

Presque Isle Electric & Gas Co-op
SPECIAL BOARD MEETING
June 24, 2025

A special meeting of the Board of Directors of Presque Isle Electric & Gas Co-op was held on June 24, 2025 at PIE&G headquarters at 3149 Main Street in Onaway, Michigan. Chairperson Borowicz called the meeting to order at 9:46 a.m.

Roll call was taken with Directors Borowicz, Brown, Lucas, Knopf, Nagel, Peterson Smigelski, and Wozniak present. Director Krajniak was absent. A quorum was present. Also attending were President & Chief Executive Officer Berg, and leadership team members Ash, Calwell, Hartung, Karsten, Knouse, Konieczny, Larson, Leach, Wilcome, Stempky, VanSchoten, and Attorney Ryan. Sommer Poquette from Keep It Real Social was also in attendance.

CEO Berg presented the Member Regulation presentation. The presentation explained the financial impact of the 2025 Ice Storm on Presque Isle Electric & Gas.

INTRODUCTION OF GUESTS & MEMBER COMMENT

Attorney Ryan explained the member comment guidelines. The following members were in attendance: Peter Jakey, Margaret Fleming, Warner Broughman, Pam Broughman, Tammy Hoefft, Carl Altman, Richard Hanson, Colleen Campo, David Campo, John Buczkowski, Jeff Dodge, Carol Dodge, James Brewbaker, Paul Bennett, Richard Bennett, James Borelend, Steven Thompson, Robert Crook, Kurt Weir, Brady Chojnacki, David Wolf, Christine Server, Joseph Server, Clifford Tollini, Stewart Scramlin, Robert Panicali, Jeanie Stevens, Phyllis Braidwood, Roger Marsh, Rachel Pepper, and William Carver.

Warner Broughman asked questions regarding the audit report and depreciation available and whether the charge would be on electric, gas, and fiber bills.

Pam Broughman expressed thanks to the workers during the storm.

Carl Altman asked how the rates are determined for the contractors.

Richard Hanson expressed that he didn't think the numbers added up.

Colleen Campo asked if state or federal support has been received yet.

Carol Dodge asked about the rumor that the \$20/month will increase every six months.

Paul Bennett expressed his concern of no expiration date for the \$20/month increase.

Richard Bennett asked if money will be returned once federal funding is received.

David Wolf expressed that the co-op did a fabulous job during the ice storm and that he was concerned for those with more than one meter and those on a fixed income.

Christine Server expressed that we are fortunate to have power at the flip of switch and that having that power is going to cost us.

Clifford Tollini expressed concern with having 3 meters and questioned the amount of debt that the co-op has leveraged between the building, Aurora Gas acquisition, and the fiber build out.

Stewart Scramlin asked if any funding had been received.
William Carver expressed his concerns over the \$20 and that some contractors had driven across his septic tank.

CEO Berg, in summary, explained and answered the various questions that were presented including the following:

The depreciation expense on our income statements;
The charge would only be on the electric members at this time;
We have not received any federal or state funding at this time;
Our current projections are estimates and \$20/month per electric meter is our current estimate of the carrying costs for the ice storm;
We are still in recovery mode and debris cleanup mode with additional costs still being incurred;
PIE&G is a not-for-profit organization, and we only need to collect revenue necessary to cover expenses and equity investments;
There are low-income assistance programs available for those that have difficulty paying their electric bill;
Reviewed a cost estimate if the entire storm would have to be fully repaid without federal or state assistance over 30 years;
Discussed our debt levels and equity position;
Explained the revenue calculations per year of \$20/month per meter compared to the interest costs of the ice storm;
And, thanked everyone for their attendance and questions.

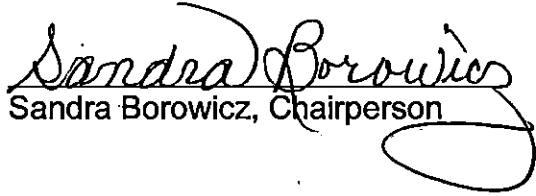
ACTION ITEMS

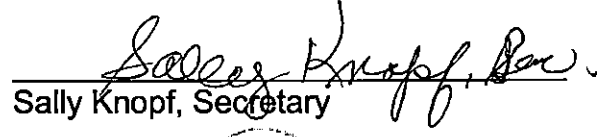
CEO Berg indicated there was one (1) item for the board's consideration and discussed the following.

1. **Resolution 2025-MR-06:** Implements a charge of \$20 per meter per month on member bills for the purpose of recovering interest expenses and cost of improvements to mitigate future risk, except that the charge shall not be implemented on more than one residential meter per residential site. Chairperson Borowicz asked CEO Berg to read Resolution 2025-MR-06 aloud for the membership. ***A motion was made by Smigelski, supported by Nagel, to adopt Resolution 2025-MR-06 implementing a charge of \$20 per meter per month on member bills for the purpose of recovering interest expenses and cost of improvements to mitigate future risk, except that the charge shall not be implemented on more than one residential meter per residential site. A roll call vote was taken with all eight (8) directors voting in the affirmative. (Director Krajniak absent) Motion carried.***

ADJOURNMENT

A motion was made by Lucas, seconded by Knopf, to adjourn the special meeting. Ayes – all, motion carried. There being no further business to come before the board, Chairperson Borowicz adjourned the meeting at 10:43 a.m.


Sandra Borowicz, Chairperson


Sally Knopf, Secretary

/mv

APPROVED