

Presque Isle Electric & Gas Co-op
ANNUAL MEETING MINUTES
October 28, 2016

I. CALL TO ORDER

The 79th Annual Meeting of the members of Presque Isle Electric & Gas Co-op was called to order by Chairman John Brown at 10:04 A.M. on October 28, 2016 at the Onaway High School gymnasium in Onaway, Michigan. Onaway VFW Post #5857 presented the Colors and PIE&G members joined in the Pledge of Allegiance. Chaplain McCaslin, VFW Post #5857 of Onaway gave the invocation.

II. INTRODUCTIONS

The Chairman introduced the Board of Directors (Berg, Borowicz, Knopf, Krajniak, Lucas, Peterson, Smith, and Wozniak), Attorney Werth, and CEO Burns. CEO Burns acknowledged employees who introduced themselves. CFO Sobeck acknowledged those unable to come to the microphone. Chairman Brown thanked all employees both working at the meeting and those who are working at the co-op today. Mr. Brown expressed the honor it is to serve the membership by serving on the board and reminded the members they are able to attend the regular monthly board meeting. 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.

V. ELECTION OF DIRECTORS

Attorney Werth reviewed the three methods by which nominations for directors can be made according to Article III, Section 3 of the bylaws.

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

Nominating Committee Report: Mr. Elias Taratuta, chairman of the Nominating Committee, presented the following nominees:

Alpena District:

Bob Grohowski, Duane Jennings,
Kurt Krajniak, Brentt Lucas

Presque Isle District:

Greg Diller, Leo Romel, Raymond Wozniak

It was moved, supported, and carried to approve the Minutes of the 2015 Annual Meeting as presented.

Introduction of Candidates: All candidates were offered an opportunity to address the members and each accepted by making brief statements, except Greg Diller, who was not present.

The membership was given time to vote and the Election & Credentials Committee picked up votes from the floor. During this time Attorney Werth thanked the Election & Credentials Committee for all their efforts and thanked the candidates for their speeches.

VI. PRESENTATION & CONSIDERATION OF REPORTS

Audit Report: Mr. Ron Harris, Harris Group CPAs of Traverse City presented the 2015 audit report. Mr. Harris indicated that the 2015 audit was performed in accordance with generally accepted accounting principles. Mr. Harris also noted many factors that can alter the financials, an example being weather influences. Overall it was a clean audit without exceptions.

CEO Report: Mr. Brian Burns presented highlights from 2015 which included member equity, capital credit retirements, operations balancing of rates and service, CCR, the cooperative business model, Act 69 setbacks, Christmas windstorm, passing of Director Robert Wegmeyer, promotion of Community First Fund and reminded the membership that the annual meeting is being recorded.

VII. YOUTH LEADERSHIP PRESENTATION

CEO Burns introduced Mr. Jeffrey Ostman, a senior at Cheboygan High School, who was selected as Michigan’s representative to the Youth Leadership Council. Mr. Ostman talked about his experience at Michigan’s Youth Leadership Summit (Ewart, Michigan), NRECA’s Youth Tour (Washington, D.C.), and NRECA’s Annual Meeting (New Orleans, Louisiana).

VIII. UNFINISHED BUSINESS

The Election & Credentials Committee certified that 208 members were registered today. The quorum requirement as stated in the bylaws is 1% (or 306) of the total membership; therefore, no quorum was present. Attorney Werth called for Unfinished Business, and hearing none, moved on to the next item of business.

IX. 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.

Six members exercised this opportunity by asking questions or made comments concerning the following: repetitive outages, encouraging the Co-op not to use "smart meters", rate difference between residential and businesses, membership fee, oak wilt, future regulation of non-renewable energy and appreciation for the improved reliability of power.

X. ELECTION RESULTS

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

Alpena District (2 vacancies):	Bob Grohowski	433
	Duane Jennings	572
	Kurt Krajniak	919
	Brentt Lucas	761
Presque Isle District:	Greg Diller	428
	Leo Romel	373
	Raymond Wozniak	866

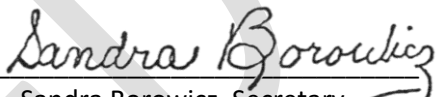
Chairperson Smith indicated the Election & Credentials Committee had certified Kurt Krajniak and Brentt Lucas for Alpena District and Raymond Wozniak for Presque Isle District as directors for Presque Isle Electric & Gas Co-op for a three year term expiring in 2019.

XI. 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 11:14 A.M.

XII. 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. Lyle C. Ballard of Armada. Door prize winners were announced and gifts could be picked up in the cafeteria.


Sandra Borowicz, Secretary

SB/ddm