



POWER CONNECTION

member driven. community focused. energy smart.

JANUARY 2019

ON THE BRIGHT SIDE

Member-owner Auto Body 2000 recently received an efficiency rebate from Stearns Electric Association for their small commercial LED retrofit lighting project.

Auto Body 2000, located in St. Joseph, Minnesota, is a full-service auto body repair shop. Established in 2001, the company specializes in collision and auto body repair, glass repair and custom paint services. Four employees work at Auto Body 2000, three of which work in the shop.

Owner Craig Zahara knew he needed to upgrade the lighting last year in the shop in order for employees to see better. He decided to move forward with an LED retrofit lighting project.

"We had already decided to move forward with the new lighting project through our electrician, who was actually able to hook us up with Stearns Electric Association's EnergyWise team and the efficiency rebate," Zahara recalled. "We were planning to move forward with the project either way, but the rebate program helped us save money on our upgrades."

From dark to bright, the new lighting makes a huge difference for Auto

Body 2000 employees. "With our new LED lighting in the shop, you can see!" Zahara explained. "Everything is so much brighter."

Auto Body 2000 replaced a total of 400 32-watt fluorescent bulbs in its auto body shop. The new lights are 18-watt LED tube lights. According to the Stearns Electric Association's Energy Services department, the annual estimated energy savings for

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MANAGER'S MESSAGE

A NEW YEAR

AND THE YEAR AHEAD



It's a New Year and Stearns Electric Association is looking forward to another year of serving you, our member-owners. Listed below are some of the things that we will be working on in 2019 at Stearns Electric.

LEGISLATIVE INITIATIVES

Rural electric cooperatives were created as a result of political action. The Rural Electrification Act, passed in 1936, was part of President Franklin Delano Roosevelt's New Deal. The act allowed for federal loans for the construction of electrical systems in rural America in order to restore and bring prosperity back to the United States after the Great Depression.

To this day, rural electric cooperatives continue to work with legislators on behalf of our member-owners. This year, in late January, several Stearns Electric representatives will join a contingent of Minnesota electric co-ops in Washington, D.C. Then in February, the Stearns Electric board of directors and I will spend a day with our state legislators in St. Paul. Some of the topics we will discuss with our federal and state legislators include:

- energy conservation initiatives
- renewable energy requirements,
- third party energy sales and consumer choice
- property taxes
- energy storage
- power line right-of-way easements

Our rural legislators have been good friends to us. They understand the

importance of the services provided by rural electric cooperatives, not just the distribution of the vital energy resources, but the impact of our community and economic development initiatives. Our goal is always to work together with legislators to provide reliable electric service at a reasonable price.

POWER SUPPLY

Our power supplier Great River Energy operates in a market that is continually changing. The wholesale power that Stearns Electric purchases for our members represents about 65% of our total budget. The amount and price that we pay Great River Energy for wholesale power is directly related to how and when Stearns Electric members use electricity. While there is sufficient supply of electricity during periods of normal use, when demand increases (typically when the temperature is very hot or cold) or when energy use peaks (typically in the early morning and evening when people are home) energy supply is more scarce and expensive. When Stearns Electric members cut back on their electricity use during those times either by conservation methods or enrollment in our EnergyWise programs, Stearns Electric is better positioned to control wholesale power costs. Our goal is to provide electricity at competitive rates and our focus on these strategies is one way that we do that.

STRATEGIC PLANNING

In February, the Stearns Electric board of directors and Stearns Electric staff will be working on a new strategic plan for 2019 and

beyond. We will spend several days discussing our operating environment and the potential future for our Cooperative. This is an important exercise for Stearns Electric, that provides a road map for the strategies, goals and activities we undertake to maintain a well-run cooperative. It is also a great tool for identifying the best ways to serve our members in new and innovative ways.

DISTRIBUTION SYSTEM PROJECTS

In late December, your Stearns Electric board of directors approved the 2019 Cooperative budget. Reviewing and approving our budget is an important duty of the Stearns Electric board of directors. A large part of the budget is spent on construction and maintenance of the electrical distribution system. To date, Stearns Electric has a total investment in electrical distribution plant of nearly \$113 million. In 2019, Stearns Electric will complete about \$7 million of work on our system. That work will include improvements to distribution substations, power line and transformer upgrades, and new service extensions. Stearns Electric will continue to invest responsibly in projects to assure you a high level of service and reliability.

TECHNOLOGY

As we look to the future, technology will only grow into a more significant role for our business. Electric, automation and power generation technologies are changing at a rapid pace. In 2019 and the coming years, one area of focus for the Cooperative is exploring updates and improvements to the technology, methods and

AUTOBODY 2000

3. this project is 17,538 kilowatt-hours of electricity. That's roughly \$2,000 in savings every year.

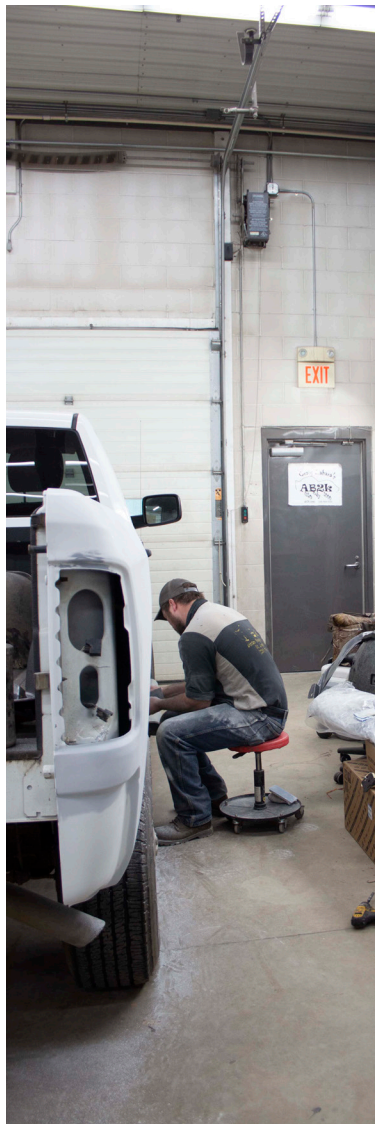
"We wanted to have more light in the shop, but we didn't want to have to worry about changing the ballasts all the time," Zahara said. "We decided to use LED lights because they last longer and they will save us money in the long run."

Additionally, Zahara opted to install new side lighting along the walls in the shop. Depending on which area of the shop employees are working, they can turn on the side lights to see even better now.

"The overhead lights make a huge difference in our shop already, but the side lights along the wall that we can turn on for added brightness are wonderful."

"Overall, we just really love and appreciate the new brightness we have in our body shop," he concluded. "It makes everything so much easier to see!"

Stearns Electric is committed to helping our members use energy both safely and wisely. We offer a variety of rebates to help our commercial, industrial and agricultural (CI&A) members be more energy efficient. Rebates are available for LED lighting projects, electric forklifts, electric HVAC upgrades and robotic milking units, among other things.



frequency of how our EnergyWise programs are utilized and managed. This is necessary because of a change in our wholesale power pricing structure. And of course we're always looking at technology that improves the way you do business with the Cooperative. We incorporate these kinds of changes to keep your power costs reasonable and to provide a high level of customer service.

These are just a few of the key items that our team will be working on this year. At Stearns Electric, we are looking forward to serving you in 2019. Happy New Year from the employees and board of directors at your Cooperative!

Sincerely,

A handwritten signature in black ink, reading 'Robin Doege'.

Robin C. Doege
Chief Executive Officer (CEO)

BOARD MEETING

The regular meeting of the Board of Directors of Stearns Electric Association was held on November 29, 2018 at 1:00 p.m. at the Stearns Electric Association Branch Office in Melrose, Minnesota.

Manager of Finance Ralph Martin reviewed Cooperative financial and statistical information. Mr. Martin shared the GRE Patronage Capital Retirement projections through the year 2038. The only approved amount is for the year 2019. It is important to note that this is a projection, therefore amounts in the years following 2019 are subject to change.

Manager of Engineering Matt O'Shea presented the 2019-2022 Construction Work Plan. Mr. O'Shea reviewed the 2018 Long Range Load Forecast. This study is used for planning annually.

Manager of Operations Glenn Blommel discussed current activities the crews and contractors are working on. Mr. Blommel shared favorable information related to progress on vegetation removal and the results of lower overall power outages related to areas with properly maintained easements.

Manager of Energy Services James Pachan shared a few commercial accounts that participated in the LED retrofit lighting rebate program.

CEO Robin Doege shared that Great River Energy is considering changing how it bills for power, from coincident peak demand to MISO pricing zone demand. Mr. Doege reported that Heartland Security Services wants to buy back member units from MiEnergy which would increase the percentage of Stearns Electric's ownership interest in Heartland Security. The Board is in support of this action.

Director of Finance, Cindy Anderson, presented the proposed 2019 budget for review.

Next Meeting: February 21, 2019

COMMUNITY INVOLVEMENT

ANNA MARIE'S ALLIANCE WINS LOCAL TOUCHSTONE ENERGY COMMUNITY AWARD



Operation Round Up supports local civic organizations and worthy causes; In 2018, a total of 217 organizations received \$138,000

After being selected out of 217 Operation Round Up applications as one of six finalists to be nominated for the award, Anna Marie's Alliance was named the winner of the 2019 Stearns Electric Touchstone Energy Community Award.

According to the Partnership Against Domestic Violence, every nine seconds, a woman in the United States is beaten. In fact, one in three women in the U.S. will experience domestic violence in her lifetime. Anna Marie's Alliance, incorporated in 1978, provides a safe shelter for abused women and their children in Central Minnesota. The organization's core mission is

to provide a safe place for victims of domestic abuse.

COMMITMENT TO SERVE:

Although Anna Marie's Alliance has 42 employees, the organization is truly volunteer driven. Last year, 203 volunteers contributed nearly 11,000 hours of volunteer time, Sandy Nadeau, director of development and communications, said. Those volunteers helped the organization provide a wide range of services to over 3,000 women and children during the last fiscal year, including providing a safe home for 487 women and 195 children.

Anna Marie's Alliance serves five counties: Benton, Stearns, Sherburne, Wright and Mille Lacs. "Individuals come in with nothing or very little and often haven't kept up with their physical and dental care," Nadeau explained. "We are able to shelter 36 women and children at a time and provide them with a safe and secure place to stay, and the support and resources they need to

get their feet back under them."

Anna Marie's was also the first shelter in the state to provide a safe space specifically for pets. In January 2014, the organization opened up an area to care for pets of the women and children staying at their facility. Last year, the Pet Safe Home housed 11 cats and 18 dogs, among other animals like rats and ferrets.

COMMUNITY SUPPORT:

In order to keep their facility operating smoothly, Anna Marie's Alliance relies on community support and fundraising efforts.

"The greatest need for the organization is funding," Nadeau said. "We need to keep raising money for both operations but also for our capital campaign to remodel and expand our shelter."

Phase one of the four-phase capital campaign recently wrapped up with the completion of the Center for Family Peace.

"Our new Center for Family Peace addition provides a chance to open our doors to the community for the first time in 40 years," Nadeau said. "In fact, we have an Anna Marie's Alliance sign outside of this new facility for the first time in our history."

"The Center for Family Peace will focus on prevention and education. We are hoping to stop the violence before it starts," she continued.

In 2019, phase two continues with plans to renovate and remodel the shelter where the women and children reside.

"This year, we plan to double the size of our daycare, expand our kitchen, improve our dining area, update the secure entrance to the shelter and add a new therapy room," Nadeau explained. "We need to provide the individuals we serve with a wonderful place to call home."

TOUCHSTONE ENERGY COMMUNITY AWARD:

To help secure funding, Anna Marie's Alliance applies for several grants throughout the year, including the Stearns Electric Association's Operation Round Up® grant.

"Operation Round Up has been an amazing way to support our work and a wonderful opportunity to share the work we do," Nadeau said. "We have to be cautious about the information we can share, so getting in front of community organizations such as Operation Round Up is huge."

"Anna Marie's Alliance clearly demonstrates a strong commitment

to community that we at Stearns Electric value highly," Stearns Electric Operation Round Up coordinator Whitney Ditlevson said. "We are very pleased to recognize this organization's contributions to our local community."

In addition to an annual grant through the Operation Round Up® program, Anna Marie's Alliance was recently selected as the local Minnesota Touchstone Energy Community Award winner from our service territory.

"This area is blessed with so many groups that are willing to donate time and effort to better our community," Ditlevson continued. "We are pleased that as a Minnesota Touchstone Energy Cooperative, we have this opportunity to recognize those individuals and organizations that impact our community in a positive way."

Every year, the Minnesota Touchstone Energy Community Award recognizes businesses, non-profit and community groups that have shown a strong commitment to their communities. Stearns Electric uses its Operation Round Up® program to select a local organization as our local Touchstone Energy Community Award winner. That organization receives a \$500 prize and plaque and is automatically entered into the statewide competition along with other statewide cooperative winners. The statewide winner is selected at the Minnesota Rural Electric Association's annual meeting in St. Paul every March. The statewide winner receives an additional \$1,000.



ENERGY EFFICIENCY TIP OF THE MONTH

LOOKING FOR AN EASY WAY TO CUT YOUR WATER HEATING BILLS? TRY THIS!

Is your hot water tank warm to the touch? Consider insulating it to save 7 to 16 percent annually on water heating costs. Follow the manufacturer's recommendations.

ELECTRICAL SAFETY CHECKUP

APPLIANCES

All major appliances should be plugged directly into a wall receptacle outlet. Only plug one heat producing appliance into a receptacle outlet at a time.



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WIN A TRIP TO WASHINGTON, D.C.



HIGH SCHOOL JUNIORS OR SENIORS COULD WIN AN ALL EXPENSE PAID TRIP TO WASHINGTON, D.C. IN JUNE!

Each year, rural electric cooperatives across the nation sponsor roughly 1,500 students on the Rural Electric Youth Tour to Washington, D.C. The Youth Tour program continues to foster the grassroots spirit of the rural electric cooperatives by demonstrating to high school students how our government works and what the electric cooperative business model is all about.

In 2019, Stearns Electric Association will be sending one high school junior or senior on an all expense paid trip to the Washington, D.C. Youth Tour. The selected student will visit with congressional representatives, tour some of the most famous museums in the world, and make memories and friends that will last a lifetime.

Requirements:

- Contestant shall write a 300 word essay on the benefits of the cooperative model for electric service.
- Complete the Stearns Electric Association Youth Tour Application.
- Submit a recommendation letter from a teacher or advisor.
- The top finalists will be interviewed by the judging committee.

Awards:

- First Place - All expense paid Washington, D.C. Youth Tour
- Second Place – First Alternate and \$150
- Third Place – Second Alternate and \$100

Additional Information:

- Tour Dates: June 15-20, 2019
- Essays and completed applications must be received at Stearns Electric Association no later than 4 p.m., February 15, 2019.
- Applications are available at the Stearns Electric Association offices, the Cooperative's website www.stearnselectric.org, and at your school's counseling center.

If you have questions or need more information about this opportunity, please visit www.stearnselectric.org.

SCHOLARSHIP OPPORTUNITY



The Northern Co-op Foundation provides financial assistance and promotes education in the Cooperative field. Scholarship applications are now available!

Scholarships will be awarded to students from the four state area of Minnesota, Wisconsin, North Dakota and South Dakota who are seniors in or a graduate of high school who may have interest in future employment with a cooperative organization.

Applicants must be a member of a cooperative, be enrolled full-time at an institution of higher learning and will take courses in business or economics that study the principles of cooperatives. If such

a course is not offered at the student's higher learning institution, the applicant must submit a letter agreeing to take such a course at another institution.

You can find the application forms at www.stearnselectric.org or by calling our St. Joseph office. Those interested in applying must submit their application and three letters of reference (including one from your local cooperative) by February 1, 2019. For more information contact Stearns Electric during regular business hours.

NEWS

CASH YOUR CAPITAL CREDIT CHECKS

If you purchased electricity from Stearns Electric Association during 1996-1997 **and/or** 2013-2017 you may have received a capital credit check. We would like to remind you to cash that check if you haven't already.

Capital Credit payments are quantifiable proof that as a member of Stearns Electric Association you are an owner of a successful, effective organization. Life to date, we have distributed more than \$32 million in Capital Credits to our members!

ANNUAL MEETING

Save the date! The Stearns Electric Association Annual Meeting will take place on the evening of April 4, 2019 at the Melrose Area High School.

MEMBER NOTICE

START PLANNING NOW FOR THE NEW YEAR

Does your list of New Year's resolutions include a project that may require new electrical service or changes to an existing service? If so, now is the time to begin planning your project to help you budget accordingly and meet your project time lines.

It's common for the Cooperative to be flooded with requests for service projects in the late fall and early spring. The challenge: projects requiring electric lines to be built, rebuilt or moved aren't as simple as they may seem and sometimes require a more complex process than meets the eye.

We strongly encourage anyone thinking about projects that will require new or modified electrical service to contact the Cooperative and begin the planning process as early as possible.



cookingcorner

SAUSAGE AND CHICKEN CAJUN JAMBALAYA

Submitted by: David Young

Ingredients:

2 Tbsp. olive oil divided
1 ½ lbs. chicken cut into pieces
12 oz. andouille sausage
1 ½ tsp. salt divided
¾ tsp. pepper divided
2 C sweet onion chopped
1 C celery finely chopped
1 C green bell pepper chopped
2 cloves garlic crushed
1 tsp. thyme dried
1 tsp. basil dried
¼ tsp. cayenne pepper
1 Tbsp. Worcestershire sauce
6 oz. can tomato paste
15 oz. can diced tomatoes
2 ½ C long grain white rice
5 C chicken broth
Fresh parsley finely chopped

Directions:

In a large pot, add 1 tablespoon oil, sausage (cut into slices), ½ tsp salt and ¼ tsp pepper. Cook for 2 minutes. Add chicken and continue cooking over medium heat for 8-10 minutes. Remove sausage and chicken from the pot and set aside. Drizzle another tablespoon of olive oil into the pot and then add onion, celery and bell pepper. Cook for 6-8 minutes. Add garlic and saute for an additional 2 minutes. Add cooked chicken and sausage back in. In a small bowl combine 1 teaspoon salt, ½ tsp pepper, thyme, basil and cayenne pepper. Toss to combine. Add seasoning mix, Worcestershire, tomato paste, and diced tomatoes to the meat and veggies. Stir to combine. Place rice and broth in the pot. Stir to completely combine. Over medium heat, wait for the ingredients to come to a boil. Reduce heat to low, cover with a lid, and let jambalaya simmer for 30-40 minutes. Once rice is completely cooked, serve immediately with fresh parsley. Enjoy!

CONTEST DETAILS:

One member per account may submit one recipe per month. Recipes will be saved for future publications. The recipe selected each month will receive a \$10 credit on their electric bill. Submit your recipe to agroethe@stearnselectric.org or mail to: Stearns Electric, Cooking Corner, PO BOX 816, St. Joseph, MN 56374.



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ENERGY WISE

SMARTER SOLUTIONS START HERE

More than ever, electricity powers our lives. *It's your power. Our mission is to help you use it wisely.*



2019 RESIDENTIAL REBATES ARE AVAILABLE NOW

Stearns Electric Association offers a wide range of programs and smart technologies to our members to help manage electricity all while ensuring reliability. We offer a number of rebates and incentives to save you even more when making energy efficient changes in your home.

Learn more at www.stearnselectric.org.