

STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

SEPTEMBER 2021

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on September 30, 2021 at 1:00 p.m. at the St. Joseph office of Stearns Electric Association.

Manager of Finance Cindy Anderson reviewed the August 2021 financial statement noting that power rates were higher than planned as the Cooperative needed to purchase more power than it budgeted for the month as a result of the continued warm weather. Ms. Anderson also noted the cost of the August 28 storm repairs.

Terilyn Wallis of TLW Consulting reviewed the Cooperative's 2022-2025 strategic plan and turned it over to CEO Doege for implementation. The executives provided brief commentary of the 2022-2025 strategic plan for the directors.

The Minnesota Department of Revenue has upheld its decision to tax meters and AMR (automatic meter reading) equipment as part of the Cooperative's distribution lines in the future. As a result, the property taxes paid by the Cooperative will increase about \$130,000. As approved at the last board meeting, the Cooperative has retained an attorney to file an appeal in this matter.

VP of Administration and Finance Vicky Herkenhoff provided an overview of the August 28 outage restoration communications and the value of social media by sharing pictures of the linemen responding to the outages to illustrate the Cooperative's responsiveness. Ms. Herkenhoff provided the directors with a detailed presentation related to the proposed 2021 Capital Credits retirement. A general Capital Credit retirement in the amount of \$1,450,000 was proposed and approved for November 2021.

The Operations report recapped work for completion before freeze up which includes upgrading the transformers at the Bangor and Zion substations.

The Cooperative recently received notification that it had been awarded a Safety Culture grant from MRET (Minnesota Rural Electric Trust) for injury prevention. The grant will be used to create and implement a stretching program for field employees.

Next Meeting: December 30, 2021

