

STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

DECEMBER 2020

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on December 29, 2020 at 1:00 p.m. via Zoom.

The recently completed long-range financial forecast was presented. The assumptions of the forecast included flat purchase power costs, flat power sales rates, annual wage and benefit increases, operating expense increases, interest expense increases, Right-of-Way management costs and projected depreciation expenses.

VP of Administration and Finance Vicky Herkenhoff reported upcoming 2021 items include bargaining unit negotiations, a benefits review, and the continuation of the GiANT leadership program at the Cooperative. The Member Services report described a high volume of estate closures as a result of the recent G & T Capital Credits payout. As of the board meeting, there were roughly 200 estates in need of settlement this year compared to about 50 settlements at the same time last year.

VP of Engineering and Operations Matt O'Shea described Construction Work Plan projects, inspections and maintenance currently in progress. The Engineering report included the completion of the security light replacement project. Mr. O'Shea also shared an overview of the 2021 substation and work plan projects, which will include digital staking.

GRE Board Member Greg Blaine reported that GRE has had a good year fiscally, which resulted in its ability to distribute COVID relief dollars to its member cooperatives. He also shared that GRE power rates are lower than other regional power suppliers.

The proposed 2021 budget was presented to the directors for its second review. After feedback and discussion, a motion to approve the 2021 budget as presented was carried.

Next Meeting: March 25, 2021

