

KANDIYOHI POWER COOPERATIVE
MINUTES OF THE ANNUAL MEETING OF THE MEMBERS
APRIL 18, 2017

The Annual Meeting of the members of Kandiyohi Power Cooperative (KPC) was held at the Spicer American Legion, 155 Lake Avenue, Spicer, Minnesota on the 18th day of April 2017 pursuant to the notice mailed to every registered member of the Cooperative residing in (newly formed) Districts 1, 2 & 3.

Chairman Anderson called the meeting to order at 6:00 p.m.

Invocation by Secretary Stanley Wubben.

Ballots were mailed this year for District #2 elections. Districts #1 & #3 had only one, unopposed, candidate for each of the seats up for election. These candidates are pursuant to Article IV, Section 4.2 of the Bylaws deemed to be elected by acclamation and no voting is required.

Copies of the 2016 Annual Financial Report, were mailed to all members and copies were available at the Annual Meeting.

The members watched a video of the National Anthem and recited the Pledge of Allegiance.

Chair Anderson appointed Don Wilcox, Corporate Attorney, to act as parliamentarian for the Annual Meeting. He then appointed Robin Ryks to act as Secretary for the Annual Meeting.

A member quorum is necessary for the Cooperative to transact business at the Annual Meeting. Following the call to order, Secretary Wubben reported that the attendance and registration of members at the Annual Meeting met the required quorum of 50.

Secretary Wubben read the Notice of Annual Meeting. The Notice of Annual Meeting and an affidavit of mailing the notice to the members was filed.

Chairman Anderson called for a motion to accept the 2016 minutes and Annual Report and Financials. A motion to approve was made and seconded and carried.

Chairman Anderson welcomed and acknowledged visiting guests and past directors, thanking them for attending.

CHAIRMAN ANDERSON introduced special guest speaker, William Kaul, V-P of Transmission at Great River Energy (GRE). One of his greatest achievements was beginning the CAPX2020 Transmission project. After 38 years of employment Mr. Kaul will soon be retiring from GRE.

Mr. Kaul gave a recap of 2016 at GRE:

- Power Cost Adjustments (PCA)
- Business Improvements
- REVOLT Electric Car Programs
- Coal Creek Station
- Stanton Station retirement
- 16th Healthiest Business
- Excellent Transmission Generation and Reliability

He shared Energy and Capacity sources and stated that renewables are becoming a large percentage. The rate forecast is staying flat and hopefully will go down after 2028. Total industry transformation has happened with some of the reasons being policies, customers, technologies, competition and Government mandates. CAPX2020 has transformed the market and on the Distribution side we will see much more technology.

Mr. Kaul ended his speech by presenting Kandiyohi Power Cooperative Charitable Trust Fun (Operation Round Up) with a \$1000 donation.

CHAIR ANDERSON shared with the members on what the Board of Directors does. They are here for the members and explained the Strategic Plan and Dashboard process.

CEO FROEMMING gave an update on the 2016 Line Construction and New Meters

- Line Construction
 - 9 miles of new line
 - Currently 935 miles underground and 864 miles overhead
 - Underground is more expensive but requires less maintenance
- New Meters
 - Project should be completed by June 1st, 2017
 - Benefits we have already seen from new meters and how well they are working.
 - Referenced the November 18th snow/ice storm and using the new Outage Map.
 - Will give KPC members more rate structure

CFO STERN – 2016 Financial Summary

- Financially strong in 2016 and rate among the top 10 cooperatives in the state.
- Reviewed Operating Margins and Sales
- Operating Expenses
- Revenue and Cost of Power
- Operation Roundup Review

CHAIR ANDERSON introduced the Nominees by district running for the current election:

- District 1 – (Nominee) Larry Powers
- District 2 – (Incumbent) Dan Pomranke, (Incumbent) Ted Olsen, (Nominee) Sherry Jean Larson
- District 3 – (Nominee) Robbert Stone

INTRODUCTION of KPC's current Board of Directors and acknowledged the exiting Directors, Jerrell Stanley and Dan Pomranke.

OLD BUSINESS – None

NEW BUSINESS - None

ELECTION RESULTS – Board Director Election results (2 by acclamation) for 3 year terms are as follows:

- District 1 – Larry Powers – by acclamation
- District 2 – Ted Olsen – by majority ballot votes
- District 3 – Robbert Stone – by acclamation

HEARTLAND SECURITY – had a display booth and had a couple of prize drawings.

KPC MEMBERS who attended the Annual Meeting received a Kandiyohi Power Cooperative/Propane ice cream scoop. Member also participated in a drawing for a \$100 gift certificate for a bike from Bonnema Hardware in Spicer and a Bird feeder & seed. The winners are:

- Frances Stahl
- Kathy Johnson

SUPPER SERVED:

- Pulled Pork Sandwiches
- Potato Salad
- Beans
- Chips
- Bars

After no further business, a motion was made to adjourn the meeting. Meeting adjourned.

Respectfully submitted,

Stanley Wubben, Secretary/Treasurer