



CEO's Memo

Tim Sullivan, WH President and CEO

Member control delivers the cooperative advantage

DEMOCRATIC MEMBER CONTROL. Those three simple, powerful words capture so much of what's special and unique about electric cooperatives like Wright-Hennepin (WH). Because unlike most other companies and utilities, WH is exclusively owned by and run for those it serves. And this core identity not only explains why cooperatives are so different but also produces a Cooperative Advantage that delivers concrete value to our members.

Let me explain. All cooperatives are organized around Seven Cooperative Principles and Democratic Member Control is Principle Two. So, unlike an Investor Owned Utility (IOU) which is run by a Board of Directors named to promote the interests of its stockholders, WH's Board is chosen by you from among your fellow member-owners to represent your interests. Consequently, choosing your Board of Directors is the central way you exercise governance over your cooperative and ensure your voice is heard.

PRINCIPLE 2

DEMOCRATIC MEMBER CONTROL

Members like you control the cooperative



Principle Two is made real through Board elections, held each year in the run-up to WH's Annual Meeting. In fact, in 2020, four directors were elected, including three incumbents and a new director for District 8 (Maple Grove), selected from a field of nine candidates. We're humbled and grateful that WH generated so much interest from such a capable group of people! Clearly, our members understand the critical role WH plays in delivering safe, reliable and affordable power and a modern quality of life.

Being elected to the Board is no small feat and serving on the Board is no small task. Consider that Directors typically spend 6-8 hours per week on cooperative business and attend training events that require 10-15 days of travel a year. Beyond this, effective governance of a modern electric distribution system requires sophisticated understanding of a wide range of complex topics including power supply, grid planning, technological capabilities and changing member expectations, to name a few.

You can be proud members of your Board of Directors are so dedicated to enhancing their expertise, as evidenced by the large number of Credentialed Cooperative Director (CCD) credits they've earned for advanced training from the National Rural Electric Cooperative Association (NRECA).

In addition, directors actively participate in board meetings which can run 8 hours or more each month. It's not uncommon for board books – which include financials, correspondence and background material – to run 100 pages or more. Board members must be knowledgeable and engaged, willing to discuss and deliberate issues, consider the

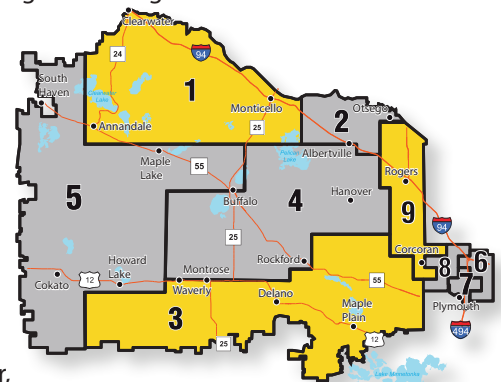
recommendations of management and evaluate a wide range of policies and investments for WH's \$115 million businesses. It's an immensely challenging role but also one most Directors find deeply rewarding.

Consider the views of newly elected District 8 Director David Silver. David says that, after 27 years as a WH member, he decided that running for the Board would be a great way to serve fellow members. "I'm quite excited and feel I can contribute. I can listen to constituents and apply [their thoughts] in my decision-making. I've always been pleased with the service from WH, and this is a good way for me to give back."



In fact, Directors are often the unsung heroes of the cooperative program. While the invaluable contributions of lineworkers are often recognized during outages and CEOs are often quoted in news coverage, it is the directors who ultimately steer the co-op's course. They ask and answer the most fundamental and consequential questions: What are our values? What are our priorities? What choices do we make amid a dizzying array of complex information, competing interests and future uncertainties?

Know someone who might make a good director? Please see the information on page 8 of this newsletter which explains how to apply for a Board seat. In 2021, Districts 1, 3 and 9 are up for election, and District 3 has no incumbent. So, if you've ever entertained the idea for yourself or another, you might consider taking the plunge.



When you review the results, it's clear that Democratic Member Control is not just a good governance idea. It's helped ensure the delivery of safe, affordable, reliable power and a high quality of life for WH members for 83 years. The lesson? Stay involved, attend the Annual Meeting, learn more about the Board candidates and most importantly, keep voting. After all, in a democratically controlled organization like WH, our success ultimately depends on you.

As always, thank you for your business,