

PRESQUE ISLE ELECTRIC & GAS CO-OP
ANNUAL MEETING MINUTES
October 30, 2009

1. CALL TO ORDER

The 72nd Annual Meeting of the members of Presque Isle Electric & Gas Coop was called to order by Vice Chairman Allen Barr at 10:00 a.m. in Onaway, Michigan on October 30, 2009. The Onaway VFW Post 5857 presented the Colors, the National Anthem was sung by Thomas Aaron Price, and the invocation was given by Mr. Harry Hyde, retired PIE&G employee.

2. INTRODUCTIONS

The Chair made numerous introductions including the Board of Directors, CEO, and Attorney.

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 dispense with the Reading of the Minutes. All ayes, motion carried.

5. NOMINATIONS

The Chair introduced the Chairman of the Nominating Committee. Mr. Elias Taratuta presented the Committee's director nominations which were as follows:

Cheboygan District: Allen Barr, Jim Chamberlain

Montmorency District: Elizabeth Comoford, Daryl Peterson,
Richard Stawecki, Judd Wellard

Director At Large: Sally Knopf, Martin Thomson

The Chair then reviewed the three methods by which nominations can be made – by committee, by petition, and from the 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 to close the nominations. All ayes, motion carried.

6. INTRODUCTION OF CANDIDATES

Vice Chairman Barr introduced each candidate and offered each the floor. Briefly addressing the members were: Jim Chamberlain, Allen Barr, Elizabeth Comoford, Daryl Peterson, Richard Stawecki, Judd Wellard, Sally Knopf, and Martin Thomson.

Attorney Werth indicated that 30,619 ballots were mailed and the Bylaws required 1%, or 306 members, of the membership be present to constitute a quorum. The attendance of registered members at the meeting was recorded at 257 members, therefore, a quorum was not present.

7. AUDIT REPORT

The Chair introduced Mr. Ron Harris, CPA of the Harris Group in Traverse City. Mr. Harris indicated that the 2008 audit was performed in accordance with generally accepted accounting principles and was a “clean” audit without exceptions. Mr. Harris highlighted certain revenue and expense items after which he called for questions, there being none.

8. PRESIDENT’S REPORT

The Chair introduced President & CEO Brian Burns who provided an update of the Co-op’s activities in the past year which included capital expenditures, transparency of co-op activities, and capital credits. He also addressed long-term power supply and the Clean Energy Venture.

CEO Burns recognized Directors Allan Bruder and Glen Alsobrooks for their years of service to the membership of PIE&G and thanked them for their dedication and wished them well in their retirement.

9. WOLVERINE POWER UPDATE

Mr. Craig Borr, Executive Vice President of Wolverine Power was introduced and addressed the membership regarding the need for long-term power supply and the importance of the Clean Energy Venture. He highlighted several items on the written update that was provided at registration and emphasized that a final decision has not been made to move forward at this time.

10. LEGISLATIVE UPDATE

The Chair introduced Mr. Mike Peters, President & CEO of Michigan Electric Cooperative Association (MECA) who provided an update on issues at the national and state levels, and more specifically, the proposed cap and trade legislation. He emphasized the need for fair, affordable, and achievable energy

legislation and encouraged the membership to engage in communication with their elected officials.

11. UNFINISHED BUSINESS

It was moved and seconded to approve the Minutes of the 2008 Annual Meeting as presented. All ayes, motion carried. Attorney Werth asked if there was any other Unfinished Business. There being none he continued with the agenda.

12. NEW BUSINESS

Attorney Werth indicated that without a quorum present, the Board cannot officially deal with new business. A "straw vote" can be taken to allow the membership the opportunity to take up unofficial motions; however, a "straw vote" does not bind the Board to action. Attorney Werth introduced the protocol for this segment which included (1) for members only to address the membership, (2) straw voting for members only, (3) to respect the opinion of others, and (4) a time limit of three minutes per person. The Election & Credentials Committee would provide the results of any straw vote.

Members brought forth the following issues with corresponding straw vote results:

- A. A referendum to all Wolverine Power member-owners to decide if they want to proceed with the CEV project. For 27 Against 155
- B. A resolution to disclose the costs associated with the CEV project. For 16 Against 166
- C. To allow the directors of PIE&G the discretion to work diligently with other cooperatives and entities to construct the power plant in Rogers City. For 169 Against 8

Attorney Werth called for any other New Business and hearing none moved to the next item on the agenda.

13. QUESTION & ANSWERS

A total of fifteen minutes was suggested for this portion of the agenda. Members asked questions concerning: the control of the distribution grid, alternative market options, keeping rates low, due diligence, pollution (PAH's), meter tampering, smart meters, clean coal definition, and transparency. Attorney Werth entertained a motion to close the Questions & Answer portion. A motion was made and supported. Motion carried.

14. ELECTION RESULTS

Elections & Credentials chairperson, Mrs. Doris Smith, appeared before the members to announce the election results and the Chair thanked the Committee for their efforts. The election results were as follows:

Cheboygan District:	Allen L. Barr	1399
	W. James Chamberlain	897
Montmorency District:	Elizabeth Comoford	737
	Daryl Peterson	753
	Richard Stawecki	323
	Judd Wellard	500
Director At Large:	Sally Knopf	1199
	Martin Thomson	1098

15. ADJOURNMENT

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

Respectfully Submitted,

Sharon Krzywiecki
Recording Secretary