

STEARNS ELECTRIC ASSOCIATION BOARD OF DIRECTORS MINUTES

OCTOBER 2021

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on October 28, 2021 at 1:00 p.m. at the Melrose office of Stearns Electric Association.

Manager of Finance Cindy Anderson reviewed the September 2021 financial statement. The increased volume in power sold continues to offset the higher power cost rate. The year-to-date gross margin is below budget along with operating expenses. This results in operating margins above budget.

Warren Brown from Hubbell Power Systems provided a presentation on supply chain issues affecting the U.S. and world economies.

Anderson distributed the 990 Report to the directors and thoroughly explained its contents. This report is similar to an annual tax return and is filed to show compliance with maintaining the Cooperative's 501(c)(12) tax exempt status. Clifton Larson Allen prepares the 990 Report for the Cooperative.

The Cooperative's subsidiary business financial statements were reviewed and showed continued good results for 2021.

VP of Engineering and Operations Matt O'Shea recapped his report noting a new digitized staking program that will be implemented in mid-December.

Fourteen substation inspections took place in early October by Exacter, Inc., using its ultrasonic technology. Issues were identified so the next step is to schedule and replace the unsafe or concerning equipment.

VP of Administration and Finance Vicky Herkenhoff presented the proposed 2022 Corporate Scorecard explaining that it was created with this year's member survey, employee survey and new strategic plan in mind. A scorecard provides a quick and concise way to measure key performance indicators and give a clear indication of how well an organization is working to achieve their targets. Ms. Herkenhoff reviewed the key performance indicators that support the scorecard and shared how management helped determine the scorecard measurement criteria. Some metrics will be updated monthly and some quarterly.

Next Meeting: January 27, 2022

