



POWER CONNECTION

member driven. community focused. energy smart.

JANUARY 2020

VALUE OF WINTER ELECTRICITY

EXTREME WEATHER HIGHLIGHTS IMPORTANCE OF RELIABLE ELECTRICITY

The 2019 polar vortex demonstrated that members have the right people and power plants ready for extreme weather.

On a normal day, having reliable electricity means you can charge your phone, watch TV and cook dinner. During extreme weather, however, reliable electricity means so much more. Many Cooperative members depend on electricity for space heating, warm water and even medical equipment.

The importance of electricity was on display a year ago when a polar vortex sent temperatures well below zero and stressed the electric system for several days. Stearns Electric deployed line technicians, trucks and equipment to fix problems caused by the cold weather. At the same time, our wholesale electricity

provider, Great River Energy, carefully operated and monitored the electric system to ensure energy continued to reach Stearns Electric and the 27 other cooperatives it serves.

EXTREME WEATHER BRINGS NEW FOCUS

When winter weather turns dangerous, power line crews suspend routine maintenance in order to closely monitor the grid and fix issues that arise due to cold temperatures, ice and wind.

"When our system is stressed or damaged, our crews work around the clock to keep the grid operating for our member-consumers," said Priti Patel, Great River Energy's vice president and chief transmission officer.

REGION-WIDE COLLABORATION

Great River Energy works with the regional grid operator, known as the Midcontinent Independent System Operator or MISO, and neighboring utilities to prepare for possible scenarios. During events like the polar vortex, MISO can issue cold weather alerts, which direct utilities to prepare all power plants to be dispatched on short notice.

TRIED AND TRUE RESOURCES COME THROUGH

Cold weather can halt energy production at wind farms and restrict the availability of natural gas. This makes power plants like Great River Energy's Coal Creek Station particularly important. Located directly beside a coal mine, Coal Creek Station has dependable access to fuel and can operate around the clock for weeks or months at a time.

CEO'S MESSAGE



LOOKING FORWARD

TO THE YEAR AHEAD - 2020

With 2019 now a memory, we, the employees of Stearns Electric Association, are looking forward to serving you in 2020. This year marks Stearns Electric's 83rd year in operation. We have come a long way from our humble beginnings of serving a few farms in Stearns County in 1937! Here are just a few of the initiatives that Stearns Electric will be working on in 2020.

COOPERATIVE BYLAW VOTE

In 2020, the Stearns Electric Board of Directors is asking our member-consumers to approve proposed amendments to the Cooperative's Articles of Incorporation and Bylaws. Many of these proposed changes reflect an update in language and/or grammar to make the documents easier to understand and ensure compliance with state and federal laws. In addition, there are a few more significant changes proposed, such as a simplified director nomination procedure, an arbitration option and safeguards for system connections. You can learn more on page six. Future issues of the newsletter will include additional information.

ELECTRIC DISTRIBUTION SYSTEM PROJECTS

Every year, our Stearns Electric work plan is developed to improve electrical system reliability and accommodate load growth. In 2020, we have predicted that our electrical load growth will be less than 1%. With that said, most of our 2020 work plan projects address system reliability and replacement of aging poles, conductors and other equipment. Here is a brief summary of Stearns Electric 2020 work plan projects as a percentage of the total work plan budget:

- Replacement of aged overhead and underground line – 39.0%
- Transformers, meters, new services and alterations to existing services – 21.3%
- New tie lines and conversions from overhead to underground – 10.1%
- Line device, such as voltage regulators, security lights, arresters, insulators, and other miscellaneous replacements – 12.4%
- Substation upgrades – 10.6%
- Pole replacements – 6.6%

The total cost for these projects in 2020 is approximately \$6.8 million. Please know that these projects have been scrutinized by Stearns Electric staff and reviewed by the Stearns Electric Board of Directors to ensure they are in the best interest of our member-consumers. Our goal is to provide our members great value for the money spent on maintaining our electric distribution system.

LEGISLATIVE INITIATIVES

Stearns Electric staff and your Board of Directors have been preparing for another busy legislative session in 2020. The Cooperative is in close partnership with the Minnesota Rural Electric Association (MREA) and the National Rural Electrical Cooperative Association (NRECA) for state and federal legislative issues.

Recently electrical cooperatives, with the help of NRECA, experienced success when Congress passed the RURAL Act. The RURAL Act preserves the electric co-op business model and the ability to leverage federal and state grants to meet the needs of co-op members. The RURAL Act allows co-ops to receive government grants for FEMA disaster relief or broadband

service without risking their tax-exempt status.

Upcoming 2020 Minnesota legislative items include:

- Adjusting the Minnesota Conservation Improvement Program (CIP). Minnesota Cooperatives would like to receive credit for beneficial electrification technologies like ground source and air source heating and cooling technologies.
- Having discussions to consider including broadband wire and equipment in electric distribution rights-of-way.
- Minimizing the electrical permitting cost for electrical cooperatives to maintain and/or upgrade load control equipment.
- Initiating productive conversations with state legislators regarding 100% carbon free energy generation and clean energy first legislation.

The 2020 Minnesota legislative session begins on February 11. Stearns Electric will work closely with our local senators and representatives on legislation that allows us to continue to provide reliable, safe and cost competitive electricity.

Again, the Stearns Electric staff and Board of Directors look forward to serving you in 2020. We wish you a prosperous and healthy new year!

Sincerely,

Robin C. Doege
Chief Executive Officer (CEO)

WIN A TRIP TO WASHINGTON, D.C.



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

Stearns Electric is sending one high school student from our service territory to participate in the annual Rural Electric Youth Tour to Washington, D.C. The selected student will visit with congressional representatives, tour famous monuments and museums, and make memories and friends that will last a lifetime.

Rural electric cooperatives across the nation sponsor nearly 1,500 students to participate in the annual Youth Tour to learn how government works and about the electric cooperative business model.

Apply today! This contest is open to any current high school junior or senior whose family is a member of Stearns Electric Association. The Youth Tour is June 20-25, 2020.

REQUIREMENTS:

- Complete the Stearns Electric Youth Tour Application (available at the Stearns Electric offices, at www.stearnselectric.org, or at your school's counseling center.)
- Write and submit a 300-word essay on the benefits of the cooperative business model.
- Submit a letter of recommendation from a teacher or advisor.

The first 15 applicants will receive a \$20 gift card. Top finalists will be interviewed by a judging committee. First place wins an all expense paid Washington, D.C. Youth Tour trip. Second place serves as first alternate and will win \$150. Third place serves as second alternate and will win \$100.

Completed applications, essays and recommendation letters must be received no later than 4 p.m. on February 14, 2020. Visit www.stearnselectric.org for more information.

BOARD MEETING

The regular meeting of the Board of Directors of Stearns Electric Association was held on November 26, 2019 at 1 p.m. at the Stearns Electric Association office located in Melrose, Minnesota.

Manager of Finance Cindy Anderson reviewed the October 2019 financial and statistical information with the Board. Ms. Anderson reviewed the 2019 Audit Engagement letter along with related audit costs.

Each department head reviewed their portion of the proposed 2020 budget and answered the questions of the Board of Directors. As is standard practice, the Board may review the proposed budget until the December Board meeting.

VP of Administration and Finance Vicky Herkenhoff reviewed her written report with the Board, including information related to personnel matters. The Communications and Marketing report outlined various metrics related to member website usage. Additionally, at this year's Fall Charity Event employees raised a record breaking \$3,026. Along with a \$1,000 match from the Cooperative, a total of \$4,026 was awarded to Central Minnesota Mental Health Center (CMMHC).

VP of Engineering and Operations Matt O'Shea gave an overview of various items from the Operations division including the work order review process. A group of Stearns Electric employees will be visiting another cooperative to learn about more functionality within its core software system. Mr. O'Shea reviewed the Engineering report outlining the effect of Great River Energy's new load management restoration time. An overview of the Operations report included current activities of the crews and vegetation management. The Albany substation project, one of the largest in the 2019 work plan, was successfully completed recently. Safety and Reliability reports were provided for examination.

Next Board Meeting:
January 30, 2020



COMMUNITY AWARD

TEREBINTH REFUGE

LOCAL WINNER OF TOUCHSTONE ENERGY COMMUNITY AWARD

After being selected from 195 Operation Round Up applications in 2019, Terebinth Refuge was among six finalists to be nominated for the 2020 Stearns Electric Touchstone Energy Community Award.

Terebinth Refuge opened in April 2018 as the first of its kind in Central Minnesota, offering a safe home that brings hope, healing services and freedom to sexually exploited and trafficked women throughout Minnesota who are 18 years and older. "Although there are shelters for sexually exploited and trafficked women throughout the state, most of them work with individuals who are 21 and younger," founder and executive director CeCe Terlouw said. "There were very few shelters offering assistance to adults and older women, and no shelters in St. Cloud, which is why I chose the St. Cloud metro area as the location of Terebinth Refuge."

Terebinth Refuge opened its operation with two shelter beds in April 2018. By the end of 2018, the organization had added eight additional beds. "To date, we have provided emergency shelter services to 53 women and four small children," Lana Kozak, development director, explained. "We have taken over 350 calls from those in need since the refuge opened."

"During their stay, we ask women to participate in various types of programming and education," Terlouw explained. "It's our goal that the women will go from the emergency

shelter to our transitional housing program, which sets them up to save money, secure a stable job and find their own living arrangements. The entire program length is based on each individual woman, but usually takes between 18 months and two years."

A HEALING FOCUS

The organization focuses on holistic health: body, mind, soul and spirit.

"To assist with body health, a registered nurse is on-site at the shelter twice a week to provide care and education to the women," Terlouw said. "As many of the women have been exploited since a very young age, our nurse is able to both provide physical care for the women and educate them on topics such as proper hygiene and healthy nutrition."

"We also have exercise equipment at the home for the women to use and in addition, the head trainer at Orange Theory Fitness comes to the shelter to exercise with the women once a week," Kozak added.

Terebinth Refuge offers strong programming in mental and chemical health. The shelter has a partnership with Catholic Charities, which provides crisis counseling and therapy to women until they are ready to commit to their own individual therapist.

"When it comes to fulfilling the soul, we focus on employment and education," Terlouw explained. "Our volunteers come and teach the women many

different life skills, such as budgeting, gardening, cooking, sewing – you name it. We also provide dog therapy and sponsor trips to Angel Reins Stable to provide equine therapy."

"As for spirit, Terebinth Refuge is a Christian-based organization, that aims to provide an atmosphere that accepts women exactly where they are," Terlouw continued. "We arrange opportunities to heal spiritually, but at the same time we do not force individuals to participate."

STORIES OF SUCCESS

Terebinth Refuge has two survivor advocates that have each played a crucial role in helping other women in the shelter.

"One of our survivor advocates has developed an employment readiness program for the shelter," Terlouw said. "Another program graduate earned her



high school diploma and her certified nursing assistant license and now works a full time job in the area."

"So far, 25 women have participated in the employment readiness program, nine women have felt safe enough to work with law enforcement to report crimes against them, and 11 residents have attended drug treatment," Kozak said.

"In everything we do, we celebrate the little steps each woman achieves," she said. "Those little steps make all of the difference."

COMMUNITY COLLABORATION

"This community ... we are blown away!" Kozak said. "This community is truly unbelievable!"



"We have a wonderful board of directors and over 40 volunteers whose work continues to help these women succeed," Terlouw said.

"When we first started preparing the home to serve as our shelter, we didn't even know who to thank because people just kept showing up and helping in any way possible," Kozak added. "From filling the generator gas tank so we could have electricity, to hooking up the plumbing and electrical in the home, so many people helped this shelter become a reality."

The support continued this Christmas season when several community organizations and members stepped up to provide gifts for the women. "We heard from a few of the women that this 'was the best Christmas ever,'" Kozak concluded.

TOUCHSTONE ENERGY COMMUNITY AWARD

Every year, the Minnesota Touchstone Energy Community Award recognizes businesses, non-profit organizations and community groups that have shown a strong commitment to their communities. Stearns Electric Association, a local Touchstone Energy Cooperative, uses its Operation Round Up® (ORU) program to select a local organization as our Touchstone Energy Community Award Winner. This year's recipient is Terebinth Refuge.

"In Central Minnesota, we are grateful for so many groups that are willing to donate time and effort to better our community," Whitney Ditlevson, ORU coordinator, said. "We are pleased that as a Minnesota Touchstone Energy Cooperative, we have this opportunity to recognize those individuals and organizations like Terebinth Refuge that impact our community in a positive way."

As part of the award, Terebinth Refuge earns a \$500 prize and plaque and is automatically entered into the statewide competition along with other 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.

"We are extremely grateful for this recognition and look forward to using these additional funds to continue providing a safe space for women in need," Terlouw concluded.

ENERGY EFFICIENCY TIP OF THE MONTH

LET THE SUNSHINE IN

For additional warmth, open drapes over windows that receive sunlight during the day. Close them at night, which can reduce heat loss from a warm room up to 10%.

ELECTRICAL SAFETY CHECKUP



INSPECT HEATING PADS AND ELECTRIC BLANKETS

These items cause nearly 500 fires every year. Electric blankets that are more than 10 years old create additional risks for a fire hazard. Inspect your electric blankets and heating pads – look for dark, charred or frayed spots, and make sure the electrical cord is not damaged. Do not place any items on top of a heating pad or electric blanket, and never fold them when in use.



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COOPERATIVE BYLAWS

MEMBERS TO VOTE ON BYLAW ADJUSTMENTS

In 2020, the Stearns Electric Board of Directors is asking our member-consumers to approve proposed amendments to the Cooperative's Articles of Incorporation and Bylaws.

Over the last year, a committee including three Board members, Stearns Electric staff, an attorney and a third-party communication consultant, conducted a review of the Cooperative's Articles of Incorporation and Bylaws. After reviewing these documents line by line, and comparing them to Cooperative business procedures, future needs, and industry advancements, they identified and suggested necessary alterations.

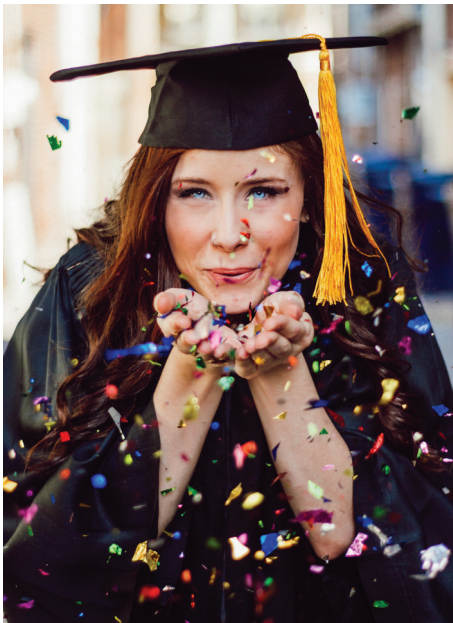


While the proposed amendments have been reviewed and approved by the current Board of Directors, they cannot be placed into effect without a majority vote (of those that participate in the voting process) of approval by members. This membership vote will take place in conjunction with the Director elections and Annual Meeting on April 2, 2020.

Before your ballot package arrives in mid-March, we want to ensure that you feel educated to place your vote. Over the next two months, the amendments will be explained in the Power Connection. In addition, a summary and complete text of the proposed amendments to the Articles of Incorporation and Bylaws recommended by the Stearns Electric Board of Directors can be viewed at www.stearnslectric.org. Each member will also receive this information as part of their ballot package in March. Members will have the option to vote online, by mail or in person at the Annual Meeting on April 2, 2020.

We are confident these changes will result in more efficient operations at the Cooperative and better engage our members in the election process.

SCHOLARSHIPS AVAILABLE



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

These scholarships are available to individuals from 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, will be enrolled full-time at an institution of higher learning, and will take courses in business or economics which studies the principles of cooperatives. If such courses are not offered, the applicant must submit a letter agreeing to take such a course at another institution.

Applications are available at www.stearnslectric.org or by calling our office. Those interested in applying must submit their application and three letters of reference (including one from your local cooperative) by February 1, 2020. For more information, contact Stearns Electric during regular business hours at (800) 962-0655.

NEWS

CASH YOUR CAPITAL CREDIT CHECKS

If you purchased electricity from Stearns Electric in 1997-1999 and/or 2014-2018, you may have received a Capital Credit check in December. We would like to remind you, if you haven't already, to cash that check.

Capital Credit payments are quantifiable proof that as a member-consumer 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 back to our members!

ANNUAL MEETING

Save the date! The Stearns Electric Association Annual Meeting is Thursday, April 2, 2020 at the Melrose Area High School Auditorium. Doors open at 6:30 p.m. and the business meeting will begin at 7 p.m.

MEMBER NOTICE

START PLANNING NOW FOR THE NEW YEAR

Does your list of New Year's resolutions include a project that might require new electrical service or changes to existing service? If so, let us know!

It's common for the Cooperative to receive many requests for service projects in the late fall and early spring. However, 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.

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

For questions, please contact the Cooperative during regular business hours at (800) 962-0655.



cookingcorner

GLUTEN-FREE PEANUT BUTTER COOKIES

Submitted by: Margie Knutson

Ingredients:

1 C natural peanut butter
1 C granulated sugar
1 tsp pure vanilla extract (gluten free)
1 large egg, slightly beaten
Coarse sea salt

Directions:

Preheat oven to 350 degrees. Place oven racks in the upper third of the oven. Mix peanut butter, sugar, vanilla extract and egg. Spoon a tablespoon size of the mixture on to a cookie sheet, one inch apart. Flatten with a fork in a criss-cross design. Sprinkle sea salt on top of the dough. Bake for 10 minutes or until golden brown, switching the position of the cookie sheets halfway through baking. Let cool and 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 recipes to communications@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.*



2020 RESIDENTIAL REBATES

ENERGYWISE® REBATES

Quality Install Air Source Heat Pump

SEER 14.5 \$550

SEER 15 \$650

SEER 16 \$700

Pool Heating

Pool ASHP \$400

Pool Pump VSD \$200

Ground Source Heat Pump

\$150 / ton (10 ton max.)

New Dual Fuel Rebate (9kW min.)

\$200

Thermal Storage Space Heating

\$50 per kW (5kW min.)

ECM Motor

\$25

New Marathon Water Heater

(purchased from Stearns Electric)

\$300 on Stored Water Program

(85 gal. or larger)

\$100 on Peak Shave Program

(50 gal. or larger)

Electric Water Heater

(Contractor/Member Supplied)

\$100 on Stored Water Program

or Peak Shave Program

Heat Pump or Solar Water Heater

\$300 (contractor/member supplied)

Electric Vehicle Charger

\$500

In order to receive the EnergyWise® rebates, members must enroll in the associated program if applicable.

ENERGYSTAR® REBATES

Ductless ASHP

\$300

Refrigerator

(with recycling of old unit)

\$50

Freezer

(with recycling of old unit)

\$50

Dehumidifier

\$25