

# STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

## JUNE 2020

The regular meeting of the Board of Directors of Stearns Electric Association was held on June 25, 2020 at 11:55 a.m. in the meeting room of the Cornerstone Restaurant in Melrose.

Manager of Finance Cindy Anderson reviewed the May 2020 financial and statistical information with the Board. Ms. Anderson noted that the COVID-19 pandemic has had some effect with decreased revenue from some larger commercial accounts as their electric usage showed a 5%-15% decline in electric usage in the month of May. The Cooperative intends to prepay \$2.7 million of its Federal Financing Bank debt penalty-free. This prepayment is estimated to save the Cooperative \$618,000 over the life of the loans. Following a comprehensive depreciation review, the Cooperative will expedite depreciation expenses related to security lights, street lights, meters, and underground conductors and devices.

VP of Administration and Finance Vicky Herkenhoff reported on the solid scores from the NRECA Market Research survey that provides the Co-op with a member satisfaction and American Customer Satisfaction Index (ASCI) score.

VP of Engineering and Operations Matt O'Shea gave an overview of year-to-date general plant capital spending, which is in-line with the budget. The 2020 Security and Street Light Replacement Contract, and 2020 Reject Pole and Overhead Line Replacement Contract, both with Skyline Utilities, were presented and approved.

The IT department reported on its annual identity theft report noting there were no identity theft attempts in 2019.

Attorney Scott Dymoke presented the annual review of the fiduciary responsibilities of board members.

The directors were introduced to the idea of participating in a board peer evaluation led by GRE. The benefit of peer evaluation is improved board performance through an analysis of its strengths and weaknesses. Board President Randy Rothstein spoke of the importance of board self-evaluation, especially when directors are not subject to term limits.

*Next Meeting: September 24, 2020*

