, 2025.



Call Runestone Telecom at 320-986-2013 if you have questions regarding a deceased member's capital credit account and someone will assist you.

# Runestone

Telecom Association

## Timeline of Milestones



1969 Washington DC  
W. Berdell Skogstad;  
4th from right front



1993 Installing cable in Wendell for CATV  
On ground: Tom Strom, Kent Hedstrom  
Standing: Don Schmidt, Pushing reel: Dave Redepenning



1971  
Crossing Lake Oscar



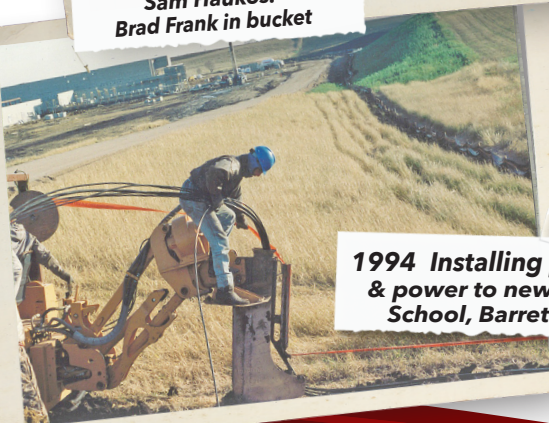
May 1997, South of Hoffman  
RTA Office



May 1997, New bucket truck  
Sam Haukos.  
Brad Frank in bucket



1973  
RTA Office, Hwy 55,  
Hoffman, MN



1994 Installing phone  
& power to new WCA  
School, Barrett, MN



1994  
Plowing & installation  
of vault in Barrett



# **Runestone Telephone Association: A 75-Year Legacy of Rural Communication**

**Written by W. Berdell Skogstad, Lee Maier & Kent Hedstrom**

In the early 20th century, much of rural America remained in the dark—literally and figuratively—as modern infrastructure spread rapidly through cities but bypassed the countryside. While urban areas embraced electric power, rural communities struggled with outdated systems, limited access to reliable utilities, and the high cost of extending electrical lines over vast, sparsely populated areas. Private utility companies saw little profit in rural expansion, leaving millions of rural Americans without the basic conveniences that electricity could provide. This growing disparity sparked national concern and ultimately led to the creation of the Rural Electrification Act of 1936, making it possible to bring electricity, at an affordable rate, to rural homes and farms.

Soon after the act was passed, forward-thinking citizens and local leaders in rural areas began forming organizations to establish cooperatives, recruit members, and raise the necessary capital to qualify for loans and begin building electric systems.

One such organization was Runestone Electric Association, officially established on November 3, 1935. At the forefront was Clifford R. Hove, a visionary leader with a strong commitment to bringing the benefits of the REA Act to rural communities. Hove, who had served two terms in the Minnesota House of Representatives, went on to become the general manager of Runestone Electric and later held the same position at Runestone Telephone, continuing his dedication to rural advancement.

The arrival of electricity in rural America exposed serious flaws in the existing telephone systems, many of which had been in place since the late 1800s. Unlike the more advanced infrastructure found in cities, rural telephone networks were often built and maintained by farmers themselves using basic, single-wire lines, and sometimes even barbed wire fences. These lines, shared by as many as 30 to 40 subscribers, relied on coded ringing, and privacy was virtually nonexistent, eavesdropping was a common part of rural communication. When electric lines were energized, the interference they created rendered many of these single-wire and open-wire systems nearly useless, especially in village areas. With reliable communication disrupted, it quickly became clear that rural America was on the brink of losing what little telephone service it had. A new solution was urgently needed to restore and modernize rural communications.

Without modern communication, rural residents faced isolation, especially in emergencies or when managing farms and businesses. Reliable telephone service was increasingly seen as a basic necessity for public safety, education, and economic development. While the original 1936 REA focused solely on bringing electricity to rural areas, it became clear that millions of rural Americans still lacked dependable telephone service. Private companies were unwilling to invest in rural infrastructure due to high costs and low population density.

Building on the success of the cooperative model used for rural electrification, lawmakers saw a similar opportunity to extend this approach to rural telecommunications. In 1949, the Rural Electrification Act was amended to establish the REA Telephone Loan Program, offering low-interest loans to non-profit cooperatives. This empowered rural communities to develop and operate their own telephone systems.



Once again, organizations needed to be created to qualify for these funds and take on the task of building and managing infrastructure. Recognizing this need, Clifford R. Hove, then manager of Runestone Electric, and Alexandria attorney John J. McCarten took the initiative to form an organization dedicated to bringing telephone service to rural areas. Under their leadership and the support of other visionaries, Runestone Telephone began its humble yet important journey.

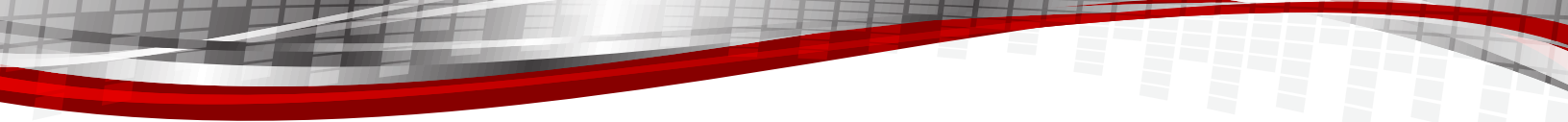
The organizational meeting to incorporate the Runestone Telephone Association was held on November 16, 1949, at the offices of Runestone Electric Association in Alexandria, Minnesota. The founding team included the original incorporators, board of directors, manager, attorney, and engineers who helped lay the foundation for the new cooperative. Officers and key individuals were: John J. Wilken, President; Lewis Baker, Vice President; C.R. Hove, Secretary/Treasurer and Manager; Arne Lee, Director; Wm. S. Johnson, Director; A.M. Ettesvold, Director; T.A. Hagen, Director; John J. McCarten, Attorney; Arnold J. Christopherson, Engineer; and Joe Perino, Assistant Manager. The Articles of Incorporation were officially adopted in 1949, followed by the adoption of the Bylaws in 1950.

Following its incorporation, Runestone Telephone Association began laying the groundwork to expand telephone service throughout rural communities. In 1951, the association executed its first loan contract, supported by an 'Area Coverage Design'—a strategic plan encompassing a broad region where the association had secured purchase options. These areas included: Elbow Lake (switchers only), Herman (switchers only), Donnelly, Kensington, Holmes City, Sedan, Glenwood (switchers only), Farwell, Lowry, Alexandria (switchers only), Barrett, and Hoffman—serving a total of approximately 3,558 potential subscribers. Unfortunately, delays in the disbursement of funds caused many of the original purchase options to expire and become non-renewable. Despite this setback, the association successfully acquired the Barrett, Donnelly, and Hoffman exchanges in 1951, marking an important milestone in the cooperative's early development.

Despite early setbacks, Runestone Telephone Association continued to move forward with its mission to expand reliable service across rural west-central Minnesota. In 1952, bids were awarded for the construction of the outside plant in the Barrett and Hoffman exchanges, followed by the installation of new switchboards in 1953. That same year, negotiations took place between Gardonville Telephone Company and Runestone Telephone Association to potentially merge operations. However, due to unresolved differences, the agreement was never finalized.

The years 1954 and 1955 marked a period of significant transition and growth for the association. Key developments included the purchase of the Kensington exchange, the successful installation and activation of new switchboards in Barrett and Hoffman, and the acceptance of bids for both a new switchboard and outside plant in Donnelly. Leadership changes also occurred, with C.R. Hove resigning as manager effective April 1, 1955, and W. Berdell Skogstad stepping into the role of general manager on February 1 of that year.

On December 7, 1955, a community meeting was held in Kensington to explain the requirements for obtaining telephone service, including a \$50 equity contribution from subscribers. Raising the necessary equity proved difficult, prompting REA to recommend returning the exchange to its original owner. However, through persistence and continued community involvement, the required funds were eventually secured, allowing Runestone to retain the Kensington area. In 1956, bids were accepted for the Kensington switchboard and outside plant, and by 1957, the exchange successfully transitioned to dial operation—another major milestone in modernizing rural telephone service.



As Runestone Telephone Association established itself and expanded its infrastructure through the early 1950s, its growth continued steadily into the following decades through acquisitions, upgrades, and modernization efforts.

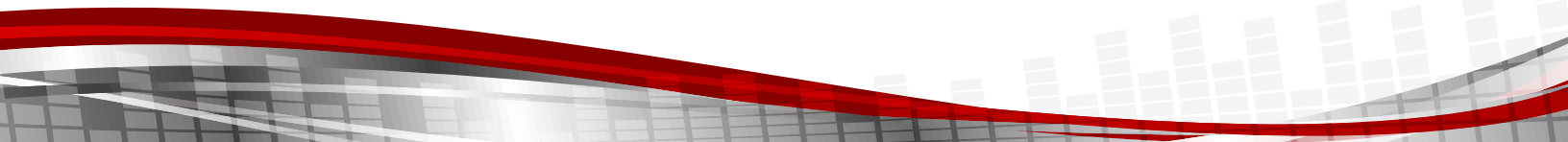
In 1956, negotiations began for the purchase of the Wendell Telephone Company from the Severson family, which included the Norcross, Tintah, and Wendell exchanges. Approval from the REA area director, Mr. Arthur Schartner, was received via telegram in September of that year. A sales agreement was executed in October 1956, with the Seversons retained to maintain operations until dial conversion could be completed. However, by July 1957, the Seversons requested to be released from their agreement, and Runestone assigned its own technician to oversee maintenance in the area. These exchanges transitioned to automatic dial service in 1958, marking a major step forward in service quality.

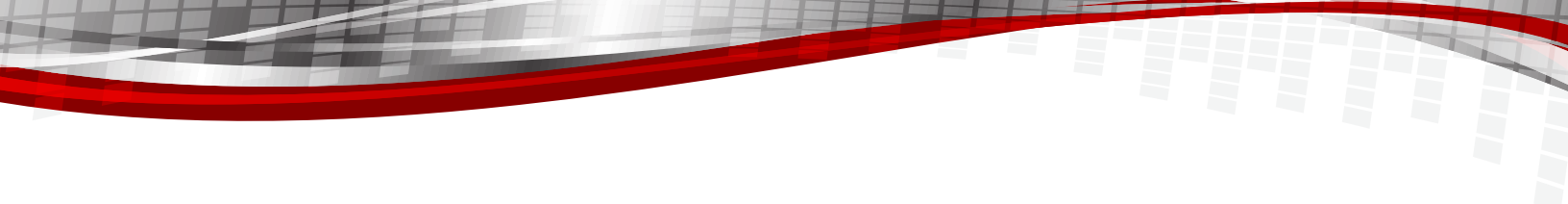
Runestone's expansion continued in April 1959, when directors from the Cyrus Mutual Telephone Company met with Runestone's board to discuss the future of their operations. Though a potential purchase was considered in 1963, procedural issues caused delays, and it wasn't until October of that year that the acquisition was finalized. Then, in 1965, Runestone received a request to purchase the Lowry Telephone Company. While the purchase was never completed, November of that same year brought another milestone—the installation of a two-way mobile radio maintenance system in Runestone service vehicles, significantly improving response time and operational efficiency.

The Cyrus exchange would go on to be a model for modernization. It was one of the first complete private line systems proposed in Minnesota, requiring a Public Utilities Commission (PUC)-mandated subscriber vote. The response overwhelmingly favored single-party service, and the exchange was converted in June 1966. Shortly thereafter, in August, discussions began about upgrading all of Runestone's exchanges to one- and two-party service. In March 1967, the board authorized Hastad Engineering to conduct a full area coverage survey and system design, followed by a loan application to the REA for the upgrade. The loan was approved in 1968, enabling a comprehensive conversion to buried cable and single-party lines. The Donnelly exchange was upgraded in 1969 and 1970, and its retired dial switchboard was donated to the Wadena Technical Institute for training purposes. Between 1971 and 1972, the Barrett, Hoffman, and Kensington exchanges also transitioned to buried cable and private line service.

Further efforts in 1971 explored consolidating the Norcross, Tintah, and Wendell switching offices. However, the estimated additional cost of \$153,930 made the project unfeasible, and separate offices were ultimately installed. Later that year, Runestone laid and owned a toll cable between Tintah and Wendell, and in November, accepted REA loan terms for converting those exchanges to buried cable and single-party service. The final conversion across all Runestone exchanges was completed in August 1974, eliminating multi-party lines entirely and delivering fully private service to all subscribers.

Another major acquisition of the era began in April 1983, when Continental Telephone Company announced plans to sell its Elbow Lake exchange. Runestone quickly initiated a feasibility study, and by July, had submitted a bid for the purchase. Initial financing plans were not approved by REA, prompting a series of renegotiations. After several proposals, a purchase agreement was finalized and submitted to REA, which granted its approval on December 15, 1984. Loan documents were executed on April 15, 1985, officially transferring the Elbow Lake exchange to Runestone. A revised rate structure for the area was filed with the Minnesota Public Utilities Commission that same month, bringing Runestone's decades-long expansion into a new chapter of service and stability. The purchase of the Lowry exchange in 2010 increased our customer base by 20% and positioned us geographically for the expansion that followed from 2015 through 2024.





In 1986, Runestone once again demonstrated its leadership in rural telecommunications by partnering with Park Region Mutual Telephone to successfully bid on the installation of a fiber optic cable route designed to deliver educational television to four school districts. The project was completed and fully operational by the summer of that year.

That same year, Runestone secured approval from the Rural Electrification Administration (REA) for a \$3.3 million loan to modernize its infrastructure by upgrading central offices to digital switchboards and interconnecting them with fiber optic cable. Fiber installation began in the fall of 1986 and continued throughout the late 1980s and 1990s, with over 200 miles of cable laid. This investment culminated in the establishment of a robust ring system in 2000, ensuring network resilience even in the event of a fiber cut.

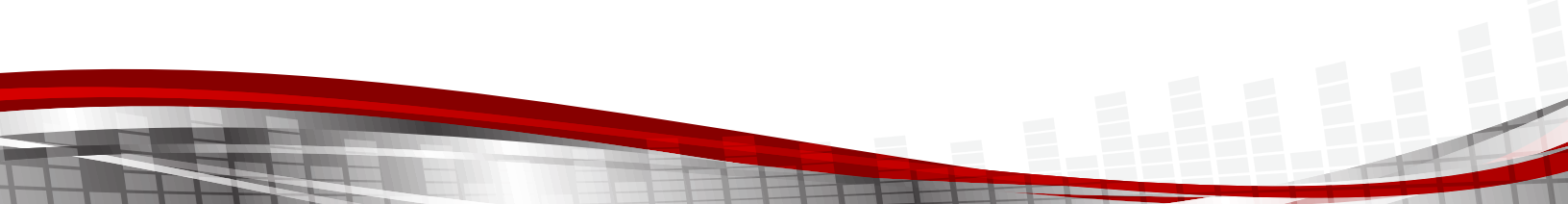
On February 14, 1990, Runestone completed its conversion to digital switching across all exchanges. In the years that followed, the company introduced Equal Access long-distance options, allowing customers to choose their preferred carrier, along with enhanced features such as Caller ID and Voice Mail. A \$15 million loan from the Rural Utilities Service (formerly REA) in 1999 enabled the next phase of system upgrades. These strategic investments and technological advancements laid a strong foundation for future growth and expansion opportunities.

Meanwhile, February 1, 1987, marked a significant leadership transition as longtime General Manager W. Berdell Skogstad retired after 32 years of service. Throughout his tenure, Skogstad was instrumental in shaping the cooperative's direction, holding leadership roles within the Minnesota Telephone Association (MTA), the Association of Minnesota Telephone Utilities (AMTU), and various committees of the National Telephone Cooperative Association (NTCA). He was succeeded by Assistant Manager Lee Maier, whose vision for entering the cable television and internet service markets set the stage for Runestone's expansion. Maier led the cooperative until his retirement on November 30, 2015. On December 1, 2015, Kent Hedstrom—an employee since 1987 and Assistant Manager since 2014—was appointed General Manager/CEO.

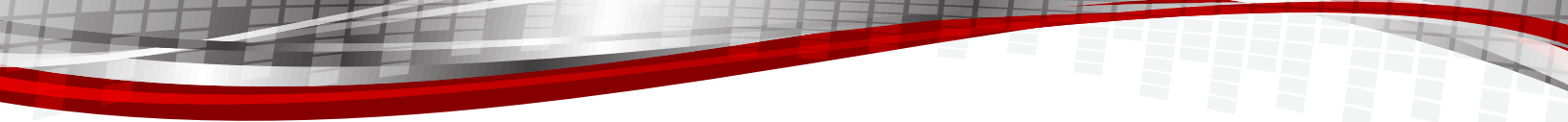
As Runestone strengthened its core telephone services through fiber expansion and digital innovation, it also began to explore and invest in emerging technologies and new markets to better serve its members and rural communities. These strategic ventures laid the groundwork for a broader scope of services beyond traditional telecommunications.

On August 15, 1988, Runestone established a wholly owned subsidiary, Runestone Cellular & Communications, Inc. Its first major initiative involved acquiring cellular licenses in the Fargo and Grand Forks markets through a partnership with US West. Due to the high infrastructure costs of launching cellular service, Runestone joined 34 other independent telephone companies to form Cellular 2000, a cooperative effort to build and operate cellular networks in northern Minnesota. US West acquired Runestone's share of the Fargo/Grand Forks operations in 1993, and Cellular 2000 went public in 1995.

As communications technology advanced, Runestone quickly adapted by integrating cellular solutions into its daily operations. The cooperative purchased its first cellular phone in 1990 for \$1,300—a forward-thinking investment that underscored its commitment to staying at the forefront of innovation. By 1999, every company vehicle was equipped with a leased cellular phone, greatly enhancing communication and efficiency for field crews. Today, in 2025, every technician carries a smartphone and tablet with built-in cellular radios, a testament to how far mobile technology has come and how essential it is to Runestone's commitment to responsive, reliable service.







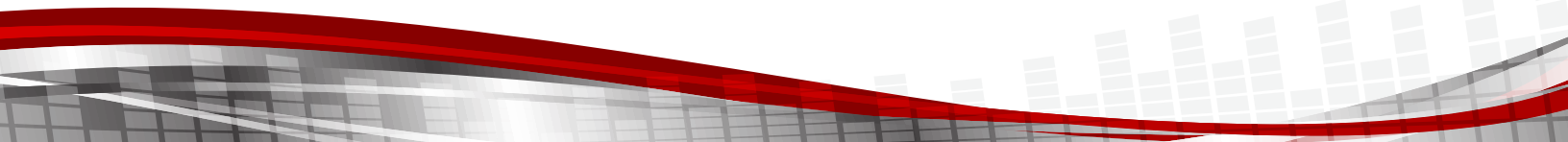
Continuing its focus on wireless innovation, Runestone invested in Personal Communications Services (PCS) technology in October 1996 as part of a regional partnership marketed under the name Wireless North. In 1997, the company renamed its subsidiary to Runestone Communications, Inc. Expanding into cable television, Runestone Communications made a significant move in 1993 by purchasing the Community Antenna Television (CATV) system from the City of Elbow Lake. That same year, it acquired cable franchises serving Hoffman, Kensington, Cyrus, Herman, Brandon, Evansville, and Carlos from Midcontinent Cable. It also acquired the Barrett and Elbow Lake systems from Triax Cable. Between 1993 and 1995, Runestone constructed additional CATV systems in Wendell, Donnelly, Tintah, and Norcross. Leveraging its fiber optic network, Runestone consolidated all CATV traffic to a central headend in Barrett, improving efficiency and increasing channel capacity across its service area. Some systems were eventually divested—Carlos to Midwest Telephone in 1996, and Brandon and Evansville to Gardonville Telephone in 2007. In February 2000, digital cable service launched with over 100 channels, including Pay-Per-View. At its peak in October 2000, Runestone had 1,894 CATV subscribers. As consumer habits shifted, that number declined to 886 subscribers by June 2025.

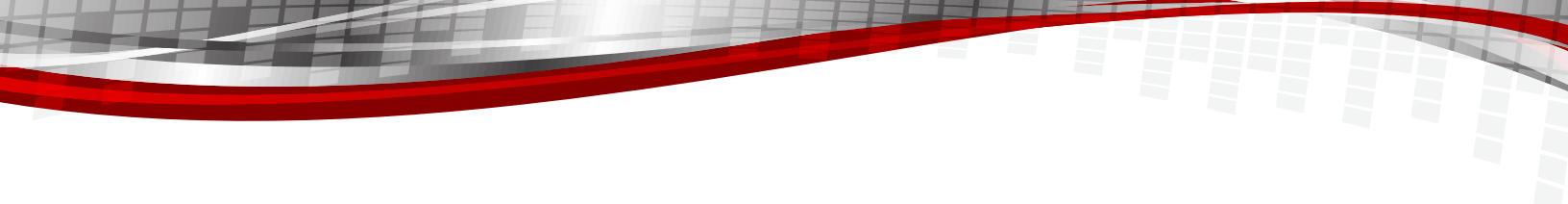
As Runestone's range of services continued to grow—expanding from traditional telephone service to include cellular, cable TV, and Internet—managing multiple separate entities became increasingly complex. To streamline operations and better serve its members, the cooperative made the strategic decision to unify its various ventures under a single organization. In line with this goal, all assets were consolidated into Runestone Telephone Association on March 1, 2003, simplifying management and strengthening its expanding service portfolio under one cooperative.

This commitment to operating efficiently and planning for the future has long been a part of Runestone's story. Long before cellular phones and fiber networks, the association continually adjusted its internal operations and physical headquarters to keep pace with growth and meet the changing needs of its members.

Over the years, Runestone's office locations evolved alongside the company's growth. Prior to 1955, operations were based in a modest space within the Barrett City building and Fire Hall. In January of that year, the Board of Directors approved the remodeling of the old telephone office in Hoffman to serve as the association's headquarters. In 1960, a dispute arose regarding the permanent location of the main office. The Barrett Commercial Club had generously donated land for a potential new facility, sparking a series of discussions and debates. Tensions came to a head at the 1961 Annual Meeting in Wendell, which was notably contentious. Ultimately, in June 1962, the issue was resolved in District Court, with the decision to keep the headquarters in Hoffman and a settlement awarded to Barrett.

Following the acquisition of the Cyrus exchange, a building committee was formed in 1964 to assess the need for expanded office space. Architect Gordon Mattson was commissioned to develop preliminary plans for a new headquarters, which received board approval that same year. Construction soon began, and the new facility was unveiled with an open house on June 11, 1965. The office underwent significant renovations in 1987, including the addition of a new garage and warehouse, and was remodeled again in 1997. In 2006, land was acquired on the east side of Hoffman to accommodate further growth. Construction of a new headquarters was completed in 2007, and the association officially moved into the facility in February 2008.





Recognizing the growing importance of the Internet, Runestone entered the ISP market in May 1996 through a partnership with Runestone Electric Association and Alexandria Light & Power. While the initial business plan forecasted 300 subscribers in the first year, the service surpassed that goal within just a few months. By the end of 1999, more than 5,000 customers were using Runestone's dial-up Internet service. In 2001, Runestone introduced Digital Subscriber Line (DSL) technology, delivering speeds over 25 times faster than dial-up and significantly enhancing the online experience for rural users. Runestone remains committed to expanding broadband access as customer demand for speed and reliability continues to grow.

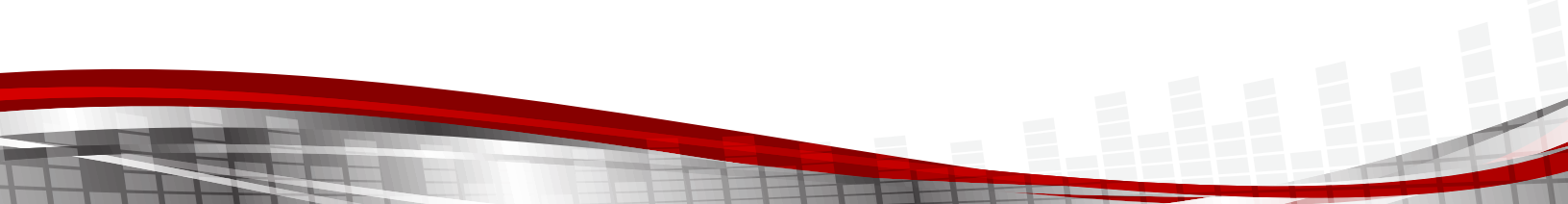
As customer needs and technologies continued to evolve, Runestone made it a priority to ensure its members could access the most advanced and reliable infrastructure available.

In 2005, the cooperative embarked on an ambitious 20-year project to bring fiber optic connections directly to every member. This initiative began with the Norcross exchange, which had not seen significant upgrades since the 1970s. With the aging copper network causing frequent service interruptions and maintenance costs climbing, investing in fiber became the clear and cost-effective solution to meet the growing demand for higher speeds and greater reliability.

To accelerate this vision, Runestone secured its first Border-to-Border Broadband Grant from the State of Minnesota in 2015 to expand high-speed broadband within the Holmes City Exchange. Building on this momentum, six additional grants were awarded between 2016 and 2024, enabling further fiber deployment across the areas of Alexandria, Forada, Villard, Herman, Dumont, and Western Stearns County. These critical investments have helped close the digital divide for rural residents, ensuring they have the same opportunities for education, business, and connectivity as those in urban areas.

After careful borrowing to build and modernize its infrastructure, in 2003 Runestone paid off all outstanding debt and has remained debt-free ever since. This strong financial position has allowed Runestone to fund expansions and technology upgrades entirely through internal cash reserves without relying on outside borrowing. At the same time, the cooperative has continued to honor its commitment to its members by consistently returning capital credits. Since 1978, Runestone has paid back capital credits totaling over \$32.5 million, ensuring that members continue to directly benefit from the cooperative's success.

From its humble beginnings of farmer-built switchboards to becoming a leader in advanced rural broadband and telecommunications, Runestone Telephone Association remains deeply dedicated to serving rural Minnesota with dependable, innovative, and community-driven communications solutions—both today and well into the future.

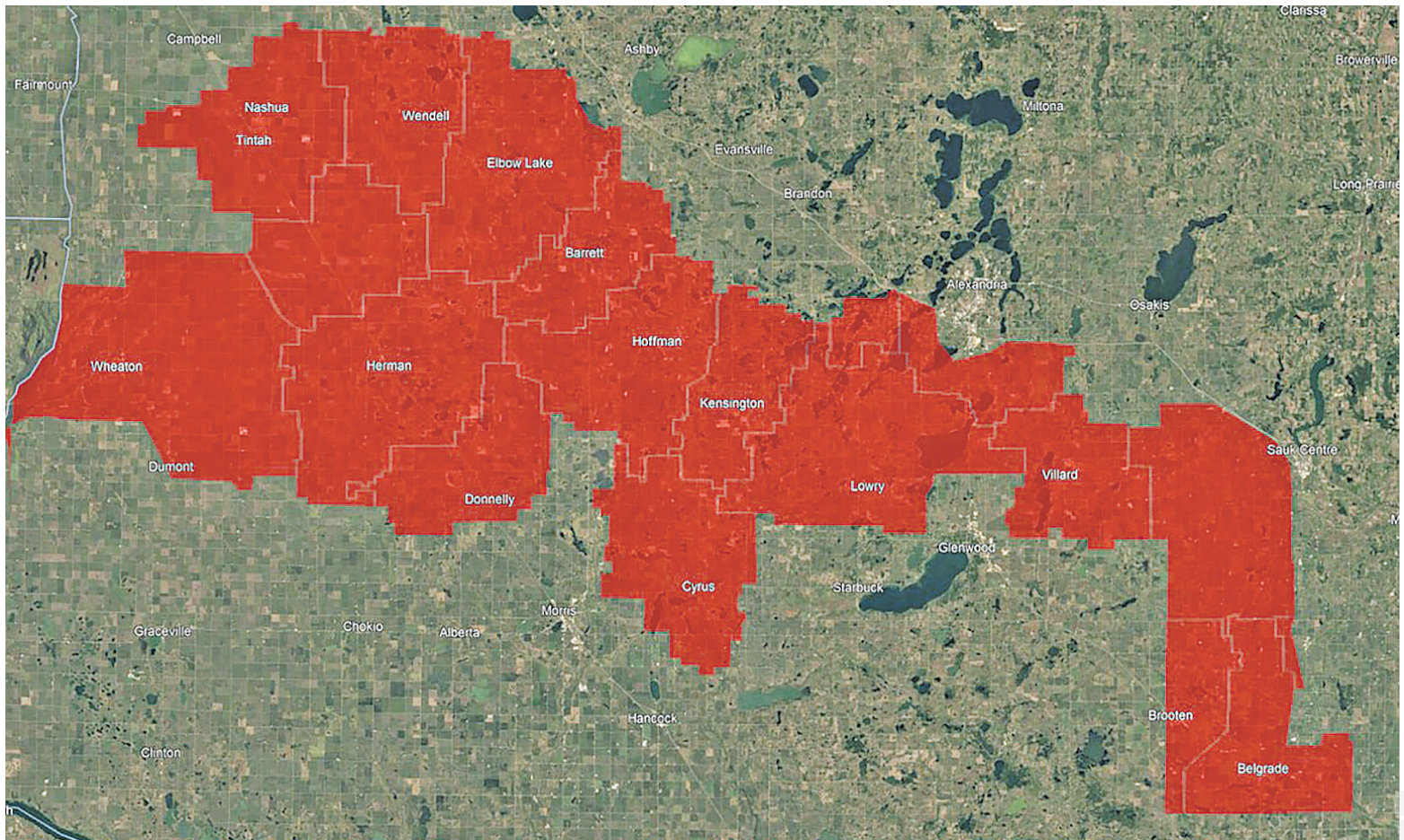




## Proudly Serving These Areas!

***High Speed Internet, Cable TV, Telephone Service and more!***

- **Alexandria**  
*Selective service area south of I-94*
- **Barrett**
- **Cyrus**
- **Donnelly**
- **Dumont**
- **Elbow Lake**
- **Farwell**
- **Forada**
- **Herman**
- **Hoffman**
- **Holmes City**
- **Kensington**
- **Lowry**
- **Norcross**
- **Tintah**
- **Villard**
- **Wendell**
- **Westport**
- **Wheaton**
- **Western Stearns County**







# **Runestone**

## Telecom Association

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🕒 Mon. - Fri. 8:00 a.m. to 4:30 p.m.

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