

POLK-BURNETT ELECTRIC COOPERATIVE
82nd ANNUAL MEETING OF THE MEMBERS

Wednesday, July 8, 2020

MINUTES

The 82nd Annual Meeting of the members was held virtually on Wednesday, July 8, 2020. An in-person meeting was not held this year due to the COVID-19 pandemic. The business meeting began at 1 p.m.

Edward O. Gullickson, president, board of directors, opened the meeting by welcoming the members and declaring a quorum was present with 173 members in attendance. President Gullickson read the official Notice of the Meeting. The 2019 minutes were received as published. The meeting was recorded and will be made available on the cooperative's website in one week.

General Manager/CEO, Steve Stroshane, provided a State of the Cooperative report. Mr. Stroshane reported on the cooperative's service and reliability during the COVID-19 pandemic. The July 2019 storm caused widespread damage and power outages for 9,000 co-op members across Polk County. Polk-Burnett linemen were assisted by crews from 11 neighboring co-ops and three contractors, bringing more than 100 people to the local restoration effort. The total cost to repair storm damage across our system is \$2.2 million to date. The storm led to a disaster declaration from the State of Wisconsin. Polk-Burnett has submitted a claim to FEMA to help cover expenses to repair the electric system and clear the right-of-way. Beyond storm repair, the cooperative invested \$4.9 million to upgrade and maintain the electric distribution system in 2019. The system includes 1,717 miles of underground cable, 1,695 miles of overhead power line and 38,000 poles. One major investment is upgrading substation equipment, so power can be automatically rerouted during a transmission line outage.

Polk-Burnett is financially solid, and the co-op is efficient and effective at holding down costs, while providing member-owners with reliable power and extraordinary service. After 11 years without a rate increase, rates will likely go up in 2021. In 2019, Polk-Burnett retired \$1.2 million in Capital Credits to more than 16,000 co-op members. The co-op showed \$98 million in assets and \$38 million in operating revenue for 2019; consolidated net margins were \$4.4 million. Polk-Burnett sold just over 237 million kWhs of electricity and the cost to purchase power was \$19.3 million. Mr. Stroshane stressed that \$0.57 of every dollar Polk-Burnett collected goes to the cost of purchased power. The complete financial audit for 2019 is posted on polkburnett.com. The cooperative supports local youth and community by awarding \$67,500 in scholarships to the sons and daughters of co-op members, the Operation Round-Up program awarded \$65,876 to 76 local, non-profit organizations. Co-op employees performed 634 hours of community service in 2019.

System counsel Timothy J. Laux announced the results of the 2020 membership election of directors from Districts 1, 2 and 3. The election was conducted by mail and web ballot with an election contractor, Survey & Ballot Systems. Election results were tabulated from ballots received on or before May 27, 2019. The certified results account for 1,188 (1,045 paper, 143 web) ballots from 6,827 members, yielding a participation rate of 17.4%. In District 1, unopposed Cindy Thorman received 345 votes. There were six write-ins. Mrs. Thorman was elected as the director for District 1 for the 2020-2023 term. In District 2, Mike Morris, incumbent, ran against Erick Vitalis. Mike Morris received 308 votes and Erick Vitalis received 155 votes. There were four write-ins. Mr. Morris was re-elected as the director in District 2 for the 2020-2023 term. In District 3, unopposed Ed Gullickson received 339. There were three write-ins. Mr. Gullickson was re-elected as the director in District 3 for the 2020-2023 term.

General Manager Steve Stroshane then answered questions from members during the member forum through the chat feature of the virtual meeting. The questions and answers will be available on the cooperative's website in one week.

There being no further business to come before the membership, the meeting adjourned at 2:12 p.m. Attendance drawings for ten \$50 energy credits will be randomly drawn from all members who attended the annual meeting.

Stacy J. Bergmann, Recording Secretary