

Vernon Electric Cooperative
82nd Annual Meeting
March 24, 2018

The 82nd Annual Meeting of the members of Vernon Electric Cooperative was held at the headquarters office of the Cooperative, 110 Saugstad Rd, Westby, Wisconsin, on Saturday, March 24, 2018, pursuant to Article III, Section 1, of the Bylaws, which specifies that the date and place of the annual meeting shall be set by the board of directors, and pursuant to the notice of the meeting sent to all members at the direction of the Secretary.

Prior to the meeting, a pancake breakfast was served from 8:00 a.m. to 9:45 a.m. at the Cooperative office.

President Bernadine Hornby called the meeting to order at 10:00 a.m. and at which time, the National Anthem was played.

Invocation

The invocation was given by Pastor Gary Daines of Westby.

Introduction of the Board of Directors and Scholarship Presentation

At this time, CEO & General Manager Joe McDonald introduced the Board of Directors by their Division and in correlation, introduced the scholarship recipients from those divisions. The recipients were chosen via a random drawing at the Cooperative's January board meeting and invited to the Annual Meeting to receive their certificates.

Business Session

Bernadine Hornby was called upon to begin the business portion of the meeting.

Niles Berman, Attorney for the Cooperative, was appointed Parliamentarian. David Dregne was appointed Secretary and Nicole Simonson acted as Recording Secretary.

By unanimous consent, the members authorized use of the meeting registration to establish a quorum. Chairman Hornby stated that 50 members are required for a quorum and declared a quorum present with 175 registered members.

Annual Meeting Rules and Voting Procedures

Chairman Hornby announced that the Annual Meeting Rules were handed out at registration and that these had been approved by the District Committee Delegates as authorized in the Bylaws.

Notice of Meeting and Proof of Mailing

Chairman Hornby reported that the Notice of the Meeting was mailed on March 2, 2018, and by unanimous consent the members waived reading of the Notice and Proof of Publication.

Approval of the Minutes of the 2016 Annual Meeting

Copies of the minutes of the 2017 Annual Meeting were handed out to the members at registration. A motion was made, seconded and carried to approve the 2017 minutes as printed.

CEO & General Manager's Report – Joe McDonald

CEO & General Manager Joe McDonald began his report speaking about the importance of the cooperative business model and the VEC difference. Joe went on to highlight VEC's Strategic Plan, which includes safety, superior customer service, renewable energy, and stable and fair rates. VEC continues to remain financially strong despite declining sales, and just finished an excellent annual audit. VEC is the process of conducting a full rate study, which will be completed soon. A 2% rate increase is expected on May 1. The general retirement of capital credits was announced in the amount of \$400,000 and member accounts were credited in March. Joe discussed many technology and customer service enhancements, including mobile and paperless billing, GPS and mapping updates, advanced metering, data protection, and the addition of a full-time IT employee. VEC switched to a new call center that will provide better service to members for after-hours calls. Joe gave an overview of the advanced meter installations that should be completed this year. Right-of-way tree clearing, and storm assistance and restoration was also discussed.

Questions from the membership were addressed at this time.

Dairyland Power Cooperative Report – Daniel Korn

Daniel Korn, VEC's representative on the Dairyland Power Cooperative (DPC) Board and Vernon Electric Cooperative Director for Division 5 gave an update on DPC. The demolition of the nuclear plant in Genoa and the stack at Alma were discussed along with the challenges faced with these projects. DPC is diversifying its generation mix by adding the Nemadji Trail Energy Center natural gas plant, the Quilt Block Wind Farm, and several solar energy projects. The Quilt Block Wind Farm was named "Renewable Energy Project of the Year" at the 2018 RENEW WI Summit. Dan also explained the need for the Cardinal-Hickory Creek transmission line.

Questions from the membership were addressed at this time.

Review Committee Report – Niles Berman

The Review Committee, appointed by the District Committee Conference and consisting of Earl Laufenberg, Royce Curtis, and Samantha Laskowski met at the Cooperative office on March 1, 2018. As provided in the Bylaws, the purpose was to review the minutes of the board of Director's meetings held in 2017, to clarify any Board actions, and report to the Annual Meeting their findings and recommendations. The Review Committee found the minutes to be in good order. Niles Berman read the report. The full text of the Committee's report is appended to the original minutes of the meeting.

Election Committee Report – Niles Berman

At the District Committee Conference held on February 10, 2018, the delegates appointed Thomas Woodhouse, Tom Erb, Marvin Christianson, Roger Melby, Vernon Urbanek, Paul Flock, Lonnie Muller, Allan Vlasek, Robert Benish Sr., and David Edgar to serve on the Election Committee for 2018 - 2019. The Committee met on March 23, 2018, at the Cooperative office. Mr. Berman reported that the Election Committee certifies that upon the basis of the votes cast by mail, the following duly-nominated candidates for directors received the highest numbers of votes in each director division in the informal balloting:

Three-year term

Director Division 2 – David Olson

Director Division 5 – Daniel Korn

Director Division 8 – Richard Nemec

One-year term

Director Division 6 – Daniel Giese

The full text of the Committee's report is appended to the original minutes of the meeting.

Attorney Berman explained that pursuant to the Bylaws, the report of the Election Committee constitutes a motion to make the informal ballots formal and declare the recipient with the highest number of votes in each district elected as director. Motion carried to make the informal ballots formal and elect David Olson, Daniel Korn, Richard Nemec, and Daniel Giese as directors from their respective districts.

Unfinished Business

Chairman Hornby stated that there was no unfinished business from the 2017 Annual Meeting.

New Business

Chairman Hornby called for any new business. It was requested that VEC investigate developing a Disaster & Resilience Planning Committee to discuss backup generation and battery storage if the grid fails. It was also requested that VEC investigate providing financing, similar to the Farm Rewiring Program, for solar installation to low income members.

Adjournment – There being no further business to come before the meeting, a drawing was held for attendance prizes and Chairman Hornby then declared the 82nd Annual Meeting adjourned at 11:25 a.m.

David Dregne, Secretary