



# POWER CONNECTION

member driven. community focused. energy smart.

NOVEMBER 2020

## BOARD AUTHORIZES OVER \$1.6 MILLION CAPITAL CREDIT RETURN



### CAPITAL CREDITS

***In September 2020, the Stearns Electric Association Board of Directors authorized a \$1.625 million general retirement of Capital Credits to our members. As a member-consumer, you may receive money back in early December.***

As a non-profit electric cooperative, Stearns Electric is jointly owned by its member-consumers. Unlike investor-owned utilities, which are designed to make a profit for shareholders, Stearns Electric refunds capital (money), above the cost of operations, to our member-consumers in the form of Capital Credits.

In 2019, for the first time in its history, our wholesale power provider, Great River Energy, retired patronage capital to its

member-owner cooperatives, including Stearns Electric. The Stearns Electric Board elected to delay the distribution of these funds to 2020 and combine the 2019 Generation and Transmission (G&T) Capital Credits with the 2020 G&T return.

This year, Stearns Electric refunded \$1,625,000 to our members represented by the following:

- Cooperative Capital Credits of \$1,125,000
- Generation and Transmission (G&T) Capital Credits of \$500,000

If you purchased electricity from Stearns Electric during the years of 1999-2000 and/or 2015-2019, you may receive a Capital Credit check based on the Cooperative Capital Credit distribution. Additionally, members who purchased electricity from Stearns Electric during the years of 1981-1985 may receive a Capital

Credit check based on the G&T Capital Credit distribution.

Capital Credit amounts of less than \$10 are held until additional Capital Credits are retired. Checks can be expected to arrive in the mail during the first two weeks of December. This year's average Capital Credit check is \$62.01.

These Capital Credit payments are quantifiable proof that as a member of Stearns Electric, you are an owner of a successful, effective organization. Life to date, we have distributed more than \$34 million in Capital Credits to our members.

***If you have any questions regarding Capital Credits, please contact our Capital Credits Coordinator during regular business hours at (800) 962-0655. You can also visit our website at [www.stearnslectric.org/capital-credits](http://www.stearnslectric.org/capital-credits).***

## CEO'S MESSAGE

# GETTING RESULTS

## COOPERATIVE SUCCESS IN 2020



*In last month's article, I discussed the annual planning that we do at Stearns Electric Association. Planning is essential, but achieving our goals and getting good results is just as important to ensure the Cooperative's success.*

Recently, the Stearns Electric Board of Directors conducted an annual review of our Cooperative work results to identify future goals. As we get ready to wrap up the year, Stearns Electric has accomplished quite a few major initiatives in 2020.

### ECONOMIC DEVELOPMENT

In 2020, Stearns Electric invested over \$7 million in our electrical distribution infrastructure. Our growing member base, which includes residential, commercial and industrial accounts, requires a system that reliably serves all members' electricity needs. Building and maintaining a robust electrical system supports and promotes economic development throughout the Stearns Electric service area.

Additionally, the Cooperative also manages a United States Department of Agriculture (USDA) economic development loan program that is used to help fund businesses and community projects throughout our area. These loan funds have been utilized by private businesses, cities, health care systems and churches.

### WORK MANAGEMENT TECHNOLOGY

It was a big year for technology advancements at Stearns Electric. In 2020, the Cooperative upgraded its service order processing from a manual paper-based process to an electronic work management system that allows us to enable business process workflows and assign and schedule tasks across the entire organization. This update allows us to be much more efficient in allocating Cooperative resources and managing employee workloads. We are now scheduling and assigning tasks to our employees electronically via their mobile devices.

This upgrade provides critical communication links among our member service, engineering and operations departments.

### RIGHT-OF-WAY

The Cooperative is on track to complete its aggressive four-year Right-of-Way (ROW) cycle by year-end. This tree clearing project started back in 2016 with a detailed study conducted by outside contractor ACRT, Inc., the country's leading independent utility vegetation management consultant. The results of the study recommended a four-year tree clearing cycle to improve overall reliability across Stearns Electric's distribution system.

So far, the Cooperative has seen a nine percent reduction in tree-related outages since the ROW cycle began. In early 2021, I'll be expanding on the results we have seen over the past four years, and providing an update on the continuation of our ROW program.

### BYLAW VOTE

After a year of planning and discussion, the Stearns Electric Board of Directors asked members to approve proposed amendments to the Cooperative's Articles of Incorporation and Bylaws. Cooperative members voted 2,480 to 253 to approve the proposed amendments, which addressed and adjusted Cooperative practices related to general membership requirements, member-owned distributed energy resources, director positions and tenure, the director nomination process, Capital Credit retirement, director vacancies, arbitration and more.

As the process for presenting amendments to the membership is cumbersome and costly, Bylaw and Article amendment recommendations are saved for a time when a vote is most needed, there are enough changes to warrant the expense, and the timing makes sense for the Cooperative. This was the case in 2020. Thank you to everyone who participated in the election process.

### CAPITAL CREDITS

Back in 2019, for the first time ever, our wholesale power provider, Great River Energy (GRE) retired Generation and Transmission (G & T) Capital Credits to its 28 members, including Stearns Electric. Our board elected to hold off on paying those G & T Capital Credits out until 2020 in order for Stearns Electric to put an organized plan in place to retire G & T Capital Credits appropriately to our members. A lot of work has been accomplished behind the scenes this year in order to retire both Cooperative and G & T Capital Credits in 2020.

### FUTURE POWER SUPPLY COSTS

GRE introduced a bold initiative called Project Phoenix, which aims to stabilize our wholesale power costs, directly benefiting Stearns Electric members in the future. Project Phoenix will phase out remaining coal resources, add significant renewable energy to its energy portfolio and develop grid-scale storage over the next few years.

The wholesale power that we purchase from GRE to distribute to our members represents nearly 65% of Stearns Electric's \$60 million annual budget. This GRE announcement is very exciting for us as we plan our wholesale power purchases in the coming years.

### COVID-19 ADJUSTMENTS

All of these achievements, and more, were accomplished during the unexpected COVID-19 pandemic. Despite the impact of the pandemic on all departments of the Cooperative, Stearns Electric continues to do everything in our power to provide you with reliable and safe electrical service. As always, thank you for your support of Stearns Electric, our directors and employees.

*Sincerely,*

**Robin C. Doege**  
Chief Executive Officer (CEO)



## MEMBER NOTICE

### DIRECTOR NOMINATIONS WILL OPEN ON DECEMBER 1 IN DISTRICTS 4, 5 AND 9

As a member-consumer of Stearns Electric Association, you are also an owner of the Cooperative. The Cooperative depends on its members to provide leadership and guidance. This is your opportunity to participate in the business decisions of a successful electric utility.

Nominations open for the 2021 director candidates in districts 4, 5 and 9 on December 1. Nominees must meet eligibility requirements as specified in the Stearns Electric Association Bylaws. For a full-text version of the Bylaws, visit [www.stearnselectric.org](http://www.stearnselectric.org).

Members in districts 4, 5 and 9 who are interested in becoming a nominee should fill out the Director Application before January 28, 2021. The Director Application, along with the Board Nominations Packet materials, will be posted on our website on December 1, 2020.

A complete list of qualifications and responsibilities will be posted on our website, [www.stearnselectric.org](http://www.stearnselectric.org), on December 1, 2020.

## BOARD MEETING

The regular meeting of the Board of Directors of Stearns Electric Association was held on September 24, 2020 at 1:00 p.m. at the St. Joseph office of Stearns Electric Association.

Manager of Finance Cindy Anderson presented the Equity Management plan which determines the equity level where the Cooperative can meet its TIER, growth and Capital Credit retirement goals at the lowest possible cost to our members. The plan also provides guidelines for margin requirements and Capital Credit retirement accounts necessary to meet these goals. The Cooperative Finance Corporation modeling tool used for the plan shows that an equity decrease from 41.6% to 39.3% is sustainable for the Cooperative.

Vice President of Administrative Services Vicky Herkenhoff provided the directors with a detailed presentation of information related to the proposed 2020 Capital Credit retirement allocations. A general Capital Credit retirement in the amount of \$1,625,000 was proposed for November 2020.

Due to the ongoing pandemic the Communications department is working on a classroom Energy Education program video instead of in-person presentations. After viewing the video, classes will participate in an interactive, virtual activity.

Vice President of Engineering and Operations Matt O'Shea's division report included an overview of ongoing Construction Work Plan projects, the progress of the Melrose facility remodeling project, and the status of vegetation management to-date.

Manager of Engineering James Pachan has been testing a Great River Energy (GRE) demand response modeling tool to give the Cooperative a better understanding of when priority load management receivers should be replaced with demand response units.

GRE Board Member Greg Blaine reported that the GRE 2021 budget will be the topic of work in October. Director Blaine has been assigned to the GRE 2021 Finance Committee. GRE is having a good year fiscally and there is no proposed rate increase for 2021.

**NEXT BOARD MEETING**  
December 29, 2020



ENERGY WISE  MN

# MAKE YOUR HOLIDAY TWICE AS BRIGHT

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## Buy one string of energy-saving LED holiday lights, get one FREE!

Visit the online store at [energywisemnstore.com](http://energywisemnstore.com) and use code **SHINE20** at checkout.

*Offer available to the first 200 members while supplies last. One per household.*



*From now through Christmas Day (December 25, 2020) share a photo of your holiday lights on the Stearns Electric Facebook page for your chance to win a new LED holiday light gift pack (a \$100 value)!*

# CONCERNED ABOUT PAYING YOUR BILL?

## FINANCIAL ASSISTANCE AVAILABLE TO HELP WITH UTILITY BILLS



***As temperatures decline, the cost of heating starts to increase. During the cold weather months, some Stearns Electric member-consumers might experience difficulty in paying their electric bills. We know that COVID-19 has created additional financial hardships, placing an even larger burden on families already struggling to pay their bills or bring their accounts current.***

If you have a past-due balance with the Cooperative, or you are concerned about how to pay for heating costs this winter, there are some new resources available to help those in need.

### COVID-19 HOUSING ASSISTANCE PROGRAM

A Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funded program, known as the COVID-19 Housing Assistance Program (CHAP) has allocated \$100 million in Minnesota to cover housing expenses such as rent, mortgage, utilities or other housing-related expenses. Funds are available through December 31, 2020, on a

first-come, first-served basis. Eligible utility expenses include gas, electric, water and sewer. Propane is currently ineligible. Only past-due expenses incurred on or after March 1, 2020, and before Dec. 20, 2020, are eligible.

To learn more about the CHAP program or to apply for assistance:

- Visit United Way 211 at <http://211unitedway.org/> to access the application, or call (800) 543-7709 for assistance or questions regarding eligibility
- General FAQ's, including information on income limits and what is covered: <http://www.mnhousing.gov/sites/np/>

### ENERGY ASSISTANCE PROGRAM

The Energy Assistance Program (EAP) is a federally funded program through the U.S. Department of Health and Human Services, which helps low-income renters and homeowners pay for home heating costs and furnace repairs. Household income must be at or below 50% of the state median income (\$54,357 for a family of four)

to qualify for benefits. Applications must be received or postmarked by May 31, 2021.

To learn more about the EAP program or to apply for assistance:

- Visit the Minnesota Department of Commerce Energy Assistance website, <https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/>, for more details and to access the application portal. Contact your county EAP service provider for additional information and assistance.

Minnesota's Cold Weather Rule also helps to protect and reconnect residential heat from October 15 through April 15.

Stearns Electric exists because of you, and we are dedicated to the people and communities we serve. If you are having difficulty paying your electric bill and do not qualify for either of these programs, please contact us at (800) 962-0655 to set up a Cold Weather Rule payment plan.



## OPERATION ROUND UP TRUST BOARD OPENINGS IN DISTRICTS 5 AND 9!

Applications available [www.stearnsselectric.org](http://www.stearnsselectric.org) are due Friday, January 15, 2021. Call our Operation Round Up® staff liaison at (800) 962-0655 during regular business hours with questions.



## CONVENIENT BILLING OPTIONS



## SIGN UP FOR AUTOPAY BY NOVEMBER 30<sup>TH</sup> FOR A CHANCE TO WIN!

*AutoPay takes the worry out of paying your bills. Simplify your finances and enroll your account in AutoPay today. Your bill will be paid automatically each month on the due date.*

Stearns Electric is giving away three \$100 bill credits to members signed up with AutoPay. To be entered into the bill credit drawing, you must be currently enrolled in AutoPay or sign up by November 30<sup>th</sup> using a designated checking or savings account.

### HOW DO I APPLY FOR THE AUTOMATIC PAYMENT PLAN?

#### ONLINE:

The easiest way to get started is to enroll online through SmartHub. Visit [www.stearnslectric.org](http://www.stearnslectric.org) to sign up for, or log into, SmartHub.

#### BY MAIL:

If you prefer not to use SmartHub, you can enroll by mail by completing the form available on your recent bill insert or by printing the form online.

- Fill out your financial institution's name, address and phone number on the lines provided.
- If your payment is to be deducted from a checking account, enclose a blank check. Write VOID across it. DO NOT SIGN IT. If your payment is to be deducted from a savings account, enclose a deposit slip that has your account number on it.
- Sign, date and return the form to the Cooperative.

#### BY PHONE:

Simply call SecurePay at (855) 386-9908 and follow the instructions to enroll in recurring payments.

*Please continue to pay your bill in your usual way until your bill indicates that the balance will be automatically paid.*

## ENERGY EFFICIENCY TIP OF THE MONTH

### SAVE ENERGY BY SEALING AIR LEAKS

*Keep cold air out to save energy. Seal air leaks around pipes and any gaps around chimneys, and unfinished spaces behind cupboards and closets.*

## ELECTRICAL SAFETY CHECKUP

### INSPECT ELECTRICAL HOLIDAY DECOR FOR DAMAGE BEFORE USE

*Cracked or damaged sockets, loose or bare wires, and loose connections may cause a serious shock or start a fire. Also avoid overloading outlets and plug only one high-wattage item into each outlet at a time.*



LIKE US ON FACEBOOK

[www.facebook.com/stearnslectric](https://www.facebook.com/stearnslectric)

# EASE THE INCONVENIENCE OF POWER OUTAGES



*Electricity powers our daily lives – lights, coffee pots, phone chargers, gaming systems, computers – you name it! During the COVID-19 pandemic, many of our members find themselves staying home more and more. While this certainly results in using more energy, it also increases frustration when the power blinks or goes out completely.*

At Stearns Electric Association, we pride ourselves on delivering safe and reliable energy, which is why we recognize that losing power is inconvenient and annoying. While we do our best to limit interruptions, some outages are unavoidable. Whether they are scheduled or unexpected, we are committed to getting the lights and your lives running again as quickly and safely as possible.

### UNPLANNED OUTAGES

Despite a strong reliability record, there are many reasons why even the best utilities experience outages. As you know, most outages occur during storms that produce heavy rains and high winds causing trees to fall into power lines. In addition, vehicle accidents and animals are also common reasons for outages. All of these causes are outside of our control and result in unplanned outages.

### BLINKS

Blinking lights are a result of momentary outages that occur when some type of disturbance exists on the line and are most often also caused by uncontrollable circumstances.

When a breaker in your house senses a power problem, the breaker trips and the flow of power is stopped until someone resets the breaker. Our system has equipment that serves a similar purpose. Devices such as oil circuit reclosers (OCR) are designed to sense problems on the line such as tree branches, animals or abnormal system conditions. In these

instances, the OCR opens to stop the fault, and then quickly closes back in, resulting in a “blink” in power. If the disturbance on the line persists, the OCR will continue to operate or “trip” two more times before remaining open, cutting off power to the affected section of line. This makes it easier for our crews to isolate and identify issues, and restore power quickly.

While “blinks” may be a temporary aggravation, they are actually indicators that our system is functioning properly.

### PLANNED OUTAGES

The equipment that delivers power to your home sometimes needs to be repaired, replaced or upgraded. When this happens and working on an energized line poses too much risk, we plan a power outage in order to keep our crews safe while they complete the work. Planned outages help us avoid longer, more inconvenient, unplanned outages and catastrophic equipment failure. In addition, repairs and upgrades are essential to keep our system running smoothly, improve reliability and keep the public safe.

When a planned service interruption is required, we do our best to plan these outages when you'll be the least inconvenienced, to limit the duration of the outage and to communicate with those who will be impacted in advance whenever possible.

### WHAT YOU CAN DO TO HELP

Whether they are expected or unexpected, blinks or sustained, we know power interruptions are frustrating. Especially now that many of you are working and/or schooling from home. While we do everything in our power to ensure your power stays on, we count on your help in a number of ways to restore outages quickly and reduce the impact of interruptions on your life.

- **Keep your contact information updated.** By ensuring that your account is updated with an accurate phone number and email address, Stearns Electric is able to properly notify you in advance of a planned outage, contact you if there is an issue and speed up restoration in the event of an outage. To update your info, please call our office at (800) 962-0655, visit SmartHub or complete our online form at [www.stearnslectric.org](http://www.stearnslectric.org).
- **Use surge protectors.** Purchase appliances with built-in surge protection or install surge protectors to help safeguard valuable electronic equipment such as computers and home entertainment systems.
- **Report outages.** While our technology helps us identify large outages, it does not tell us where or when individual outages occur. Also you can provide more detailed information about the outage than we can obtain, which helps our crews identify the issues and restore power quicker.
- **Report frequent blinks.** While most often a blink isn't anything to worry about, ongoing or frequent blinks should be reported to the Cooperative during regular business hours so that our crews can further investigate potential causes and remedy them.
- **Consider alternative backup power sources.** If you are scheduled to be working or learning from home for the foreseeable future, you might want to consider a battery backup source or standby generator for your home or appliances.

Stearns Electric Association is committed to restoring your power as quickly and safely as possible.

## NEWS

### CAPITAL CREDIT CHECKS

Members who qualify can expect to receive their Capital Credit checks by mail in early December.

### OFFICES CLOSED

The Stearns Electric offices will be closed on Thursday, November 26 and Friday, November 27 in observance of Thanksgiving, and Thursday, December 24 and Friday, December 25 in observance of Christmas. If you experience an outage or emergency during the holiday, please call us at (800) 962-0655 or report your outage via SmartHub. Crews are on call 24/7, ready to respond to any emergency situation.

### OFFICES OPEN TO MEMBERS BY APPOINTMENT ONLY

The Stearns Electric offices remain closed to walk-in traffic, but are open for appointments. Members and guests should call Stearns Electric at (800) 962-0655 to make an appointment during regular office hours, Monday through Friday, 7:30 a.m. – 4 p.m.

## CHRISTMAS IS COMING

### ELECTRIC BILL GIFT CERTIFICATES MAKE GREAT HOLIDAY GIFTS



*Whether you're looking for a gift or just want to bless someone, Stearns Electric gift certificates are a great choice.*

The best way to purchase a gift certificate is to call our office during regular business hours at (800) 962-0655 and coordinate electronic payment or payment by mail. Payment needs to be received by the Cooperative before December 15. You can also make an appointment to pick up a gift certificate in person.

You can select the dollar amount of electricity you'd like applied to a member's account. We'll give you a gift certificate to deliver and the member will see the credit on their next bill.

If you have any questions, give us a call during business hours at (800) 962-0655.



## COOKING CORNER

### TACO LASAGNA

Submitted by: Miranda Welle  
Stearns Electric Member

#### Ingredients:

1 lb. ground beef  
1 can diced tomatoes with green chilis  
2 C salsa  
1 medium onion, diced  
¼ C taco seasoning  
¼ C water  
2 lbs. shredded cheese  
6-9 large soft flour tortillas  
Taco sauce  
Additional seasonings – garlic salt, onion salt, seasoning salt and black pepper  
Shredded lettuce, tomatoes, sour cream

#### Directions:

Preheat oven to 350 degrees. Spray a 9x13 inch pan with non-stick cooking spray and set aside. Brown ground beef and diced onion in a large kettle. Season with garlic salt, onion salt, seasoning salt and black pepper while browning. Once the hamburger is cooked, add diced tomatoes with green chilis, salsa, taco seasoning and water. Simmer for 10 minutes. Place two or three large tortillas into the bottom of the pan. Scoop 1/3 of the meat mixture onto tortillas and spread evenly. Drizzle with taco sauce and top with a thin layer of shredded cheese. Repeat the tortilla shell/meat/cheese layer two more times and end with cheese on top. Bake for 30 minutes or until cheese is bubbly and lightly browned. Cut and serve topped with lettuce, sour cream and tomatoes if desired. 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](mailto:communications@stearnselectric.org) or mail to: Stearns Electric, Cooking Corner, PO BOX 816, St. Joseph, MN 56374.





## STEARNS ELECTRIC ASSOCIATION

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[www.stearnselectric.org](http://www.stearnselectric.org)

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### CONTRACT DESIGNER

AMANDA GROETHE

*Fuller Creative*

WORK  
HERE  
LIVE  
HERE  
SERVE  
HERE



***Our employees don't just work here.  
They call our community home.***

*Stearns Electric Member Service Representative Judy Terres-Madsen makes our community a better place as a health and wellness coach. She leads workshops and supports individuals in their personal health journeys. With the combination of her own healthy habits and passion for helping others, Judy helps people improve their overall health, working with them through the challenges and celebrations to leave a positive impact. In addition to her coaching, Judy leads the Wellness Program at Stearns Electric, inspiring a healthy work culture.*