

# STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

## MARCH 2018

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

Manager of Engineering Matt O'Shea informed the Board on the Joint Use Bulletin which is in the works between RUS and NRECA. Joint Use refers to foreign communication companies attaching cables or antennas to electric utility poles.

Manager of Administrative Services Vicky Herkenhoff updated the Board that on March 14, 2018 the Cooperative received notice that OSHA had rescinded the citation for the August 4, 2017 accident.

Miranda Wendlandt, Lead Accountant from the auditing firm of CliftonLarsonAllen, presented the 2017 audit report to the Board noting there were no exceptions or findings. The Board reviewed slides comparing Stearns Electric to other cooperatives in the state. She stated Stearns Electric is financially strong and is operating efficiently

Sharurice Moorman, Manager of Rates and Financial Planning from Power Systems Engineering, Inc. explained the cost of service study which was recently completed and described how it is used to determine the total revenue required to operate the Cooperative and if the Cooperative is meeting its revenue requirements. The study process was reviewed and a summary of the results were shown to the Board along with some rate design options.

After discussion by the Board, a motion to approve Option 2 for the General Single Phase (GS1) rate increase effective May 1, 2018 was made by John Anderson and seconded by Greg Blaine. Motion carried. A motion to approve Option 1 rates for all other rate classes effective May 1, 2018 was made by Mike Blenkush and seconded by Lonnie Iverson. Motion carried.

Manager of Operations Glenn Blommel reviewed the unannounced Rural Electric Safety Achievement Program (RESAP) visit to Stearns Electric on March 22, 2018. The onsite observation involves a team of people from other cooperatives who inspect the facility, vehicles, distribution system and a crew in the field. The results of the visit were provided and Lidia Dilley-Jacobson, with MREA, noted an overall good report.

President Randy Rothstein thanked retiring Director John Anderson for his service and dedication to Stearns Electric over the last six years.

*Next Meeting: June 28, 2018*

