



APRIL  
2022

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## IN-PERSON ANNUAL MEETING RETURNS

### **Over 200 Members Attend 85<sup>th</sup> Annual Meeting**

The member-consumers of Stearns Electric Association gathered in person for the 85<sup>th</sup> Annual Meeting of the Cooperative on Tuesday, April 5<sup>th</sup> at the Melrose Area High School Auditorium. The purpose of the Annual Meeting is to execute the annual election of directors, provide a report to the cooperative members and conduct all other business that comes up at the meeting.

#### **ELECTION RESULTS**

Due to a Special Election in District 5 this year to fill a two-year term, there were four district elections for Board of Directors. Here are the final results:

**DISTRICT 2 (three-year term)**  
Scott Andreasen - 151  
Arlyn Lawrenz - 416  
Write-in - 2

**DISTRICT 3 (three-year term)**  
Michael Cramer - 368  
Tom Keller - 168  
Write-in - 3

**DISTRICT 5 (two-year term)**  
Joe Borgerding - 59  
David Johnson - 23  
Jeff Koehler - 93  
Kurt Lensing - 63  
Andrew Mackenzie - 16  
Troy Walz - 30  
Write-in - 0

**DISTRICT 6 (three-year term)**  
Bob Niehaus - 219  
Write-in - 3

Members in these districts could vote one of three ways: electronically, by mail or in-person. Total voter turnout this year was 12.44%.

*Continued on page 2.*



# ANNUAL MEETING CONTINUED...

In addition to the annual election, agenda topics included the financial report and the annual report to members, presented by the Cooperative's executive team.

CEO Robin Doege presented the audited 2021 financial report, including the Cooperative's balance sheet and income statement. The 2021 financials were audited by CliftonLarsonAllen and Stearns Electric received a clean audit. The Cooperative continues to experience stable rates and sustainable net margins. Overall, Stearns Electric is in sound financial condition.

In their report to members, Doege, along with Cooperative vice presidents Vicky Herkenhoff and Matt O'Shea, provided an overview of Cooperative projects and initiatives in 2021.

Herkenhoff highlighted the Cooperative's community engagement efforts through programs such as Operation Round Up®, Donut Dash and 'My Co-op Cares' employee volunteer events. Additionally, the Co-op's EnergyWise programs were showcased, along with information on the first year of the 5-year plan to change out load management demand response units.

O'Shea highlighted the Cooperative's efforts to maintain system reliability, which included several system improvement and substation projects. In 2021, the Cooperative started its second 4-year Right-of-Way (ROW) vegetation management schedule. Last year, significant storms, drought conditions, tree disease and danger trees outside of the ROW led to an unexpected increase in tree-related outages.

The self-governance of the Cooperative, through the Annual Meeting and the 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.



*The first Annual Meeting of the Cooperative was held on November 20, 1936 in Melrose, Minnesota. Three hundred people attended and nine directors were elected to serve on the Board of Directors. Shortly after this meeting, in 1937, the first loan application was sent to Washington, D.C. and approved, officially establishing Stearns Electric Association.*

POWER THAT PERSISTS



## ENERGY EDUCATION POSTER CONTEST WINNER

Congratulations to Leeya from Albany Elementary School for winning our 2022 Energy Education safety poster contest!



# CEO MESSAGE

## UNDERSTANDING YOUR BILL

If you've purchased anything lately, you know that prices have risen. Consumers across the country are feeling the impact of rising costs of goods and services. Even though electric rates at Stearns Electric Association have been unchanged for the last four years, you probably noticed your electricity bill has risen compared to the same time as last year. This month, I want to provide some insight into these rising costs and help you better understand your electric bill.

By far, the largest expense to Stearns Electric is the cost of power. In 2021, 65.6% percent of all revenue (\$40.67 million) was used to purchase electricity from our wholesale power provider, Great River Energy (GRE). This is similar to years past. However, several factors can impact the Cooperative's wholesale electricity costs.

In January and February, we reached extremely low temperatures throughout the state, which impacted power generation. Not only did people need to use more energy to keep their homes heated properly, but also the demand for electricity exceeded the capacity of the transmission lines, causing transmission congestion. At the same time, natural gas prices spiked throughout the country, which led to an increase in power generation costs.

All of these factors led to an increase in wholesale power costs and ultimately led to Power Cost Adjustment (PCA) charges on your electric utility bill in March.

When the cost of electricity rises over GRE's budgeted projections, Stearns Electric ends up paying GRE more for electricity. When this happens, Stearns Electric uses a PCA to pass on those increases to members.

In addition to the PCA, a couple of additional monthly charges on your electric bill are the Fixed Charge and Energy-Main Meter amount. These charges have not changed since 2018.

- Fixed Charge: recovers the basic cost of electric service, independent of how much electricity is used. It accounts for Stearns Electric's investment in equipment, materials and labor to safely provide members with reliable electric service.
- Energy – Main Meter: a per KWh charge for the amount of energy your home or business uses in a given month.

Depending on your service address, members might see additional charges.

- Franchise Tax: these taxes, set by cities, are collected by the Co-op and provided directly back to the city. Taxes vary depending on your location.
- Operation Round Up: members enrolled in this program automatically round up their bills to the nearest dollar every month.
- EnergyWise Rate: members enrolled in an energy-savings program through the Cooperative receive a reduced rate or monthly bill credit.

At Stearns Electric, we are committed to providing you with reliable, affordable and environmentally responsible electric service. Please contact our office during regular business hours for any questions or concerns regarding your electric bill. Our member services department is available to go over potential energy-saving options with you, set up a payment plan or direct you to assistance if you qualify.



Sincerely,

A handwritten signature in black ink that reads "Robin Doege".

Robin C. Doege  
Chief Executive Officer (CEO)

# BOARD MEETING HIGHLIGHTS

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on February 24, 2022, at 1:00 p.m. at the Melrose office of Stearns Electric Association.

Highlights of the meeting include:

- Cindy Anderson, manager of finance, presented the year-end 2021 financial statements and results of the 2021 audit. Preliminary audit results indicated a clean audit.
- The Board appointed District 1 Director, Greg Blaine, to represent the Cooperative at the Great River Energy (GRE) annual meeting and at meetings throughout the next year.
- The updated Load Management Policy (M-100) was approved.
- The Board reviewed and approved the annual co-generation and small power production report. This includes distributed energy resources rates, interconnection process documents, technical requirements and a summary of qualifying facilities connected to the Co-op's distribution system.
- The Board discussed current and future GRE transmission power line congestion and infrastructure.
- Manager of Operations, Glenn Blommel, and Erica Hippen, arborist, presented on the Cooperative's Right-of-Way and vegetation management programs.

**NEXT BOARD MEETING**  
May 26, 2022

**85** years  
**POWER**  
**THAT PERSISTS**



## POWER OF MEMBERSHIP

STEARNS ELECTRIC ASSOCIATION WAS FOUNDED IN 1937 BY THE MEMBERS, FOR THE MEMBERS. SINCE THE BEGINNING, MEMBER-CONSUMERS OF THE COOPERATIVE HAVE PLAYED A LEAD ROLE IN ORGANIZING THE COOPERATIVE, ELECTING DIRECTORS TO SERVE ON THE BOARD OF DIRECTORS AND STAYING ACTIVE IN THE OVERALL BUSINESS OF STEARNS ELECTRIC ASSOCIATION.

At a Farm Bureau Banquet in Cold Spring, Minnesota on November 23, 1935, E.C. Lenzmeier, extension agent for Stearns County, told community leaders about the possibility of bringing electricity to farms in Stearns County. He recruited a few people to help sell rural farmers on the idea of forming an electric cooperative.

At the first organizational meeting in January of 1936, attendees officially voted to organize a rural electric cooperative – the Stearns Cooperative Electric Association. They decided rural farmers could buy-in to the Cooperative and become members by purchasing a share of stock for \$2.

After the first meeting, a small group of new members was tasked with recruiting additional farmers to purchase stock in the Co-op. This proved to be a daunting

job, especially as farmers had just made it through The Great Depression and didn't fully understand what electrical service would mean or how long it would actually take to get electricity to their farms.

But the members were successful!

The first Annual Meeting of the Co-op was held on November 20, 1936, fully organized and run by volunteer members of Stearns Electric. During the meeting, members elected the first Board of Directors and began outlining the official Articles of Incorporation and Bylaws for the organization.

By the time Stearns Electric received its first loan and was officially established as a business, 853 shareholders had purchased \$2 stock, and 147 more had made verbal agreements.



*Members gather for the Stearns Electric Annual Meeting (year unknown).*



Today, 85 years later, Stearns Electric serves 27,967 member-consumers.

As a cooperative, Stearns Electric follows the seven cooperative principles. Of those seven principles, there are three that stand out when it comes to the power of cooperative membership:

1. Democratic Member Control
2. Members' Economic Participation
3. Concern for Community

### DEMOCRATIC MEMBER CONTROL

Through the annual election of directors, members of Stearns Electric have the power to determine who represents them on the Board of Directors.

Your vote matters! Every three years, members elect a fellow member from their district to represent them on the Cooperative's Board for a three-year term.

With assistance from Cooperative employees, the Board ultimately sets the overall direction for Stearns Electric, both in the short- and long-term. The Board provides financial oversight for Stearns Electric, sets policies and guidelines for the Cooperative's management, and advocates for the voices of their fellow members.

Since the inception of the Cooperative, members have had the opportunity to vote either in-person or by mail in the annual director election. These are both still options today, but in 2019, Stearns Electric adjusted its practice to include electronic voting as well. By doing so, the percentage of voting members increased significantly, meaning more members are now making their voice heard in setting the direction of the Cooperative.

### MEMBERS' ECONOMIC PARTICIPATION

Cooperative members are more than just consumers; they are owners of Stearns Electric.

When it was first founded, members purchased shares of stock when they joined the Co-op. Those shares created capital for the organization and were used to recruit more members, hire employees and fund projects.

Though Stearns Electric no longer sells stock, members still invest in the Cooperative by paying their electric bill every month. However, unlike investor-owned utilities, Stearns Electric refunds its capital (money), above the cost of operations, to our member-consumers in the form of Capital Credits.

That means it's our members, not shareholders or outside entities, who benefit when the Cooperative has profits. To date, the Cooperative has returned \$38.6 million in Capital Credits to members over the years.

### CONCERN FOR COMMUNITY

Capital Credits are just one of the many ways cooperatives are different than for-profit businesses, such as investor-owned utilities. Another cooperative principle that sets electric cooperatives apart from other utility providers is our concern for community.

As an owner, you are part of an organization that puts community first. When we are able to go out into our community, we get the chance to focus on what really matters: people.

Some of the ways we live out our concern for community is through our 'My Co-op Cares,' Operation Round Up® and employee giving programs.

Established in 2019, our 'My Co-op Cares' program allows Stearns Electric employees to volunteer during working hours at area non-profits and organizations that are making important impacts in the communities we serve. Employees have spent over 400 hours volunteering for the program so far. In 2022, Stearns Electric will send employees to volunteer with three new organizations throughout our service territory.



*Co-op employees volunteer at Angel Reins Stable in 2021 for a 'My Co-op Cares' event.*

***Want to get more involved in the Cooperative and make your voice heard? Consider these opportunities:***

1. ***Join the Member Engagement Group***
2. ***Apply for the Operation Round Up® Trust Board***
3. ***Run for Director in your District***
4. ***Vote in the Annual Election***
5. ***Attend the Annual Meeting***

Cooperative employees also participate in two annual events to raise funds for the area community: the "Sharing Our Blessings" drive and the Employee Charity Event.

Last June, employees donated to the "Sharing Our Blessings" drive to provide funds to local families in need through our internal wellness program. Employees raised a total of \$1,000 through individual donations and an internal employee competition.

In November, through a silent auction and raffle at our 14<sup>th</sup> Annual Employee Charity Event, Stearns Electric employees raised another \$5,500 for the Bikers Against Child Abuse - Granite City Chapter.

Our area communities also benefit from Stearns Electric's Operation Round Up® program. By participating in the program, members round up their monthly electric bill to the nearest dollar. Those funds are pooled together to award grants to area non-profits, charitable organizations and worthy causes. A Trust Board, made up of Cooperative members, meets three times each year to distribute funds. This small change makes a large impact on the communities where we live and work.

Stearns Electric continues to operate by the members, for the members. Thank you for remaining involved in your Cooperative and for letting us serve you.

# WHETHER TEMPS RISE OR FALL, YOUR ENERGY BILL WILL STAY COOL!

**Take advantage of enhanced rebates when you install a qualifying, energy-saving air source heat pump!**

From April 1 until June 30, 2022, 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 include 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

## ELECTRIC RESISTIVE HEAT SOURCES INCLUDE:

- Base Board Heat
- Plenum Heater
- Boiler

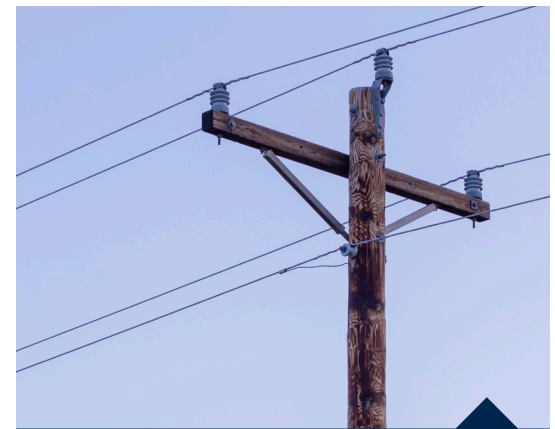
## DELIVERED FUEL SOURCES INCLUDE:

- Natural Gas
- Propane
- Wood

We also have a promotion for ductless/mini-split ASHPs with a HSPF rating of 9.0 or higher. Members can receive up to \$750 when a new unit is purchased and installed between April 1 and June 30, 2022.

DUCTLESS/MINI SPLIT UNITS		
	Rebate w/ Electric Heat (9kW min.)	Rebate w/ Delivered Fuels
Min. ≥ 9.0 HSPF	\$750	\$450

Visit [www.stearnselectric.org](http://www.stearnselectric.org) or call the Energy Service Department at (800) 962-0655 during regular business hours for more information.



## ELECTRIC SAFETY

### LOOK UP AND LIVE

Take the extra time to 'Look Up and Live' while working or playing around overhead power lines. It could prevent serious injury or even death. Watch for overhead lines every time you use a ladder, work on roofs, trees, or carry long tools or loads. Keep kites, model airplanes, and metallic balloons away from power lines as well.

## MEMBER NEWS

### SPRING AUTOPAY PROMOTION

All accounts enrolled in AutoPay by April 30, 2022 using a designated checking or savings account will be entered into a drawing for a chance to win one of three \$100 bill credits! Visit [www.stearnselectric.org](http://www.stearnselectric.org) for complete details.

### OFFICES CLOSED MEMORIAL DAY

Stearns Electric Association will be closed on Monday, May 30 in observance of Memorial Day. If you experience a power outage or emergency during this time, please call us at (800) 962-0655 or report your outage via SmartHub. Crews are on call 24/7 and ready to respond to any emergency situation.



# CAMBEL SHEPHERD SELECTED AS RURAL ELECTRIC YOUTH TOUR DELEGATE

Cambel Shepherd, daughter of Linda and Col Shepherd of St. Cloud, was selected to represent Stearns Electric at the 2022 Rural Electric Youth Tour in Washington, D.C this June. Cambel is currently a junior at St. John's Preparatory School.

Each year, rural electric cooperatives across the nation sponsor roughly 1,500 students on the National Rural Electric Youth Tour to Washington, D.C. The Youth Tour program continues to foster the grassroots spirit of rural electric cooperatives by demonstrating to students how our government works and what the electric cooperative business model is all about.

Stearns Electric Association sends one current high school junior or senior on an all-expense paid trip to the Youth Tour every year. The selected student will visit with congressional representatives, tour some of the most famous museums and monuments in the world, and make memories and friends that will last a lifetime.



## DID YOU KNOW?

**Did you know a standard residential meter with the ability to communicate back to our office costs approximately \$160 while a commercial meter with communication ability typically costs about \$600?**

Stearns Electric has 33,400 meters on our distribution system. We replace an average of 400 meters annually.

*Meters measure and record the amount of electricity used by a consumer. Stearns Electric's meters are set up to communicate directly with our computer software system. The meters provide energy readings for every member-consumer, which are used for billing and load analysis purposes.*

## COOKING CORNER BRUSCHETTA

*Submitted by: Heidi Spies*

### INGREDIENTS

6 ripe Roma tomatoes seeds removed, finely diced and gently patted dry  
¼ C fresh basil leaves, chopped

¼ C white onion, finely diced  
3 cloves garlic, finely minced  
1 additional garlic clove, sliced in half

1 Tbsp olive oil and extra for brushing bread  
sea salt to taste  
1 French or Italian baguette

### DIRECTIONS

To prepare Bruschetta, combine diced tomatoes, chopped basil, diced onion, 3 minced garlic cloves, 1 Tbsp olive oil and sea salt. Stir well and allow to rest for at least an hour for flavor to fully develop (refrigerate if you will not be eating within 2 hours). Once ready to serve, prepare your Bruschetta toast by first preheating your oven to 415 degrees. Slice baguette on an angle into ½" thick slices. Place on an ungreased cookie sheet. Brush each slice of bread with olive oil, bake 5-8 minutes or until bread is lightly toasted. Once bread has finished baking, rub the top of each slice with the sliced half of your garlic clove. Give your tomato mixture a good stir and then top warm bread with bruschetta topping mixture and serve. Enjoy!



### SUBMIT YOUR FAVORITE RECIPE FOR A CHANCE TO WIN A \$10 BILL CREDIT

Members may submit one recipe per month by email at [communications@stearnselectric.org](mailto:communications@stearnselectric.org) or mail to: Stearns Electric Cooking Corner, PO BOX 816, St. Joseph, MN 56374. The recipe selected each month for publication will receive a \$10 credit on their electric bill. Recipes not selected will be saved for consideration in future publications.



## STEARNS ELECTRIC ASSOCIATION

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