

POWER CONNECTION

member driven. community focused. energy smart.

MAY 2021



Member-consumers of Stearns Electric Association gathered for the 84th Annual Meeting of the Cooperative on Thursday, May 6, 2021. The first-ever drive-in meeting was a success! There were nearly 100 vehicles present at the Stearns County Fairgrounds on Thursday, May 6. Thank you to all members who attended.

During the meeting, Stearns Electric CEO Robin Doege presented the 2020 financial report of the Cooperative, which was audited by CliftonLarsonAllen. Overall, your Cooperative is in sound financial condition.

In the report to members, Doege, along with Cooperative vice presidents Vicky Herkenhoff and Matt O'Shea, provided an overview of 2020 challenges and accomplishments. Despite the COVID-19 pandemic, Stearns Electric accomplished significant projects in 2020, including wrapping up the four-year Right-of-Way program, constructing over 580 new electric service projects, facilitating a

Cooperative-wide vote to amend the Articles of Incorporation and Bylaws, and executing a COVID-safe Member Appreciation Donut Dash.

ELECTION RESULTS

Due to a Special Election in District 3 this year, there were four district elections for Board of Directors. Here are the final election results:

DISTRICT 3

- · Chris Bergman 110
- Michael Cramer 147
- Loren Estwick 34
- Tom Keller 79
- Bill Kemp 65
- Vijay Puri 109
- Jim Rasmusson 54
- Bob Stommes 70
- Write-In 7

DISTRICT 4

- Neil Franz 96
- Randy Rothstein 310
- Write-In 1

DISTRICT 5

- Tony Ampe 133
- Write-In 2

DISTRICT 9

- Jerry Fries 335
- Write-In 9

Members in these districts could vote one of three ways: electronically, by mail or in-person. Total voter turnout this year was 13.4%.

The self-governance of the Cooperative, through the Annual Meeting and election of a board by the membership, is one of the differences that sets cooperatives apart from investor-owned utilities. This is YOUR Cooperative. To remain healthy and strong, we need to have continued active participation and support by you, our member-consumers.

The Annual Meeting video and photos can be viewed on the Stearns Electric Facebook page.

CEO'S MESSAGE

ELECTRIC SAFETY MONTH AMIDST THE COVID-19 PANDEMIC



May is electrical safety month, and safety is of utmost importance at Stearns Electric Association. Not only for Stearns Electric employees, but also for our members and the public. Along with being reliable and competitively priced, Stearns Electric provides your electricity in a safe, responsible manner.

Our commitment to safety starts with training our employees. Safety is an important step in everything we do at the Co-op. At the start of every day, before going into the field, line workers meet to discuss the day's projects during a job briefing meeting. Once at their job site, line workers once again conduct another job briefing to discuss any potential safety hazards at the site. This is to help ensure their safety throughout the workday. In our line of business, line workers rarely get a second chance after contacting high-voltage lines or equipment. That's why it's a priority for us to make sure that our employees go home safe and sound at the end of every workday.

Additionally, safety training is completed by all employees monthly, including those in the field and in the office.

Each month, our internal safety department provides a safety report to our Stearns Electric Board of Directors. That report includes employee safety meetings conducted, Stearns Electric Safety Committee meeting notes, near misses that occurred throughout the month at the Cooperative, safety milestones, and an incident summary, if any incidents

did occur that month. The Stearns Electric board is very supportive of our • Cooperative's safety activities.

Early in 2021, Stearns Electric employees celebrated 1,000,000 safe driving miles. That is 1,000,000 miles driven by all Cooperative employees without a driving incident. That's quite a feat! We now have our sight set on 2,000,000 safe driving miles.

From a public safety perspective, Stearns Electric works hard to prevent public contact with power lines and equipment. Every year, a team of Stearns Electric employees provides safety training to fourth-graders throughout our service territory. In 2021, Stearns Electric conducted these annual safety demonstrations to nearly 1,700 students at 33 area schools.

We also provide safety and hazard recognition training for local first responders and contractors. Keeping our members and the public safe is a top priority for Stearns Electric.

Now that the weather is nice, many of you are working on outdoor projects - sometimes near our power lines. Here are a couple of tips for working outside near power lines:

- Look up and around you for overhead power lines.
- Always be aware of the location of nearby power lines, whether they are overhead or underground, and electrical distribution equipment.
- Keep equipment, and yourself, at least 10 feet away from power
- Never climb or trim trees near

power lines.

Always call before you dig to Gopher State One Call - dial 811.

And we ask that you do your best to keep our crews safe as they work throughout the year. There is a Minnesota state statute to "move over" for utility vehicles parked on or near the side of the road. If you see one of our parked Stearns Electric vehicles, we ask you to please slow down and move over. We really care about the safety of all, and this extra precaution will assure just that.

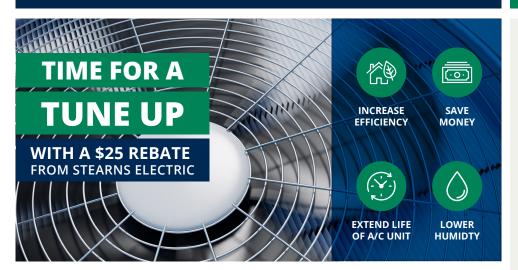
Thank you for helping to keep yourself, others and Stearns Electric employees safe. Visit our Facebook page throughout the month for more electrical safety tips. Have a joyous and SAFE spring!

Sincerely.

Robin C. Doege Chief Executive Officer (CEO)



REBATES AND PROMOTIONS



The best way to ensure efficient operation of your cooling system is by having it tuned-up every two years. A tune-up by a service expert can improve your unit's efficiency by as much as 20 percent, extend its life and help protect our environment.

For a limited time, contact a HVAC service contractor to perform a central air conditioning tune-up this summer and receive a \$25 rebate. Rebate form (available at www.stearnselectric.org) and receipts must be received by September 1, 2021. Rebate will be issued as a credit on your electric bill.



From now until June 30, 2021, Stearns Electric members can earn up to \$2,000 in rebates when they install a qualifying, energy-saving air source heat pump (ASHP) and enroll in our EnergyWise® Dual Fuel and Cycled Air Conditioning programs for the first time. Members receive more rebate dollars based on the ASHP's heating seasonal performance factor (HSPF) and whether or not you also have an electric resistive heat source.

DUCTED UNITS		
	Rebate w/ Electric Heat (9kW min.)	Rebate w/ Delivered Fuels
8.2 – 8.9 HSPF	\$1,000	\$800
≥ 9.0 HSPF	\$2,000	\$1,600
DUCTLESS/MINI SPLIT UNITS		
Min. ≥ 9.0 HSPF	\$750	\$450
CALL (800) 962-0655 TO LEARN MORE!		

BOARD MEETING

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on March 25, 2021, at 12:55 p.m. at the St. Joseph office of Stearns Electric Association.

Manager of Finance Cindy Anderson reviewed the February 2021 financial statement. Year-to-date gross margin is above budget primarily due to lower power cost rates. There was a lengthy discussion about the Great River Energy PCA (power cost adjustment) charges due to the February polar vortex and its effect on member billing. Discussion followed on how members will see this adjustment on their bill.

Miranda Wendlandt presented the results of the 2020 CliftonLarsonAllen financial statement audit. Ms. Wendlandt explained the risk-based approach used for the audit including procedures such as confirmations, test counts on inventory, analytics, board minute review and employee and management interviews. This is an unmodified (clean) opinion on the financial statements with no adjustments and no disagreements with management. Ms. Wendlandt indicated the RUS management letter is clean and added that this was a very clean audit overall.

A presentation on the upcoming replacement of Demand Response Units was given. The value of demand programs includes cost savings, promoting beneficial electrification, member savings and preparation for the future. Although the replacement cost is approximately \$7 million, it is estimated to take less than two years to recover those costs. All units need to be exchanged by year-end 2025 as the current technology will no longer be supported.

VP of Engineering and Operations Matt O'Shea introduced the 2021 RUS system construction contracts for Skyline Utilities (pole replacement) and Integrity Contracting, Inc. (underground replacement). He also provided a review of the progress on a recent single-phase to three-phase conversion, along with infrared inspections. The frequency of outages remains low according to the Reliability report.

NEXT BOARD MEETING lune 24, 2021

ENERGYWISE IN OUR COMMUNITY

DOLLARS AND SENSE

Sauk Centre-based member business, Country Cat, continues to see improvements in energy efficiency paying off



In 1991, Country Cat was officially established after 20-year-old Dave Wanderscheid and his 16-year-old brother Mark responded to an ad searching for a local Arctic Cat dealer.

The Wanderscheids had spent several years fixing snowmobiles for their friends throughout high school already, so they were very familiar with the Arctic Cat snowmobiles they would be selling. Their father let them set up their business in his heated shop to start. In the beginning, they put in several 18-hour days, especially in the busy winter months.

In 2001, they moved into their current location right off of County Road 186 outside of Sauk Centre. In the mid-2000s the Wanderscheids realized there was a great opportunity in online sales and started selling parts and products on eBay. In 2006, they transitioned to selling parts, oil, garments, accessories and more on their own website.

Today, over 90 percent of their business is generated through online sales. Country Cat has grown significantly over the years and now generates millions of dollars in revenue annually. The locally-owned business employs 30 people, including original owners Dave and Mark, and their brother PJ, who became part-owner of the family business earlier this year.

In addition to Arctic Cat equipment, Country Cat also

sells E-Z-Go and Kawasaki equipment in its showroom, and several other brands of equipment, parts and apparel on its online store.

PANDEMIC IMPACT

When the pandemic hit last year, Country Cat had to adapt to ongoing changes in the industry.

"Five years ago, we had too much inventory on hand. After COVID hit, we saw a change in manufacturing, and now we have to plan ahead and purchase more inventory in advance to ensure we have it available for our customers," Dave explained.

"The pandemic also created a high demand for machines. Many people stayed home more over the last year and opted to purchase recreational equipment in lieu of spending money on other items, such as traveling expenses," he continued. "We anticipate having a lower-than-normal machine supply over the next several months as our suppliers continue to catch up with the increased demand they saw across the nation."

EFFICIENCY UPGRADES

Over the last several years, Country Cat has implemented several energy efficiency improvements throughout the showroom and warehouse.

"A few years ago, we installed better, more efficient lighting in the showroom. We also installed LED lighting

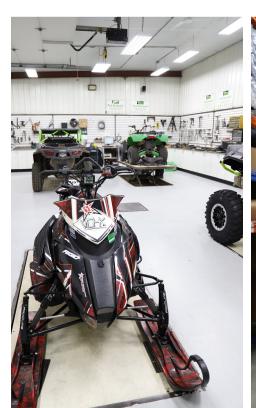
throughout our warehouse area," Dave recalled. "We saw the benefit on our electric bill right away and it was obvious that the project would pay for itself over the next few years."

"With our online store and our continued reliability on computers and technology, we also decided it was best to have a backup option for those times when we do lose power," Dave continued. "We signed up for the Cooperative's Interruptible Generator Program too, so our generator will kick in if and when we lose power."

"At Stearns Electric, we are committed to helping all of our members save energy, and in turn save money, in their homes, businesses and on their farms," John Pantzke, business development representative, said. "We offer several different programs and rebates at the Cooperative to help you find the best and most efficient energy options that work for you."

"Making these improvements and taking advantage of these rebates really comes down to dollars and cents," Wanderscheid said. "It just makes sense for us. You can see over time how these efficiency improvements pay for themselves."

Stearns Electric Association is committed to helping our members use energy both safely and wisely. We offer a variety of rebates to help our commercial, industrial and agricultural (CI&A) members be more energy efficient. Rebates are available for LED lighting projects, electric vehicles, including cars and forklifts, electric HVAC upgrades, and robotic milking units, among other things. Please visit our website, www.stearnselectric.org, or contact our Energy Services department at (800) 962-0655 for more information.





Country Cat, Sauk Centre based Arctic Cat dealer, made energy efficient lighting upgrades in their maintenance area and warehouse.



PLACEMENT MATTERS!

Avoid placing items like lamps and televisions near your thermostat. The thermostat senses heat from these appliances, which can cause your air conditioner to run longer than necessary.



UNPLUG YOUR POWER CORDS

If your power tools are not being used, make sure to unplug everything. If not, it's possible for the tools to overheat and cause a fire.



MY CO-OP CARES



On April 14, a group of employees volunteered at Eagle's Healing Nest in Sauk Centre as part of the Cooperative's 'My Co-op Cares' program.

Stearns Electric employees painted alongside veterans with the theme of "Powering America, One Veteran at a Time".

Stearns Electric employee John Pantzke partnered up with veteran Andrew Phillips, and together they built a quick friendship while

collaborating on their painting. "I really enjoyed sharing my time with Andrew, who has made such a difference for our country." Pantzke shared.

"Today was a break in the chain and a very welcome gift of time and conversation," Phillips added.

Read about the whole experience on our blog at www.stearnselectric.org.



OPERATION ROUND UP

Stearns Electric's Operation Round Up® program distributed \$60,750 to 71 area organizations and charitable causes in March. A list of area organizations receiving funds can be viewed at www.stearnselectric.org.

Are you interested in serving on the ORU Trust Board? We have a vacancy in District 3 (townships of Waite Park, St. Cloud, St. Augusta, Lynden and Fairhaven). Members who live in District 3 who are interested in serving on the Trust Board should visit www.stearnselectric.org for more information or to fill out an application, or call (800) 962-0655. Applications are due by June 18, 2021.

LEARN MORE

WANT TO LEARN MORE ABOUT THE CO-OP? JOIN THE MEMBER ENGAGEMENT GROUP

Stearns Electric is looking for members to serve on the Cooperative's Member Engagement Group (MEG). The MEG gives members a chance to learn more about the Cooperative and our services. The MEG also serves as a sounding board for the Cooperative, helping the Co-op board and staff gain ideas and proposals for new and existing programs.

Serving on the committee is a two-year commitment for a total of 8 meetings. Meetings are typically held on the second Wednesday of September, November, February and May at 6:30 p.m. A light supper is provided.

In return for your participation, committee members receive a \$50 honorarium for each meeting attended, plus mileage. There are limited spots available in each district. If you are interested in joining, visit www.stearnselectric.org to apply. If you have any questions, call our office during regular business hours at (800) 962-0655 or email the MEG Coordinator at communications@stearnselectric.org.

NEWS

VEGETATION MANAGEMENT 101

There are many ways that Stearns Electric Association safely provides you with consistent, reliable electric service. One of the most common - and crucial -**CO-OP CONNECTIONS** ways is referred to as vegetation management or Right-of-Way clearing.

DISCOUNTS DISCONTINUED

For members who have used the Co-op Connections card and discounts in the past, we have discontinued the program in 2021. Members of Stearns Electric are no longer eligible for the discounts affiliated with this program. We apologize for the inconvenience. Please contact our office during regular business hours with any questions or concerns.

OFFICE CLOSED

Stearns Electric Association will be closed on Monday, May 31 in observance of Memorial Day. Both offices will be open for normal business on Tuesday, June 1. Please call (800) 962-0655 in the event of an outage or emergency.



Once we've communicated with you, crews from Carr's Tree Service or the Cooperative will return to do the work, which is then audited for quality.

COOKING CORNER

CHEESY SCALLOPED **POTATOES**



Ingredients:

2 lbs. potatoes 4 C cheddar

2 large onions

cheese

4 Tbsp butter

3 C whole milk

3 tsp minced garlic

1 ½ tsp dijon mustard

2 Tbsp flour ½ C of olive oil

Salt and pepper to taste

Directions:

Preheat oven to 350 degrees. Slice potatoes to about one-eighth inch thick (you can leave the skin on) and soak in cold water. Sauté chopped onions in pan with olive oil and season with salt and pepper. Set aside. Sauté garlic in the same pan with butter until slightly brown. Add flour and stir well. Slowly add in milk, stirring constantly, making sure not to bring to a boil. Stir in mustard. Add 2 cups of cheddar cheese and stir until melted or creamy, making sure not to boil. Set aside. Drain and dry the potatoes. Butter a glass baking pan and spread three large spoonfuls of the cheese and milk mixture on the bottom of the pan. Add in half of the potatoes, spread out evenly. Add in half of the sautéed onions and season as needed. Add in half of the remaining cheese and milk mixture, followed by remaining potatoes and onions. Season as needed. Add remaining cheese and milk mixture, and 2 cups of cheddar cheese. Bake for one hour or until golden brown. 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.





STEARNS ELECTRIC ASSOCIATION

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BOARD OF DIRECTORS

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District 2

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Manager of IT

CONTRACT DESIGNER

AMANDA GROETHE

Fuller Creative



Each year, we make a difference in the lives of our community members by filling and delivering May Day Baskets, which are given to local recipients. When we make the link between the Cooperative and our communities, we feel even more connected to those we serve.