

STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

SEPTEMBER 2020

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 Meeting: December 29, 2020

