

PRESQUE ISLE ELECTRIC & GAS CO-OP

Annual Meeting Minutes

October 24, 2008

1. CALL TO ORDER

The 71st Annual Meeting of the members of Presque Isle Electric & Gas Co-op was called to order by Chairperson Allan Bruder at 1:30 p.m. in Posen, Michigan on October 24, 2008. The Posen VFW Post #7804 presented the Colors, the National Anthem was sung by Aurora Light, and the invocation was given by Chaplain Michael Polaski of VFW Post # 7804.

2. INTRODUCTIONS

The Chair made numerous introductions including the Board, CEO and Attorney. Retirees and guests were recognized. The Chair acknowledged the presence of Gas Liaison Board and Community First Fund Board members.

3. NOTICE OF MEETING

It was moved and seconded to dispense with the Reading of the Notice of Meeting. All ayes, motion carried.

4. MINUTES OF LAST MEETING

It was moved and seconded to amend the published minutes of the 2007 meeting to indicate that under the New Business section “ people requested a voting change to reflect we would vote for people in our own districts”. After some discussion of this motion, a vote was taken and the motion was passed 149 to 59. Thereafter, the minutes were approved as amended.

5. NOMINATIONS

The Chair introduced the members of the Nominating Committee and its Chairperson, Elias Taratuta, presented the Committee’s director nominations which were as follows:

Cheboygan District:

John Brown
Cindy Singleton

Montmorency District:

Elizabeth (Betty) Comoford
David W. Smith

Presque Isle District:

Allan Berg
Sally Knopf
Jim Morgan

The Chair then reviewed the three methods by which nominations can be made- committee, petition, and floor - and noted there had been no nominations by petition. Next, he called three times for nominations from the floor. There were none. It was moved and seconded that nominations be closed. All ayes, motion carried.

6. INTRODUCTION OF CANDIDATES AND BYLAW PROPOSALS:

Chairperson Bruder introduced each candidate and offered each the floor. Briefly addressing the members were John Brown, David W. Smith, Betty Comoford, Sally Knopf, Allan Berg, and Jim Morgan.

Co-op Attorney David P. Werth briefly discussed the two By-law issues on the ballot which included the Director at Large change and a nominating time table change to facilitate easier publication of nominating information. Ballots were collected by members of the Election and Credentials Committee and during the collection process, the Chair introduced the Committee members. The Committee then retired to count the ballots.

7. AUDIT REPORT

The Chair next introduced Ron Harris, CPA of the Harris Group in Traverse City. Mr. Harris indicated that the 2007 Audit was performed in accordance with generally accepted accounting principles and was a “clean” audit without exceptions. Mr. Harris also highlighted certain revenue and expense items after which he called for questions and answered several.

8. PRESIDENT’S REPORT

The Chair introduced President and CEO Brian Burns who provided an update of the Coop’s activities in the past year which included investment in new facilities of more than four million dollars. He also highlighted necessary Co-op expenditures on service quality programs such as tree trimming. Mr. Burns responded to several questions from members.

9. WOLVERINE POWER UPDATE

Eric Baker, Chief Executive Officer of Wolverine Power was introduced and addressed the membership regarding the history and mission of Wolverine. He also described Wolverine’s efforts toward “green power” including wind, bio mass and conservation. He concluded his remarks with an update of the Rogers City plant proposal to meet base load generation needs. He answered several questions.

10. MEMBER QUESTION AND ANSWERS

Brian Burns then read from cards submitted by members containing their questions. He responded to questions ranging from rates to tree trimming. Other questions were answered by Eric Baker relating to power supply including the bromine output of the proposed plant.

11. UNFINISHED BUSINESS

The Chair called for any unfinished business and there was none.

12. NEW BUSINESS

A four part Resolution was read to the members and presented as a single motion which was duly seconded. The motion required, among other things, that the membership of PIE&G be given the opportunity to vote on further participation in the WCEV at the next annual meeting. Considerable discussion of the motion and its various sub parts followed. It was then moved and seconded that debate be ended and that motion carried by a wide margin. The four part Resolution was then voted on as a single motion and the matter failed by a wide margin.

A proposal was also made by a member to elect a director from each district with only those in that district to be allowed to vote. After some discussion, the matter failed for lack of support as it was not brought in a form sufficient to present to the membership as a specific motion .

13. ELECTION RESULTS:

Doris Smith, Chairperson of the Election and Credentials Committee appeared before the members to announce the election results, and Mr. Bruder thanked the Committee for its efforts. The election results were as follows:

Cheboygan District

| | |
|-----------------|------|
| John F. Brown | 1223 |
| Cindy Singleton | 662 |

Montmorency District

| | |
|----------------------------|------|
| Elizabeth (Betty) Comoford | 900 |
| David W. Smith | 1028 |

Presque Isle District

| | |
|-------------|-----|
| Allan Berg | 735 |
| Sally Knopf | 678 |
| Jim Morgan | 605 |

Bylaw amendments:

Section 2- Director at Large

| | |
|-----|------|
| Yes | 1663 |
| No | 272 |

Section 3- Nominating time table

| | |
|-----|------|
| Yes | 1716 |
| No | 191 |

15. ADJOURNMENT

It was moved and seconded that the meeting be adjourned after which prizes were awarded.

Respectfully Submitted,

David P. Werth
Acting Secretary