

**POLK-BURNETT ELECTRIC COOPERATIVE**  
83<sup>rd</sup> ANNUAL MEETING OF THE MEMBERS

Friday, June 11, 2021

MINUTES

The 83<sup>rd</sup> Annual Meeting of the members was held virtually on Friday, June 11, 2021. An in-person meeting was not held this year due to the pandemic. An in-person member appreciation day will be held Friday, August 13, 2021. The meeting was called to order 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 111 members attending virtually. President Gullickson explained that bylaw amendments were removed from the agenda as the official meeting notice did not clearly identify the purpose of the two amendments. Mr. Gullickson then read the official Notice of the Meeting. The 2020 minutes were received as published after read by President Gullickson. 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. The cooperative invested \$5 million to upgrade and maintain the electric distribution system in 2020. The system includes 1,796 miles of underground cable, 1,651 miles of overhead power line and 38,000 poles. Beyond the regular construction work plan, the cooperative is working on an electric grid and meter upgrade. Over the next two years, 26,000 meters will be replaced with new technology, as our existing meters are outdated and our supplier has stopped making replacement parts.

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 12 years without a rate increase, rates will likely go up in 2022. In 2020, Polk-Burnett retired \$1.6 million in Capital Credits to co-op members. The co-op showed \$101 million in assets and \$36.7 million in operating revenue for 2020; consolidated net margins were \$4.6 million. Polk-Burnett sold just over 238 million kWhs of electricity and the cost to purchase power was \$18.8 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 2020 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 \$51,458 to 54 local, non-profit organizations. Co-op employees performed 500 hours of community service in 2020.

System counsel Timothy J. Laux announced the results of the 2021 membership election of directors from Districts 7, 8 and 9. 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 June 1, 2021. The certified results account for 1,074 (903 paper, 171 web) ballots from 6,455 eligible members, yielding a participation rate of 16.64%. In District 7, unopposed Jerry Okonek received 450 votes. There was one write-in. Mr. Okonek was elected as the director for District 7 for the 2021-2024 term. In District 8, Chuck Brookshaw was unopposed. Mr. Brookshaw received 315 votes. There were three write-ins. Mr. Brookshaw was re-elected as the director in District 8 for the 2021-2024 term. In District 9, unopposed Tom Swenson received 283. There were eight write-ins. Mr. Swenson was re-elected as the director in District 9 for the 2021-2024 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 2:10 p.m. Attendance drawings for ten \$50 energy credits will be randomly drawn from all members who attended the annual meeting.

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Stacy J. Bergmann, Recording Secretary