

**Presque Isle Electric & Gas Co-op**  
**ANNUAL MEETING MINUTES**  
**October 26, 2012**

**I. CALL TO ORDER**

The 75<sup>th</sup> Annual Meeting of the members of Presque Isle Electric & Gas Co-op was called to order by Chairman John Brown at 10:00 A.M. on October 26, 2012 at Onaway, Michigan. Onaway VFW Post #5857 presented the Colors and gave the invocation. PIE&G members joined in the singing of the National Anthem.

**II. INTRODUCTIONS**

The Chairman introduced the Board of Directors, Attorney, and CEO and then read a poem entitled "The Ten Percent" by Baxter Black. Chairman Brown appointed Attorney Werth to conduct the business portion of the meeting.

**III. NOTICE OF MEETING**

It was moved, supported, and carried to dispense with the Reading of the Notice of Annual Meeting which was published in *Country Lines* magazine.

**IV. MINUTES OF LAST MEETING**

It was moved, supported, and carried to dispense with the Reading of the Minutes which were available upon registering for the meeting. It was moved, supported, and carried to approve the Minutes of the 2011 Annual Meeting as presented.

**V. ELECTION OF DIRECTORS**

Attorney Werth reviewed the three methods by which nominations can be made according to Article III, Section 3 of the bylaws. Mr. Elias Taratuta, chairman of the Nominating Committee, presented the following nominees:

|                              |                                 |
|------------------------------|---------------------------------|
| <b>Cheboygan District:</b>   | Allen Barr, Keith Shugar        |
| <b>Montmorency District:</b> | Roger Funk, Daryl Peterson      |
| <b>Director-At-Large:</b>    | Robert Mitchell, Larry Pascador |

Attorney Werth indicated that petitions had been received and verified from Sally Knopf and Wayne Vermilya for the Director-At-Large seat.

Attorney Werth called three times for nominations from the floor. There being none, it was moved, supported, and carried to close the nominations.

All candidates were offered an opportunity to address the members and each accepted, except Wayne Vermilya who was not present.

The membership was given time to vote and the Elections & Credential Committee picked up ballots from the floor.

**VI. PRESENTATION & CONSIDERATION OF REPORTS**

**Audit Report:** Mr. Ron Harris, Harris Group CPAs of Traverse City, presented the 2011 audit report. Mr. Harris indicated that the 2011 audit was performed in accordance with generally accepted accounting principles and was a "clean" audit without exceptions. The same opinion was given for the PIE&G Communities First Fund audit.

**CEO Report:** Mr. Brian Burns presented highlights of the past twelve months and discussed the cooperative business model, the 75<sup>th</sup> anniversary, and the Communities First Fund.

**VII. 75<sup>th</sup> ANNIVERSARY RECOLLECTIONS**

Mrs. Bonnie (Pauly) Paine and Mr. John Kline presented their recollections of the cooperative based on their life experiences. Their parents, Harry Pauly and Bernard Kline, served the co-op as General Manager and Board of Director.

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**VIII. WOLVERINE POWER COOPERATIVE**

Mr. Daniel DeCoeur, Vice President of Power Supply, presented information on Wolverine's recent acquisitions associated with power supply and maintenance activities concerning transmission.

**IX. UNFINISHED BUSINESS**

Attorney Werth indicated the Elections & Credentials Committee certified that they registered 200 members today. The bylaw quorum requirement is 1% (or 305) of the membership, therefore, no quorum was present. Attorney Werth called for Unfinished Business, and hearing none, moved on to the next item of business.

**X. NEW BUSINESS/Q&A**

Without a quorum present, Attorney Werth indicated new business could not officially be addressed, but offered the membership the opportunity to address the board with their concerns.

Members asked questions or made comments concerning the following: the possibility of constructing lines underground versus overhead, the potential increase in electric bills should the Clean Energy Venture (CEV) move forward (to which a straw vote was taken), the effects of pollution to Canada if CEV was constructed, a contingency plan should Proposal 3 (25 x 25 Initiative) be approved in the upcoming general election, if the Power Supply Development Fund would be extended or reinstated, and a statement to "vote no" on proposals that would affect the State constitution.

**XI. ELECTION RESULTS**

Mrs. Doris Smith, chairman of the Elections & Credentials Committee, announced the election results as follows:

|                              |                       |              |
|------------------------------|-----------------------|--------------|
| <b>Cheboygan District:</b>   | <b>Allen Barr</b>     | <b>1,269</b> |
|                              | Keith Shugar          | 663          |
| <b>Montmorency District:</b> | Roger Funk            | 582          |
|                              | <b>Daryl Peterson</b> | <b>1,324</b> |
| <b>Director-At-Large:</b>    | <b>Sally Knopf</b>    | <b>901</b>   |
|                              | Robert Mitchell       | 390          |
|                              | Larry Pascador        | 341          |
|                              | Wayne Vermilya        | 377          |

Chairperson Smith indicated the Elections & Credentials Committee had certified Allen Barr, Daryl Peterson, and Sally Knopf as directors for Presque Isle Electric & Gas Co-op for a three year term.

**XII. ADJOURNMENT**

Chairman Brown thanked everyone for their participation in the annual meeting. There being no further business to come before the board, it was moved, supported, and carried to adjourn the meeting at 12:00 P.M.

**XIII. RAFFLE & PRIZES**

CFO Sobeck announced that all members who voted by mail were entered into a drawing for a \$100 credit to their billing. The winner was Mr. Elbert Mullins of Onaway. Door prize winners were announced and gifts were picked up in the cafeteria.

*David W. Smith*

David W. Smith, Secretary