



Above L-R: Board President Ed Gullickson, Executive Assistant Stacy Bergmann and General Manager Steve Stroshane met with members online June 10 for the co-op's 84th Annual Meeting.

Members and leaders connected online for 84th Annual Meeting

by General Manager Steve Stroshane

Polk-Burnett Electric Cooperative held its 84th Annual Meeting Friday, June 10. The meeting was online, with 100 members logged in.

The annual meeting is an important way for co-op members to learn about co-op performance and provide feedback. We thank all who attended for your participation.

The state of the cooperative

The cooperative invested \$5.9 million to upgrade and maintain the electric distribution system in 2022. The system has 21,422 electric services, and members are served by more than 3,400 miles of power lines across 2,000 square miles, including 1,805 miles of underground cable and 1,646 miles of overhead wire. The co-op employs 58 people to fulfill its mission and remains in the top 25% of co-ops nationwide for reliability, with less than one hour of outages per member per year.

We are always working to reduce outages and restore power faster. This year, our investment in the electric system focuses on substation upgrades to ensure reliable power during summer and winter peak seasons. We saw summer demand for electricity grow by more than 30% in some areas during 2020 and 2021. With increased demand comes increased need for upgrades.

Beyond the regular construction work plan, the cooperative is completing an electric grid and meter upgrade, replacing 26,000 meters with new technology in 2021-22.

Financially strong, impacted by economic conditions

The co-op has been efficient and effective at holding down costs, while providing member-owners with reliable power and extraordinary service. At the end of 2021, Polk-Burnett had \$106 million in assets and \$38.9 million in operating revenue; consolidated net margins were \$5 million.

Polk-Burnett sold 242 million kilowatt hours of electricity, and the cost to purchase power was \$18.6 million. \$0.55 of every dollar collected was used to purchase power.

In 2021, I am happy to report that revenue and margins were up, and Polk-Burnett returned a special \$1 million Capital Credit in April 2022 to all members who purchased power in 2021. This was in addition to the co-op's regular fall 2021 Capital Credit distribution of \$1.6 million.

This year, however, is a different picture, and we are seeing an all-time high price for natural gas, as well as challenges with coal deliveries; both are used in the generation of electricity. The price and availability of materials to build and maintain the electric grid are also affecting our work at the co-op. We are controlling costs where we can, but like you, Polk-Burnett is impacted by the economic realities of today.

As the wholesale cost of power fluctuates with supply chain, demand and inflation challenges, Polk-Burnett members are seeing more frequent power-cost adjustments on their electric bills—either as a charge (this year) or a credit (last year).

Georgetown Solar is coming

Members attending the annual meeting were the first to hear about Georgetown Solar, the co-op's second utility-scale solar project in its service territory. The 15-acre array will be constructed in the Town of Georgetown and will generate enough solar energy to power 375 homes. The development will be owned and operated by OneEnergy Renewables, and Polk-Burnett will purchase solar energy at a fixed rate for 25 years to benefit all members.

We coordinated the timing of this project with other co-ops to get a volume discount. We are in the planning stages and hope to be operational by the end of 2023.

Fast EV charging station opens in St. Croix Falls

EV charging is another way we are leveraging technology to help our members. Moving from gas to electricity reduces pollution and can help members save money with reduced fuel and maintenance costs. EVs also increase the co-op's energy sales. We don't expect the transition to EVs will happen overnight, but we are preparing for the future.

Polk-Burnett helps make charging easy by offering rebates on residential chargers, and we recently upgraded our public charging station at Marketplace Foods in St. Croix Falls to a Level 3 fast charger, with payment by credit card or an app.

Co-op demonstrates community focus

Polk-Burnett is committed to local youth and community. In 2021, Operation Round Up awarded \$72,247 to 68 local nonprofits. We thank our members for rounding up your bill; your generosity makes a difference.

Polk-Burnett awarded \$77,500 in scholarships to 62 students in the Class of 2022. Each student will receive \$1,250 to continue their education after high school. Co-op scholarships are awarded to the sons and daughters of co-op members who demonstrate community service, and they are funded with unclaimed Capital Credits, that if not used for education would be forfeited to the state.

Metro, Ukura and Owens elected to co-op board

System counsel Timothy Laux announced the results of the 2022 co-op board election in districts 4, 5 and 6. The election was conducted by mail and web ballot in May, with a participation rate of 16%.

In District 4, incumbent director **Joe Metro**, Balsam Lake, ran unopposed and was re-elected with 236 votes. In District 5, newcomer **John Ukura**, Luck, received 212 votes and won the board seat over incumbent Jeff Traynor, Balsam Lake, who received 181 votes. In District 6, incumbent director **Wilfred Owens**, Frederic, ran unopposed and was re-elected with 262 votes. Board directors serve three-year terms, beginning June 27, 2022.

Updated bylaws approved by members

A set of three bylaws, updated and adopted by the board, was approved by the members at the 2022 Annual Meeting, with online poll results of 64 YES votes to seven NO votes (71 total voters). The amendments expand qualifications to become a board director, allow the co-op to hold electronic member meetings, and allow the co-op to notify members electronically about member meetings.

Member forum engagement is high

To conclude the meeting, co-op leaders addressed more than 60 questions and comments from members through the online chat. Topics included utility-scale solar ownership, residential solar rebates and contractors, the co-op's meter upgrade, underground power lines, seasonal representation on the board, strategic planning for system maintenance and upgrades, grid reliability (concerns of summer blackouts and growing numbers of EVs), winter rates, and the value of online versus in-person meetings.

For members who couldn't attend online June 10, the co-op's 84th Annual Meeting was recorded and can be viewed on polkburnett.com, along with all meeting handouts, the Q&A summary and the 2021 financial audit. Printed reports are also available upon request.



Fast charging now open in St. Croix Falls

Polk-Burnett offers a **Level 3 fast charger** for public use at Marketplace Foods on Hwy. 8 in St. Croix Falls. The charging station provides about 75 miles of battery range for every 30 minutes the vehicle is plugged in. It operates with a credit card or ZEF Energy app for \$0.25/kWh.

"Offering convenient access to public charging alleviates range anxiety and helps co-op members transition to EVs," said Member Services Manager Todd Schulte. "We want to help make sure rural areas are not left behind when it comes to new technology."

Polk-Burnett can also help members with residential EV charging. Give us a call. We are here to help you charge in the most cost-effective way, 800-421-0283, ext. 595.

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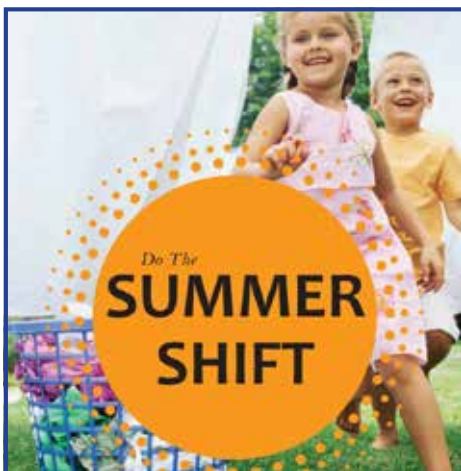
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