

# STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

## DECEMBER 2018

The regular meeting of the Board of Directors of Stearns Electric Association was held on December 27, 2018 at 1:23 p.m. at the Stearns Electric Association Headquarters in Melrose, Minnesota.

Manager of Finance Ralph Martin reviewed cooperative financial and statistical information. A motion was made and approved to apply for a nearly \$41 million loan which will be used for capital projects, including construction projects, substation upgrades, and transformer and meter replacements. Mr. Martin explained how the Construction Work Plan, Long Range Financial Forecast and Sensitivity Analysis are all components of the FBB Loan AR8 application and document the need for additional funds.

Mr. Doege explained the RUS Approval for a Revenue Deferral Plan. Essentially, GRE is retiring excess revenue from 2018, which was only announced to its cooperative owners two weeks prior to this meeting. Mr. Doege requested to defer some of that revenue for future years. A motion for approval was made and carried.

The Nominating Committee for the Board of Directors is now accepting applicants interested in serving districts 2, 3 and 6. Additionally, Districts 4, 6, and 7 are in process of accepting new Operation Round Up Board Members.

Manager of Engineering Matt O'Shea reviewed major points within the Construction Work Plan including: over 1,000 new service installations, over 20 miles of line or line conversion, a substation upgrade to higher voltage capacity and changes to several other substations, over 500 service capacity increases, several thousand pole and security light replacements, non-site specific conductor replacements and several thousand load management receiver replacements. The most important point of consideration is that the construction proposed in the plan is based on upgrading the existing distribution system to provide adequate service through 2022 in peak conditions.

The 2019 budget was reviewed and approved by the board.

*Next Meeting: March 28, 2019*

