

ANNUAL REPORT | 2021

Here when you
need us.



Letter to the membership

From the Board Chair and President & CEO

Here when you need us.

"Here when you need us." Amid all the uncertainty and unpredictability of 2020, nearly all of us looked around for reassuring sources of stability. And in 2020, we would like to think that Wright-Hennepin (WH) was one of those sources of reassurance.

After all, for Stay-at-Home orders to be effective, workers needed the power to connect back to their businesses, offices and workplaces. Students required the power to connect with teachers and schools. Our front-line health care heroes required reliable energy to provide life-saving care at hospitals and clinics. And consumers, whether purchasing products online or ordering food for delivery curbside, first needed their electricity to work to stay connected to the wider world. So, in 2020 as never before, WH was essential to helping our members hold back and ride through the pandemic.

So, what better theme for our 2020 Annual Report than "Here when you need us"? In fact, please consider these four important ways WH made good on that promise:

HERE WHEN YOU NEED US FOR RELIABILITY.

If Stay-at-Home orders are predicated on 24/7 power, then reliability is essential. And in 2020, WH's power was more reliable than ever before in our history. Consider:

- In 2020, our members were without power less than a half-hour (29.1 minutes) on average. When members did experience an outage, they were without power, on average, less than 80 minutes (78.2 minutes). When compared to more than 800 electric co-op distribution systems nationwide, these results put WH in the top 10% for reliability.
- WH has now deployed more than 20,000 Advanced Meter Infrastructure (AMI) meters, which allow us to read meters not just daily but hourly. Over the next three years, our entire system will be upgraded. These new meters will increase energy information to members and allow WH to operate our grid more efficiently.
- In the past five years alone, WH has constructed or rebuilt four substations, installed 384 miles of line and added more than \$18 million to our net utility plant to keep it modern and reliable.
- Members who also use WH Security to protect their home or business

enjoy the reliability of round-the-clock alarm monitoring. Similarly, in 2020, 938 members enjoyed the peace of mind that comes from limiting exposure to expensive repair bills through WH Appliance Repair.

HERE WHEN YOU NEED US FOR COMPETITIVE PRICING.

Being dependable also means pricing that is competitive and affordable. Consider:

- In 2020, the typical monthly residential bill for a WH member was almost 4% less than Xcel. When you consider the impact of our Energy-Saving Programs (ESPs), the WH advantage swells to almost 9%. And when the 2020 capital credit refund is added, the difference between WH and Xcel balloons to almost 18%.
- And speaking of capital credits, WH continues to speed up its capital credit refunds to members. In just five years, WH has reduced the period we borrow money from members from 27 years to less than 21. In fact, in December 2020, WH gave back \$6.3 million – our largest capital credit refund in history – including an average check (or bill credit) totaling \$148.42!

HERE WHEN YOU NEED US FOR SALES AND SERVICE.

In a year when consumers often experienced product shortages and service delays, it's worth noting that WH continued to deliver value with a range of special programs. Consider:

- WH offers ESPs on everything from electric water and space heating to dual fuel to air conditioning (AC), with rates up to half-off regularly priced electricity. And while some of our legacy AC programs will be repriced over the next few years to better align benefits with costs, they still will deliver discounts to you.
- For as little as a dollar a month, you can support the development of renewables on the grid or offset part of your bill with a fixed solar rate. Almost 200 consumers are already taking part as participants in our Solar and Renewable Choice programs.
- WH also offers rebates of up to \$1,000 to electric vehicle (EV) users who install a charging station with



Erick Heinz
Board Chair



Tim Sullivan
President & CEO

a load controller already built into it. This allows immediate plug-in but delays charging to when costs are low. In fact, WH is so committed to delivering best-in-class EV charging solutions to our members that we made an equity investment in charging company ZEF Energy.

HERE WHEN YOU NEED US IN THE COMMUNITY.

Amid a pandemic and lock downs, we recognize WH needed to play a more important role than ever before in keeping our local communities supported and connected. So, consider:

- In 2020, through Wright-Hennepin Trust (Operation Round Up), WH contributed more than \$202,000 to 54 charities, non-profits and local community groups. Operation Round Up is funded by our members, who voluntarily round up their bills each month in order to give back to those in need.
- With so many public events closed or canceled, WH also went the extra mile to keep our membership connected with virtual events. So, we hosted an ice cream truck at four local daycares, held online bingo with special prizes, and conducted a holiday coloring contest for kids. Our Annual Meeting was held live but was restructured to limit attendance to protect the health and safety of all.

In the end, **"Here when you need us" means you come first.** Despite the pandemic and all the resulting dislocations, at WH, our membership remains the thriving, beating heart of everything we do. And with your continued help and support, we'll continue to be here when you need us long into the future!

As always, thank you for your business!

Erick Heinz,
Board Chair

Tim Sullivan,
President & CEO

Energy initiatives

Two ways to save on electric vehicle charging

Storage Charge: Allows charging for eight hours a day at a discounted rate.

Time-of-Use: Allows charging any time of day with a varied discounted rate based on time.



Reduce your carbon footprint with Solar and Renewable Choices

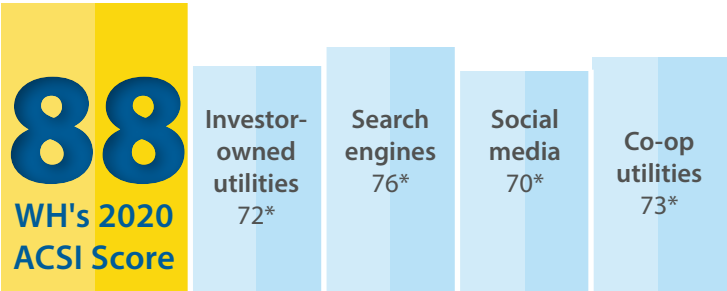


Solar Choice: Offsets an amount of your electric bill with a fixed solar rate.

Renewable Choice: Allows WH to match 100% of your energy consumption with Renewable Energy Credits generated by renewable resources.

Service performance

WH is committed to offering valuable products and services. This commitment is demonstrated in returned capital credits, high member satisfaction scores and excellent reliability. More information can be found on our website at whe.org.



WH uses the American Customer Satisfaction Index (ACSI) survey questions to collect your feedback.
**Data from 2020 ACSI Industry Reports*

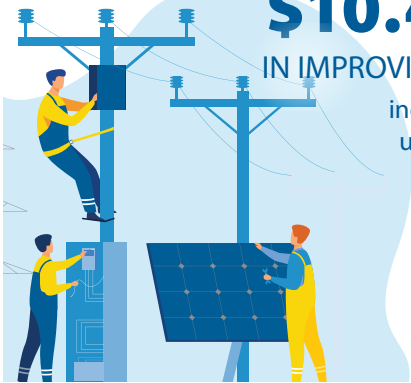
IN 2020, WH RETURNED \$6.3 million IN CAPITAL CREDITS

Capital credits are remaining margins returned to members after WH uses the capital to offset the cost of providing services.



IN 2020, WH INVESTED \$10.4 million IN IMPROVING GRID RELIABILITY

including a new substation, upgraded poles and wires, transformers and more!



WH's Board of Directors



82,851 INCOMING CALLS ANSWERED

WH received 82,851 incoming calls in 2020. WH addressed members' questions and concerns and established service for 1,074 new accounts.

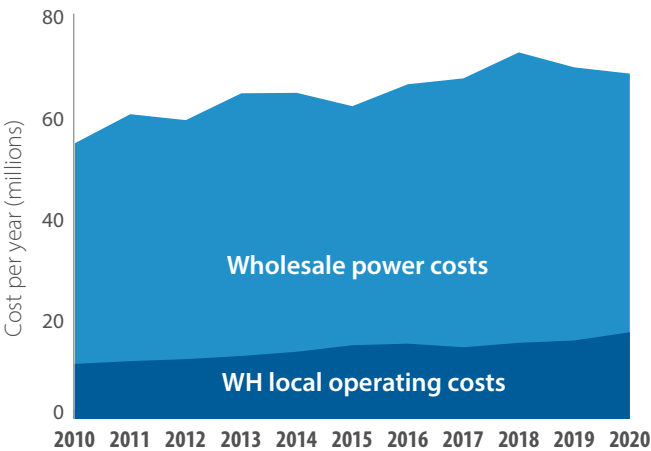


Operating performance

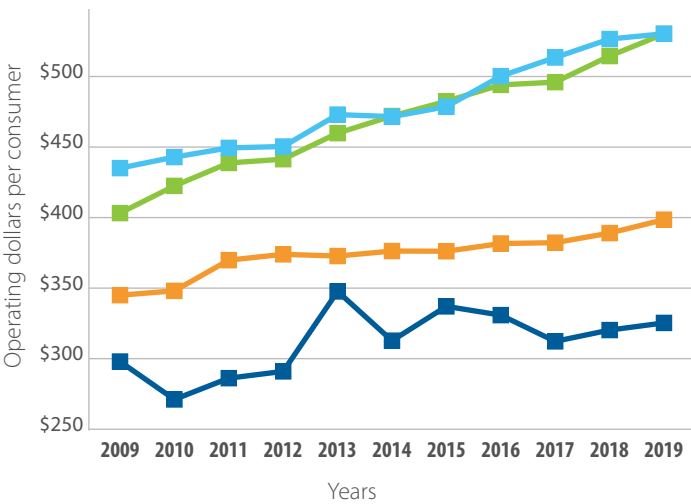
LOW OPERATING COSTS MEAN YOU SAVE BIG

WH continues to keep operating costs below state and national benchmarks by implementing technology and process improvements which allow us to pass the savings on to you, the member-owners of the cooperative.

WH wholesale power and operating costs



Keeping operating costs low

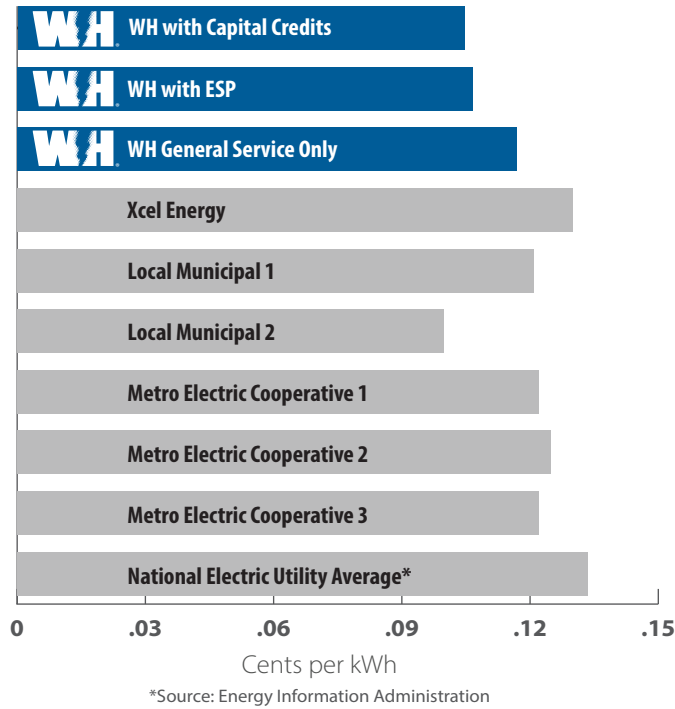


WH Median of all MN electric cooperatives Median of all U.S. electric cooperatives Median of all U.S. electric cooperatives of same consumer size

Competitive performance

2020 RESIDENTIAL RATES REMAINED COMPETITIVE

Part of WH's mission is keeping rates competitive. WH takes this mission seriously, as the graph below demonstrates. When compared with other electric utilities and cooperatives, WH keeps rates low. Members can save even more on power with WH's Energy-Saving Programs (ESP). The graph below shows how WH compares to state and national averages.

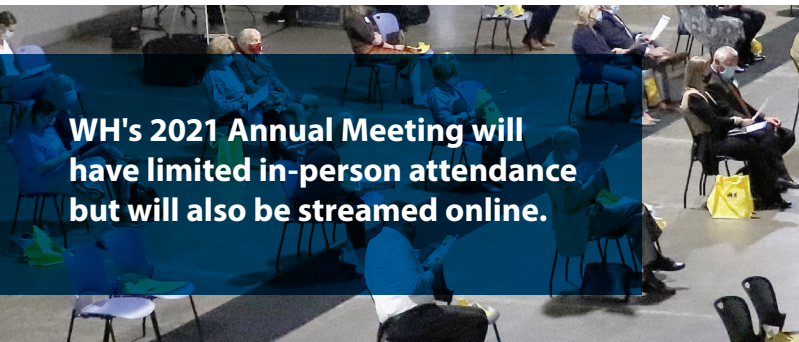
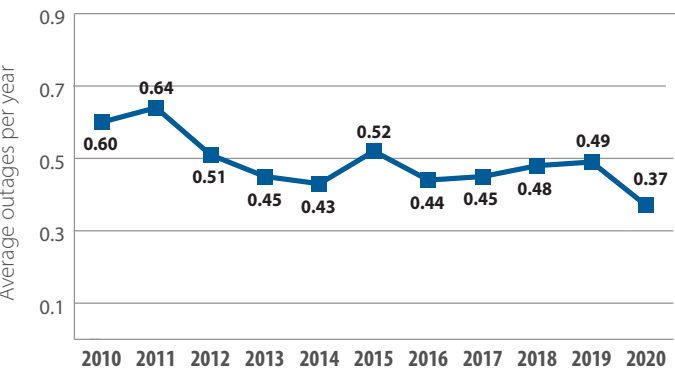


Reliability performance

WH PROVED RELIABLE AGAIN IN 2020

In a year when many of us worked or went to school from home, reliable power was essential. In 2020, WH's electric service once again proved reliable. Power was on for all members across our service territory on average for 99.99% of the year. We continue to improve our distribution system in order to achieve top 10% performance in reliability among cooperatives

Members averaged <1 outage over two years



WH Holding products and services

WH owns multiple subsidiary businesses, which are separate from the electric operation. These businesses keep costs down by generating profits and eating costs that offset the retail price of electricity for WH members. WH Holding is the legal umbrella under which these businesses reside, protecting the electric cooperative's not-for-profit status.

WH Holding

In 2020, WH Holding **absorbed almost \$1.5 million** in cost allocations, which equals about **\$33 A YEAR IN SAVINGS FOR EACH WH MEMBER.**

WH Appliance Repair

WH Appliance Repair supplies service technicians to fix major appliances when needed and helps provide protection from large, unexpected appliance repair bills.



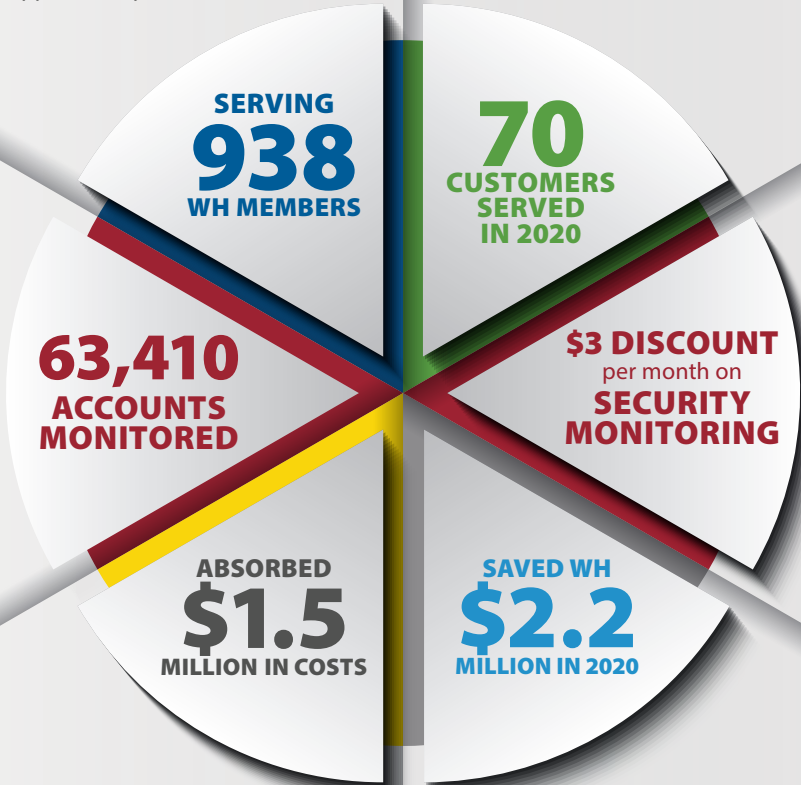
WH Tree Services provides tree trimming, shaping and removal, stump removal and emerald ash borer treatments.

WHIRC

WH International Response Center (WHIRC) provides around-the-clock wholesale home security monitoring services to customers across the United States.

WH SECURITY

WH Security provides retail security alarm systems and monitoring services to thousands of homes and businesses in Minnesota and Wisconsin, including 3,538 WH members.



WH Holding

WH Holding is the legal umbrella under which these businesses reside, protecting the electric cooperative's not-for-profit status.

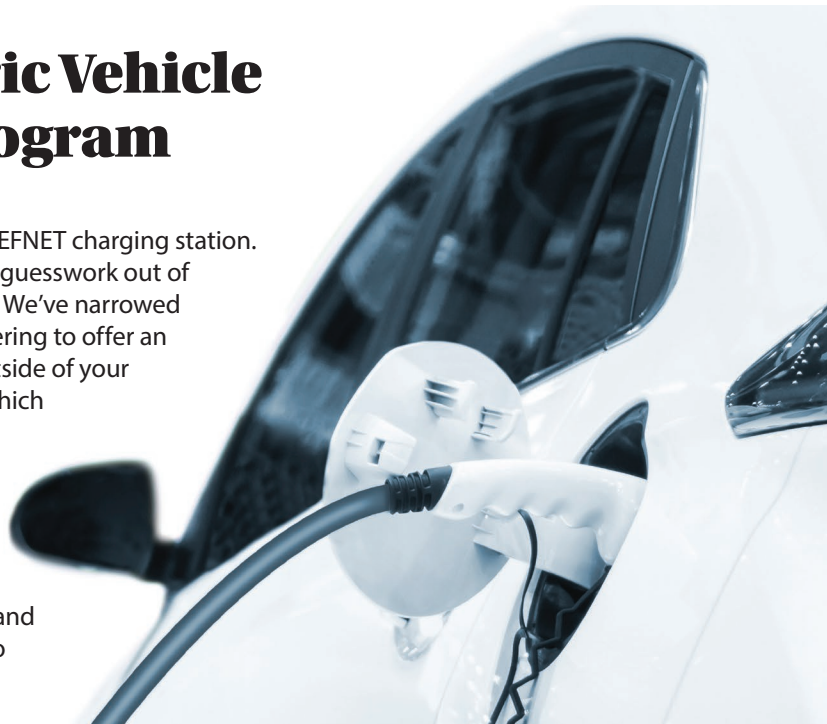
WH Generation

WH Generation offers turn-key installation of on-site electric generators for commercial members.

Save with WH's Electric Vehicle Storage Charging Program

Save up to \$1,000 in rebates when you purchase a ZEFNET charging station. WH has partnered with Energy Wise MN to take the guesswork out of purchasing an electric vehicle (EV) charging station. We've narrowed it down to our top three options with onboard metering to offer an installation that does not require a meter on the outside of your home. Your electrician will help you to determine which model will fit your home's electrical structure and capabilities. Visit the Energy Wise MN Store to purchase a charging station.

When you purchase the ZEFNET charging station, which is compatible with all plug-in vehicles, you can sign up for WH's EV Storage Charging Program and take advantage of our rebates. Call (763) 477-3000 to learn more on how to save.



LEVEL 2 EV Charging Station Options



Available at energywisemnstore.com. Prices listed above reflect the online purchase agreement.

Up to \$1,000 in rebates

when you purchase a ZEFNET charger and join the EV Storage Charging Program



An EV may be the correct choice for you right now if...

- You travel less than 300 miles in a day
- You have off-street parking
- You don't take long road trips regularly

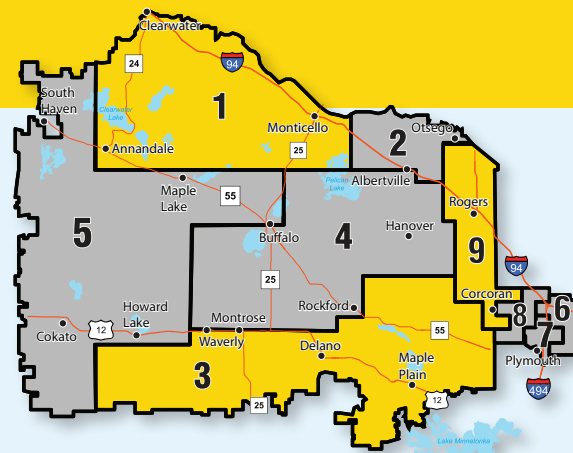
EVs are a great opportunity to save money and improve the environment. WH has several charging programs for you to choose from for your battery electric vehicle. **Learn more on our website at whe.org.**



DIRECTOR ELECTION

Districts 1, 3 and 9

Wright-Hennepin's (WH) electric service territory is divided into nine districts, each of which is represented by a board member. The members from each district elect their own director to serve on WH's board. Directors meet monthly to provide financial and operational oversight, establish policy and rates, and represent members' voices in the cooperative's operations.



Two candidates for District 1



Brian Hudgins
DISTRICT 1

Brian Hudgins is running for director in District 1. Brian and his wife, Alicia, have two children. They live in Monticello and have been members of WH for 1.5 years.

Hudgins has been the senior district sales manager at American Honda Motor Company for the past 8 years.

He works in the power equipment division where he is responsible for growth for both consumer and industrial dealers. He reviews past sales data with dealers and develops sales plans. He has been recognized as a leading lawn and garden regional sales manager, as well as a top regional sales manager in the snow blower program. Brian previously worked as the business development manager for Conseco Insurance Company.

Hudgins is a Council member for the city of Monticello, a member of the National Rifle Association and an alumni of the Delta Sigma Pi Professional Business Fraternity. He earned bachelor's degrees in both business management and human resource management from Indiana University.

"In this quickly changing energy supply market I will work with my fellow board members and WH management to effectively and efficiently move forward to ensure continued success for the members of the Co-op."



Timothy Young
DISTRICT 1

Timothy Young, Annandale, is the incumbent director in District 1. A Wright-Hennepin member for 42 years, he has served as a WH director since 1997, as board vice-chair since 2015, and as board chair of WH Holding Company since 2016. He and his wife, Nancy, have three children and five grandchildren.

Young is a retired attorney. He has been appointed by the courts as a condemnation commissioner in over 30 cases, including five in 2020. Young is a former Annandale School Board Member and an Army veteran with a Bronze Star for service in Vietnam.

"Only a few years ago, Wright-Hennepin had but one power supplier — Great River Energy. Today, we enjoy the economic and environmental benefits of several, diverse power sources."

"Our rates are stable and consistently less than Xcel. We've gone from approximately 5% renewables in 2012 to an estimated 53% come 2024, with more on the way."

"I am proud of these successes and would be humbled to receive your vote to continue the pursuit of safe, reliable, competitively priced, renewable power."

WH Mission

We deliver the power, products and competitive pricing essential for improving the quality of life of the members and communities we serve.



Twenty-one candidates for District 3



Pat Bakeberg
DISTRICT 3

Pat Bakeberg is running for director in District 3. Pat and his wife, Joanna, live in Waverly. They have two children and have been

members of WH for 20 years.

Bakeberg is a self-employed co-owner of Goldview Farms, with his parents and wife. He performs all related management decisions to owning and operating a successful dairy and crop farm including record management, equipment maintenance, and communicating with vendors, while keeping up to date with new regulations, products and requirements. Bakeberg is also a co-owner and operator of Hammer Down Custom Chopping LLC. He is involved in all business-related decisions, scheduling and equipment updates. He also helps with record management, invoicing, financial bookkeeping and maintaining an established customer base.

Bakeberg is a board member of the Associated Milk Producers, board member and treasurer for the Wright-Carver Breakfast on the Farm, secretary of the Wright County American Dairy Association and is involved in several other organizations. He studied farm business management at Ridgewater College.

"Through my past experiences I am focused on meeting the challenges a WH Director may face, while ensuring members receive reliable power and services at a competitive rate."



Gerald Brockman
DISTRICT 3

Gerald Brockman is running for director in District 3. Gerry and his wife, Jennifer, live in Orono and have been members of WH for 16 years.

Brockman is a strategically focused executive with proven success building and leading high-performing teams in the areas of corporate strategy, finance and operations. He has a broad range of experience, having worked at Northwest Airlines, Yellow Freight, UnitedHealth Group and as an equity research analyst with Credit Suisse. He currently works for Warehouse Specialists, as senior vice president, corporate strategy and as a co-president/co-owner of a joint venture Belden View Capital. In the SVP role, he is responsible for identifying strategic, value-creating opportunities to drive profitable growth for one of the largest, privately held logistics companies in the U.S.

Brockman holds an MBA in finance from New York University's Graduate School of Business Administration. He holds a bachelor's degree in computer science from Colgate University in New York.

"I believe my broad and solid business background will help me ensure WH will continue to provide safe, reliable energy in a cost-efficient manner to meet the vast needs of our members during these dynamic and challenging times."



Steven Bell
DISTRICT 3

Steven Bell is running for director in District 3. Steven and his wife, Jane Kline, live in Mound and have been members of WH for 30 years.

Bell is an attorney with entrepreneurial, managerial, financial and legal experience. He works as a senior contracts specialist for the education division at Best Buy, where he is in charge of all contract review and negotiation. He previously worked as general counsel and chief financial officer for Multibrand Corporation where he was in charge of accounting, employment, real estate and litigation matters. He has run several small businesses and is a published author. Bell is skilled at managing change and reinventing businesses. He has a collective 30 years of service on corporate boards.

Bell has a bachelor's degree in English from the University of Minnesota and earned a Juris Doctor from William Mitchell College of Law in Saint Paul.

"The energy industry, like most industries, is facing a multitude of challenges. As a WH director, I will utilize my significant business experience to help meet those challenges and guide the organization to continue to be a reliable, cost-effective provider of energy sources, including green alternatives, to its members."



Chris Carlson
DISTRICT 3

Chris Carlson is running for director in District 3. Chris lives in Minnetrista and has one child. He has been a member of WH for 10 years.

Carlson has owned his own powder coat painting business, Modified Enclosures, since 1997. He builds and designs industrial controls as needed. Customer-driven changes often meant the business had purchased items that could not be returned. Because of this, Carlson also became an eBay seller to move accumulated items. He now sells over 4,000 items and has a 12,000 square foot warehouse to sell his and his customers' surplus industrial equipment.

Carlson previously worked at an industrial controls business, where he worked his way to become half-owner. He built and designed industrial control systems for the food, petrochemical and material handling industries. Clients included 3M and General Mills.

Carlson attended NEI College of Technology in Columbia Heights. He spent many years volunteering with his son's school sports.

"As a Wright-Hennepin board member I would look to find the right balance between value to customers and the needs to maintain and or improve the association's infrastructure."



Otte Boersma
DISTRICT 3

Otte Boersma is running for District 3 Director, having been a member of WH for 21 years. He lives in Minnetrista with his spouse

Don Eubanks Boersma.

Boersma is a retired commodity trader/merchant. He spent 37 years working in various risk management and trader positions at Cargill. He created Value-at-Risk and stress models for the Commodity Risk Management Group, which trades in cash, futures, and options on cash and futures. He also worked in Cargill's Petroleum, Natural Gas, and Electricity Groups, creating workable models to calculate Value-at-Risk and stress tests. Before retiring, Boersma served as an independent contractor for the Merchant Commodity Fund, a commodity hedge fund now based in the United Kingdom. He oversaw the risk process, calculated stress test scenarios, and chaired the Risk Committee.

Boersma holds a bachelor's degree in International Relations from the University of Minnesota.

"The recent Texas electricity debacle shows us the short-sightedness of focusing solely on price. I will work to assure our customers that we have a stress-tested system that prevents a disaster caused by our summer and winter weather events yet providing service and value for WH customers."



Daniel Geiger
DISTRICT 3

Daniel Geiger is running for director in District 3. Dan and his wife, Julie, live north of Watertown in Woodland Township and have been members of WH for 15 years.

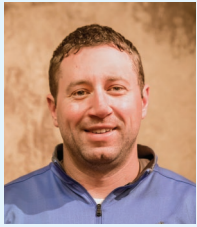
Geiger is retired with 25 years of experience in the electric utility industry. He worked for Great River Energy and Heartland Engineering Services as a co-op and municipal utility consultant and spent five years as the electrical director for the City of Chaska. Dan and Julie sold organic vegetables through Prairie Sun Farm, LLC, from 2009-2015.

Geiger served on the National Rural Electric Association's (NRECA) Substation Subcommittee and visited with federal and state legislators to discuss matters pertinent to the electrical utility industry. He's a member of the Watertown Lions, a former board member of Harvest Moon Natural Foods Cooperative, former Watertown City Council member and is part of the Crow River Sustainable Farming Association. He earned a bachelor's degree in Electrical Engineering from the University of Minnesota and is a licensed professional engineer.

"The electric cooperative we belong to provides a vital service for its members. I look forward to serving those members for a reliable and competitive electric system."

Candidates for District 3 continues

Twenty-one candidates for District 3 *continued*



Steve Heintz DISTRICT 3

Steve Heintz is running for director in District 3. Steve and his wife, Ellie, have two children. They live in Medina and have been members of WH for five years.

Heintz is the owner and president of the CPA firm Heintz & Clark, Ltd in Plymouth. He provides tax and accounting services to individuals and businesses, as well as consulting for clients in the solar industry. He previously worked for the City of St. Louis Park where he managed the finance department as well as created and maintained the city's 10-year long-term financial plan.

Heintz is the treasurer for the Wayzata Boys Basketball Association and also a youth baseball and basketball coach.

"If I am selected to represent the 3rd District, one area I would focus on is future capital planning. I feel it's important to plan not only for the maintenance and replacement of current infrastructure, but also for future needs and growth. As the father of a young family, I can bring a unique perspective that will be representative of the many young families in the area and the vision required to plan for generations to come."



Bridget Honsey DISTRICT 3

Bridget Honsey is running for director in District 3. Bridget, her husband, Dale, and their two children live in Independence and became WH members last year.

Honsey is a professional engineer and program manager for Black & Veatch. She is responsible for client satisfaction, project execution, employee engagement, proposals, budgeting, forecasting and resource allocation. She helped establish the company's regional power delivery office. Honsey has been working in the power delivery industry for 17 years and started her career as a transmission line engineer.

Outside of work, Honsey volunteers for the Greater Twin Cities United Way, Women United, and is a member of the American Society of Civil Engineers. She earned an MBA from the University of Kansas and has a bachelor's degree in civil engineering from Michigan Technological University.

"The importance of good infrastructure management has been at the forefront of recent news. I am excited about the opportunity to use my experience to serve the community and members of WH. If elected, I would work with the cooperative staff and board to keep WH at the forefront of safety, reliability, and value."



Julie Jones DISTRICT 3

Julie Jones is running for director in District 3. Julie grew up on a family farm in Central Minnesota. A desire to return to country living

led Julie and her husband to recently build their retirement home in Greenfield. They previously lived for 30 years in a WH service area in Plymouth, where they raised their two children. Julie enjoys gardening and volunteering at her church.

Julie retired a year ago after working in city government for 32 years. In the various positions she held, she specialized in securing grant funds, managing special projects, helping businesses navigate land use expansion projects, and long-range planning. In 2019, she received a Lifetime Achievement in Public Service Award from Hamline University's School of Business. Last year, she served on the Plymouth Planning Commission before moving to Greenfield.

"As more and more aspects of our homes and businesses rely on technology, an uninterrupted supply of electricity is more important now than ever before in our history. I hope to bring my long-range planning experience to the WH Board to ensure we are not only planning for our current electric needs, but also electric demands of the future."



Andrew Loder DISTRICT 3

Andrew Loder is running for director in District 3. Andrew and his wife, Marci, have two children. They live in Independence and have

been members of WH for 17 years.

Loder is the President of the Wilbur-Ellis Nutrition Division, which provides innovative products and services to pet food, livestock and aqua feed manufacturers globally. He has led overall business operations, strategy and merger and acquisition efforts. He previously worked for Cargill, where he held several vice-presidential roles over the course of 33 years working in animal nutrition and corporate ventures.

Loder volunteers as a board member for the Orono Basketball Boosters. He earned his master's degree in business from the University of Minnesota, Carlson School of Management, and holds a bachelor's degree in ag engineering from Cornell University.

"I have long admired WH and the impactful and innovative way it has provided an invaluable service to our community. If elected, I will work with board members and WH management to understand and meet the challenges facing the cooperative to ensure we can continue to provide reliable power at a competitive rate for future generations."



Dennis Lonergan DISTRICT 3

Dennis Lonergan is running for director in District 3. Dennis and his wife, Monica, have two children. They live in Long Lake and

have been members of WH for 30 years.

Lonergan is the chief science officer at The Sholl Group II, where he has worked for the past 14 years. He develops, patents and markets technologies that will enable new business ventures. He also consults on new technology-intensive projects for major food companies. He previously worked as technology director for General Mills and Pillsbury, in the dough and cereal sections. Lonergan has been granted more than a dozen patents.

Lonergan holds a PhD in food science from the University of Wisconsin, where he also earned master's degrees in civil engineering and water resources management.

"As a WH Director my focus would be on providing reliable, affordable and environmentally sustainable power."



Andrew Mayer DISTRICT 3

Andrew Mayer is running for director in District 3. Andrew and his wife, Ann, have three adult children. They live in Hamel and have

been WH members for one year.

Mayer works as the chief information officer and vice president of information technology for Spartronics, a manufacturer of life-sustaining and mission-critical products for the medical, defense and aerospace industries. Mayer collaborates on the strategic direction for the company and assesses potential business acquisitions. He is the former director of information technology at Control Techniques (formerly Emerson Electric), where he managed IT resources and budget, developed standards and leveraged services across business units.

Mayer is the former president of his homeowner's association and was a volunteer youth soccer coach for 10 seasons. He earned a bachelor's degree in electrical/computer engineering from Marquette University and a Master of Business Administration from the Washington University Executive MBA program in Saint Louis.

"If elected, I will support the transition to sustainable energy while providing the best value for electricity and services to the WH members. And I will take pride in the continued support of the member community."

Twenty-one candidates for District 3 *continued*



Mary Morrison DISTRICT 3

Mary Morrison is running for director in District 3. Mary and her husband, Clint, live on a small farm in Medina and have been

members of WH for eight years. They have four adult children.

Morrison is a retired attorney. She practiced law as a partner with several major Twin Cities law firms, and specialized in providing legal services to a wide range of nonprofit organizations and consumer cooperatives. Morrison has served on the governing boards of numerous charitable organizations in Minnesota and currently serves on the Parks Commission of Medina.

In her free time, Morrison enjoys riding her horse, hiking, biking, gardening, reading, and many outdoor activities. She is an active member of several local organizations. Morrison earned a Juris Doctor from the University of Chicago Law School and a bachelor's degree from Lawrence University in Wisconsin.

"As a WH director, I will work to ensure that our members continue to receive dependable, affordable electrical services while the cooperative meets the challenges of a changing industry in a smart, efficient way."



Steven Pinney DISTRICT 3

Steven Pinney is running for director in District 3. Steve and his wife, Jessie, have three adult children. They live in Minnetrista and have

been members of WH for 13 years.

Pinney is retired, but has years of experience in board of director positions. He has 39 years of experience in processing, manufacturing, mining, co-generation, environmental services, safety, procurement and supply chain. He previously worked for The Mosaic Company and Cargill with roles including Senior Vice President and Vice President of Operations. Pinney has demonstrated experience in governance both inside businesses and in the community, including an appointment by former Florida Governor Jeb Bush to serve as Commissioner of the Tampa Port Authority. He served two stints as Interim CEO for construction companies to close out his full-time working career.

Pinney attends Bethel United Methodist Church in Mound. He has a bachelor's degree in chemical engineering from the University of Minnesota.

"As a WH director, I will use my extensive past experiences, as a starting point, to work with WH management and the rest of the board to anticipate, understand and meet the challenges facing WH going forward."



Jay Novak DISTRICT 3

Jay Novak is running for director in District 3. He and his wife, Jennifer, live in Medina and have been members of WH for 16

years. Novak is the treasurer and a trustee of Hamline University, an advisor to a cyber-security company, and director of a business accelerator that houses 54 life-science companies.

His career has combined finance, publishing, and public service. He has been Senior Vice President of two investment-banking companies, finding merger partners and financing for manufacturing, technology, and consumer-products businesses. He was publisher and editor of Twin Cities Business magazine for nine years. During the second term of Governor Arne Carlson, he served as Commissioner of the Minnesota Department of Trade and Economic Development.

Novak has served on more than two dozen boards of companies, nonprofit organizations and government agencies. Among those he has chaired are the Minnesota Agricultural and Economic Development Board and the Minnesota Public Facilities Authority. He is a graduate of the University of Minnesota. He was inducted into the Minnesota Business Hall of Fame in 2010.

"The priorities of Wright-Hennepin should be reliability, reasonable rates, and carefully balancing member rebates with investment in co-op owned enterprises."



Margie Ritter DISTRICT 3

Margie Ritter is running for director in District 3. Ritter's professional experience includes being a business owner and working in the

electric utility industry with Minnesota Power for 28 years. She worked as a chemist, operations trainer, and special projects manager. Ritter later moved to power operations where she worked and trained with transmission and distribution as the utility moved into the MISO marketplace.

For 24 years, Ritter and her husband, Scott, have run the Decorated Apparel Expo, the largest trade show for the screen printing, embroidery and garment decorating industry in the Midwest. She has been a city council member and was chair of the Grand Rapids Area Chamber of Commerce.

Ritter holds a master's degree in organizational management from Concordia College of Saint Paul. She is a member of the Parish of St. Maximilian Kolbe.

"I have been very impressed with the service and commitment of WH since moving to the area 2 years ago. If elected, I will use all of my past experiences and abilities to serve the members of the cooperative and assist management as we face a changing landscape in the electric industry."



Robert Nye DISTRICT 3

Robert Nye is running for director in District 3. Bob and his wife, Tricia, have two children. They live in Medina and have been

members of WH for 29 years.

Nye is Chief Administrative Officer for Verdant Technologies where he oversees all human resource and administrative matters. He is responsible for IT, risk management and safety. He previously owned an HR consulting firm and spent 30 years as the Vice President of Human Resources for Holiday Companies. At Holiday, Nye led the HR function through highly successful growth and numerous acquisitions and divestitures. Additionally, he managed corporate facilities, petroleum transportation, media relations and corporate flight operations. Holiday is one of the top C-store chains in the U.S.

Nye is on the leadership committee of the Human Resources Executive Council and is past president. He previously served on the board of his homeowner's association and is a past member of the Fidelity Investments Client Advisory Board.

"I am eager to assist the WH Board and management of this fine organization to advance the objectives and continue to fulfill its mission statement. I believe my broad experience and business acumen can be of substantial service to the cooperative."



Chris Ritts DISTRICT 3

Chris Ritts is running for director in District 3. Chris and his wife, Susan, have one child. They live in Maple Plain and have been

members of WH for more than 35 years.

Ritts has worked as an attorney in private practice in Minnesota and Wisconsin for more than 30 years. His focus areas have been civil and criminal litigation, where he has represented both plaintiffs and defendants. His primary practice focuses are personal injury, insurance, employment, contract and criminal law. He has extensive trial and courtroom experience, as well as background in negotiation. He is currently a partner and shareholder at Ritts & Associates, P.A. in Minneapolis.

Ritts has served as an Arbitrator for the American Arbitration Association and volunteers for the Arbor Day Foundation. He graduated from Hamline University School of Law. He volunteers his time teaching and mentoring law students from Hamline and St. Thomas Universities of Law.

"I look forward to serving the community to help maintain economical energy and searching for renewable sources."

Twenty-one candidates for District 3 *continued*



Joseph Schneekloth
DISTRICT 3

Joseph Schneekloth is running for director in District 3. Joseph and his wife, Suzanne Jones, live in

Independence and have been members of WH for 2 years.

Schneekloth is an experienced business operations consultant with a history of working in the financial services industry. He is the treasury analyst for SunOpta, where he is responsible for corporate cash management. He manages debt structure including utilization of asset-backed loans totaling \$400 million. He also manages different business lines to maintain liquidity and financial readiness. Schneekloth previously worked as a treasury advisory consultant for Elire, a globally renowned financial services firm. He advised best practices for the domestic and global treasury team and created cash forecasting dashboards for maintaining over \$1 billion in reserves.

Schneekloth holds a bachelor's degree in corporate finance from the University of St. Thomas.

"As a WH Director, I will draw on my financial experience to responsibly advise and lead the cooperative in the coming years, and am committed to creating a viable and competitive economic plan for the future benefit of all members."



Amy Stelling
DISTRICT 3

Amy Stelling is running for director in District 3. Amy and her husband, Mark, have two children. They have lived in District 3 for 3-years

with a plan to build their future here.

Stelling is an experienced executive with organization-wide responsibility including financial oversight and worldwide customer support. She has 8-years of boardroom experience including four as a board member. She previously worked as CEO and president of Enviance Software (now a Cority company), an environmental, health and safety software provider offering utilities and other enterprises technology solutions. Prior to Enviance, Stelling was with Twin Cities based HighJump Software for 12-years, holding several positions including division general manager.

Stelling has a bachelor's degree in business administration from the University of Wisconsin-Eau Claire. For the past year, Stelling has been an independent consultant, and she is a member of Westonka Hilltop PTA.

"Our need for a reliable electric grid that will scale with growing demand and provide power at a competitive rate is paramount. I hope to have the opportunity to use my experience to serve our community by making financially sound and feasible short and long-term planning decisions to prepare WH for future demand."



Philip Wentzel
DISTRICT 3

Philip Wentzel is running for director in District 3. Philip and his wife, Danielle, have four children. They live in Corcoran and have been

members of WH for 14 years.

Wentzel is a finance professional with more than 25 years of experience in a broad range of finance functions. He is semi-retired and has held numerous vice-presidential accounting and finance positions for Ameriprise Financial over 25 years. He regularly produced and analyzed information, and provided advice used for decision making by senior executives. Wentzel has implemented new accounting rules for deferred acquisition costs, handled cash flow planning and led the annual and long-range planning processes.

Wentzel is a board member/secretary of Beautiful Savior Lutheran Church in Plymouth. He volunteers with the Aquajets Swim Club in Eden Prairie. He has a bachelor's degree in accounting from Bemidji State University.

"As a Director, I would draw upon my auditing and finance experiences, including auditing a public electric and gas utility and extensive leadership of both operating and strategic planning activities, to help ensure that the mission and vision of WH are fulfilled."

Two candidates for District 9



Pam Crawford
DISTRICT 9

Pam Crawford is running for director in District 9. She lives in Corcoran with her husband, Rod. They have two children and became WH members last year.

Crawford is an innovative marketing professional with more than 20 years' experience. She spent 11 years

with the University of Kansas Health System and Cancer Center where she developed and executed annual communications plans and provided strategic communications counsel. While there, Crawford spearheaded a partnership with Panera Bread for breast cancer awareness. She earned national media exposure for colon cancer awareness and produced an award-winning Facebook Live series offering cancer care expertise and information.

Crawford is a member of Partner's in Policymaking – the Minnesota Governor's Council on Developmental Disabilities. She is an advocate for the Downs Syndrome Association of Minnesota and GiGi's Playhouse Twin Cities. Crawford holds a bachelor's degree in journalism from the University of Kansas.

"As a WH Director, my top priority will be to listen to members of the cooperative and ensure they receive the best value for safe, reliable power. As an advocate for individuals with developmental disabilities, affordable power and a modern quality of life is important for everyone."



Erick Heinz
DISTRICT 9

Erick Heinz, Corcoran, is the incumbent director in District 9. He has been a Wright-Hennepin (WH) member for 34 years and has served on the board of directors for 21 years. He and his wife, Teresa, have three children and 14 grandchildren.

Heinz has been a self-employed farmer for 39 years raising beef cattle and crops. He also worked as a Mycogen seed corn sales representative and provides snow plowing and truck hauling services. Heinz has served on the boards of the Hennepin County Farm Services Agency, Hennepin Co-op Seed Exchange, Hennepin County Dairy Herd Improvement Association, the Hennepin County American Dairy Association and the Great River Energy Board. He is a lifelong resident of the Corcoran area and is a member of the Mary Queen of Peace Catholic Church. Heinz has completed the "Certified Cooperative Director" course, the "Board Leadership" course and the Director Gold Program. Heinz is currently serving as Chairman of the Board of Directors for WH.

"I have enjoyed representing District 9, and if re-elected I will work with board members to keep retail electric rates stable and reliable in these changing times and environmental uncertainty."

Board Recommends Approval of Restated Bylaws

The Board of Directors is proposing revisions to WH's Bylaws. The sentences with lines under them are recommended additions. The sentences with strikeouts indicate recommended deletions. The right hand margin provides a brief explanation of the Board of Director's recommendations.

Over time, modifications to Bylaws are necessary to comply with changes that have occurred in the law, to modernize archaic language, to simplify language where possible, and to provide for efficiencies of operation to the Cooperative. At this year's annual meeting, the Board of Directors is recommending various revisions to the Bylaws to accomplish the above goals and to address contemporary business issues.

Members are asked to approve the Bylaws with one vote. Bylaws ballots will be mailed to all members the week of March 29, 2021. Voting will conclude April 15, 2021, with the results provided during the business meeting.

Proposed Bylaws Changes

RECOMMENDATIONS

SUMMARY STATEMENT OF REVISIONS IN THE RESTATED BYLAWS OF WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION

General Comment: The intent of the Restated Bylaws is to comply with changes that have occurred in the law, to modernize archaic language (including elimination of gender specific references), to simplify language where possible and to provide for changes that will facilitate a more efficient operation of the Cooperative. The specific changes outlined below will address the substantive changes in the Bylaws.

2021 RESTATED BYLAWS

ARTICLE I MEMBERS

Section 2. Membership.

No person may have more than one membership in the Cooperative. Persons may hold a joint membership in the Cooperative. Upon the death of either joint member, the joint membership shall be converted to an individual membership, and all capital credit rights shall transfer to the surviving joint member or members automatically. However, the estate of the deceased joint member shall not be released from any debts or liabilities to the Cooperative.

The Cooperative may suspend a membership if a member temporarily ceases using Cooperative service as determined by the Board, upon request of a member, when a landlord member transfers bill payment responsibility to the landlord's tenant of landlord's electric service, or for other good cause. Upon suspension, a member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as provided in these bylaws.

Section 4. Dispute Resolution.

~~All disputes, claims, or controversies ("disputes") between a member and the Cooperative arising from or related in any way to the Cooperative's provision of electricity or other services, its furnishing of any goods, or in its conduct of its operations, other than disputes relating to the payment for electrical energy provided by the Cooperative, that are not resolved by agreement of the parties shall, at the request of any party, be resolved by binding arbitration by a single arbitrator. Arbitration shall take place in Rockford, Minnesota or as close to this location as possible. The selection of the arbitrator and all arbitration rules and procedures shall be determined pursuant to the Uniform Arbitration Act in Minnesota Statutes §§ 572B.01-572B.31, or any successor provisions; and pursuant to any additional written procedures to be established from time to time by the board of directors. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative. Any and all disputes, claims, or controversies arising from or related in any way to the Cooperative's provision of electricity or other services, or in its furnishing of any goods, or in the conduct of its operations, other than disputes or claims relating to the payment for electrical energy and/or other services provided by the Cooperative, that are not resolved by agreement of the parties, shall, at the request of either party, be resolved by binding arbitration. In the event the arbitration involves claims of \$100,000 or more, there shall be three (3) arbitrators, one picked by each party and a third selected by the two (2) arbitrators selected by the parties. In the event the dispute involves less than \$100,000, there shall be one (1) arbitrator. If the parties cannot~~

BASIS FOR RECOMMENDATIONS

ARTICLE I MEMBERS

Section 2. The newly inserted language addresses joint membership, deaths of members, and the suspension of membership in certain circumstances.

Section 4. Updated to address dispute resolution for almost all legal matters or disputes between members and the Cooperative and provides guidance on the arbitration process.

Proposed Bylaws Changes

RECOMMENDATIONS

agree on an arbitrator, the determination shall be made by the Minnesota District Court in either Hennepin or Wright County, Minnesota. The arbitration shall take place in either Hennepin or Wright County, Minnesota, or as close to this location as possible, under and pursuant to the rules contained in Chapter 572B of Minnesota Statutes, known as the Uniform Arbitration Act. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota, including the Frye-Mack Standard and not the Daubert Standard with respect to testimony of experts. The cost of the arbitrators and the filing fees shall be shared equally by the parties.

All disputes between the parties must be arbitrated individually, and not through a Class Action.

Each member of the Cooperative, by virtue of their membership, agrees to arbitrate any and all claims or controversies according to these bylaws and the regulations and policies prescribed by the Board of Directors and further agrees to abide by and comply with any arbitration award. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative.

Section 5. Provision of Cooperative Service.

A member shall comply with any reasonable procedure required by the Cooperative regarding the provision of Cooperative service, including, but not limited to, the following:

- (a) Based upon different costs of providing Cooperative service to different groups of members, the Cooperative may charge each group a different rate or price for providing the Cooperative service.
- (b) The Cooperative may construct, operate, relocate, reconstruct, and maintain an above or below ground electric distribution line or system on or under the member's property, and above or below the ground upon all streets, roads, or highways abutting the member's property. The Cooperative may read, inspect, replace, or maintain metering and load management control equipment.
- (c) The Cooperative may inspect and make such repairs, changes, alterations, improvements, removals from, substitutions, and additions to its facilities as the Cooperative may from time to time deem advisable.
- (d) All the Cooperative's lines and facilities shall remain the property of the Cooperative.
- (e) The member shall keep the Cooperative's right of way clear of all buildings, structures, or other obstructions.
- (f) The Cooperative shall have the right to access across the member's property to its facilities from the most readily and accessible public road or driveway for the purpose of maintaining or working on any part of the electric distribution system.
- (g) The Cooperative may cut, trim, and control trees, shrubbery, and other vegetation on the member's property by machinery, by chemicals, or otherwise to the extent necessary to keep the right of way clear for the Cooperative's line or system, and the Cooperative may cut down from time to time all dead, weak, leaning, or dangerous trees that are reasonably determined to be tall enough to strike the wires in falling.
- (h) Member shall comply with the National Electrical Code, all Minnesota laws regulating the installation of electrical wiring and equipment, and such rules and regulations as may be adopted by the State Board of Electricity, and upon request, member shall provide to the Cooperative proper evidence of compliance with permit requirements prior to connection of electric services.
- (i) The member releases the Cooperative from any and all liability of every kind and nature which may occur from member's defective installation or wiring on the member's property or from the member's failure to inspect that wiring or facilities, and member agrees to hold the Cooperative, its employees, and agents harmless from any and all such liability.
- (j) The Cooperative may license, permit, or otherwise agree to the joint use or occupancy of its lines or system, or if any of its system is placed underground, of the trench and related underground facilities, by any other person, association, or legal entity. The Cooperative may permit the attachment of wires of others to the structures of those electric facilities.
- (k) Member agrees that member will not do any act which will interfere with or harm the Cooperative's electrical system.
- (l) The Cooperative may use Cooperative equipment to measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of electric energy used by a member and other data or information regarding the member's use of electric energy.
- (m) Member consents to the Cooperative using an automatic telephone dialing system, or an artificial or pre-recorded voice, to contact the member regarding the member's Cooperative service or the member's use of a Cooperative service.

BASIS FOR RECOMMENDATIONS

Section 5. Language added to address reasonable procedures required by the Cooperative to construct, operate, relocate, reconstruct and maintain distribution lines to help continue to provide reliable power.

Proposed Bylaws Changes

RECOMMENDATIONS

- (n) Member shall pay interest and late fees as reasonably determined by the Board of Directors and all costs, including reasonable attorney collection fees, required to collect or obtain payment of amounts owed but not timely paid to the Cooperative.
- (o) Each member shall indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative director, officer, employee, agent, or representative, and caused by the negligence or willful misconduct of the member or a non-member occupying the same location as the member, or by the unsafe or defective condition of a location occupied by the member.

ARTICLE II MEETINGS OF MEMBERS

Section 2. Notice of Annual Meeting.

Notice of the annual meeting shall be given by the Secretary by publication in a magazine, periodical, or other publication of the Cooperative that is regularly published and circulated generally among members or by publication in a weekly legal newspaper or newspapers published or circulated in the counties where the Cooperative operates at least two (2) weeks previous to the date of such meeting, or by mailing notice thereof to each and every member personally not less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either joint members shall be deemed notice to both joint members. Alternatively, if permitted and as required by law, notice may be given to the members electronically.

Section 4. Notice of Special Meeting.

It shall be the duty of the Chair to cause the Secretary to give notice of the time, place and purpose of a special meeting, either by publication in a magazine, periodical, or other publication of the Cooperative that is regularly published and circulated generally among members or by publication in a legal newspaper or newspapers published or circulated in the counties where the Cooperative operates at least two (2) weeks previous to the date of such meeting or by mailing notice thereof to each and every member personally not less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative with postage thereon prepaid. Such notice shall be issued within ten (10) days from and after the date of the presentation of the written petition mentioned in Section 3 of this Article II, and such special meeting shall be held within thirty (30) days from and after the date of the presentation of such petition. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such annual or special meeting. In case of a joint membership, notice given to either joint member shall be deemed notice to both joint members. Alternatively, if permitted and as required by law, notice may be given to the members electronically.

Section 5. Quorum.

The number of members to constitute a quorum ~~at a meeting of members~~ shall be fifty (50) members present or represented by mail ballot or electronic vote. In case of a joint membership, the presence at a meeting of either or both joint members, shall be regarded as the presence of one member. If less than a quorum is present at any meeting a majority of those present may adjourn the meeting, provided a new notice is submitted, by mail, publication, and/or electronically as permitted by law, mailed to each member specifying the time and place of such adjourned meeting.

Section 6. Establishment of a Quorum.

The attendance of a sufficient number of members to constitute a quorum at any meeting shall be established by registration, mail ballot or electronic ballot of the members shall be established by a registration of the members present at such meeting, which ~~registration~~ shall be verified by the Chair and Secretary and shall be reported in minutes of such meeting. In case of a joint membership, registration of either joint member or both, shall be regarded as the registration of one member.

Section 7. ~~Member~~ Voting.

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon at such meeting ~~in person or by mail~~, except as otherwise provided by law, the articles of incorporation of the Cooperative or these bylaws. Joint members shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

BASIS FOR RECOMMENDATIONS

ARTICLE II MEETINGS OF MEMBERS

Section 2. and Section 4. To clarify and expand the methods by which the Cooperative can provide legal notice regarding the annual and special meetings of the membership.

Section 5. and 6. Allows for registration, mail ballots or electronic voting to be used to constitute a quorum at meetings of members.

Section 7, 8 and 9. To clarify and expand methods by which a member shall be entitled to submit a vote.

Proposed Bylaws Changes

RECOMMENDATIONS

~~No member shall be entitled to vote by proxy; except that W~~ whenever a vote of the members is required or provided for on any matter, including a petition to regulate the Cooperative under the Minnesota Public Utilities Commission or deregulate the Cooperative, as the case may be, the spouse of a member may vote on behalf of the member unless the member has indicated otherwise to the Cooperative. ~~A member shall be entitled to vote by electronic means in accordance with procedures authorized by the Board of Directors on any election, motion, resolution, amendment or any other matter which is submitted to members for a vote.~~

A member shall be entitled to submit a vote at a meeting of the members on any director election, motion, resolution, amendment, or any other matter which is submitted to members for a vote at such meeting by any one (but not more than one) of the following means: (a) in person, (b) by mail, or (c) by electronic means; in all instances in accordance with procedures authorized by the Board of Directors.

Section 8. Voting ~~for Bylaws~~ by Mail.

~~Any member who is absent from For~~ any annual or special meeting ~~of at which~~ the members ~~may will~~ vote ~~by mail~~ upon any motion, resolution or amendment, ~~to be acted upon at such meeting.~~ ~~The~~ Secretary shall mail to each member with the notice of the meeting a ballot ~~marked "Meeting Ballot", which shall be in the a~~ form prescribed by the Board of Directors ~~of the Cooperative; shall~~ containing ~~ing~~ the exact text of ~~the each~~ proposed motion, resolution or amendment to be acted upon at such meeting, ~~; and shall also contain spaces opposite the text of such motion, resolution or amendment in which such member may indicate his/her affirmative or negative vote therein.~~ ~~For meetings at which any Director election(s) will be held, the Secretary shall mail to each member with the notice of the annual meeting a ballot marked "Ballot for Directors", in a form prescribed by the Board of Directors, containing the name, residence, and District of each candidate running for a Director position, the manner by which the candidate was nominated, and listing the candidates alphabetically on the Ballot for Directors. Each Meeting Ballot and Ballot for Directors shall contain a means by which a member may indicate his/her/its affirmative or negative vote on a motion, resolution, or amendment or his/her/its vote for a Director election candidate, and shall specify the date and time by which a ballot must be received by the Cooperative to be counted. Such A~~ member ~~opting to vote by mail~~ shall express his/her/its choice by marking ~~an "X"~~ in the appropriate ~~space area~~ upon such ballot(s) and mail or deliver the ballot(s) to the Cooperative, ~~or to a place designated by the Cooperative,~~ in a plain, sealed envelope inside another envelope bearing the member's name. ~~If a properly completed and submitted ballot of a member is received by the Cooperative by the time on the date of the annual meeting specified by the Board of Directors, the A~~ properly executed ballot shall be accepted and counted as the vote of the ~~absent~~ member at such meeting. ~~Any ballot not properly completed or submitted, or not timely received, shall be invalid.~~ The failure of any ~~absent~~ member to receive a copy of any ~~such~~ motion, resolution, ~~or~~ amendment, ~~candidate slate,~~ or ~~a~~ ballot shall not invalidate any action which may be taken by the members at any ~~such~~ meeting.

Section 9. Voting By ~~Mail For Directors~~ Electronic Means.

~~For any annual or special meeting at which the members will vote upon any director election, motion, resolution, or amendment, or any other matter which is submitted to members for a vote at such meeting, at the discretion and option of the Board of Directors, and as permitted by law, a Meeting Ballot and/or a Ballot for Directors, as the case may be, each in a form prescribed by the Board of Directors, will be made available by electronic means in accordance with procedures authorized by the Board of Directors, including a means by which a member may indicate his/her/its affirmative or negative vote on a motion, resolution or amendment or his/her/its vote for a Director election candidate. The procedures shall specify the date and time by which an electronic ballot must be received by the Cooperative, or its designee, to be counted. If a properly completed and submitted ballot of a member is received by the Cooperative, or its designee, through electronic means by the time on the date of the annual meeting specified by the Board of Directors, the ballot shall be accepted and counted as the vote of the member at such meeting. Any ballot not properly completed or submitted, or not timely received, shall be invalid. The failure of any member to receive a copy of any motion, resolution, amendment, candidate slate, or a ballot by electronic means shall not invalidate any action which may be taken by the members at any meeting. The members shall be entitled to vote by mail for directors as provided in this section. The Secretary shall mail to each member with the notice of the annual meeting a ballot marked "Ballot for Directors" prescribed by the Board of Directors, containing the names and residences of all candidates for director and the manner in which the candidates were nominated. A member who will be absent from the annual meeting may vote by mail for directors by marking on the ballot an "X" opposite the candidate of the member's choice. The member shall return the ballot by mail to the Cooperative in a sealed plain envelope inside another envelope bearing the member's name. If the ballot of the member is received by the Cooperative on or before the date of the annual meeting, the ballot shall be accepted and counted as the vote of the absent member.~~

BASIS FOR RECOMMENDATIONS

Proposed Bylaws Changes

RECOMMENDATIONS

Section 11. Postponement of Meetings of the Members.

In the event of inclement weather or the occurrence of a catastrophic event, natural disaster, pandemic, epidemic, or other good cause, any annual, special, or district meeting of the members may be postponed and rescheduled by the Chair, or in the Chair's absence, by any other available officer of the Board. Notice of the postponement and rescheduling shall be given by the Cooperative in any media of general circulation or broadcast serving the area served by the Cooperative.

ARTICLE III DIRECTORS

Section 2. Qualifications and Tenure.

Members shall be eligible to be nominated or elected or to remain a Director provided that:

- (a) They are a natural person and are purchasing and taking delivery of electric energy at their legal residence from the Cooperative or from an organization furnishing electric power to the Cooperative,
- (b) They have the capacity to enter legally binding contracts;
- (c) They have not been convicted of a felony.
- (d) They are not employed by, materially affiliated with or have a material financial interest in any individual or entity which is:
 - 1. Directly and substantially competing with the Cooperative, or any subsidiaries; or
 - 2. Selling goods and services in substantial quantity to the Cooperative or its subsidiaries; or
 - 3. Possessing a substantial conflict of interest with the Cooperative or its subsidiaries.
- (e) They are not in any way employed by the Cooperative or any of its subsidiaries nor have they been employed by the Cooperative or its subsidiaries within three (3) years of the director's nomination.
- (f) They are not a close relative of any existing Director or existing employee of the Cooperative or its subsidiaries. For the purpose of this section only "close relative" shall mean a person who is either a spouse, child, grandchild, step-child, parent, grandparent, step-parent, brother or sister, by blood or in-law, of the principal.

The Cooperative shall be divided into nine Director Districts with one ~~d~~Director position elected from each ~~d~~District, resulting in a Board of Directors comprised of nine persons. The Cooperative shall stagger Director terms by dividing the total number of authorized Directors (nine) into groups of approximately equal number. Members must annually elect an approximately equal number of Directors. Except as otherwise provided in these Bylaws, a Director's term is three (3) years or until a successor Director is elected or appointed and takes office. A Director's term begins: (1) after the individual consents to being elected or appointed as a Director; and (2) immediately after adjournment of the Member meeting at which elected, or if appointed, at the end of the Board Meeting at which the Director is appointed. A Director's term ends after: (1) a successor Director consents to being elected or appointed as a Director; and (2) immediately after adjournment of the Member meeting at which a successor is elected, or if appointed, at the end of the Board Meeting at which the successor Director is appointed.

A member shall vote for ~~a d~~Directors only in the district in which he/she resides. If a member's legal residence is not served by the Cooperative, then the member shall vote in the district where membership is held. The nominee in each district receiving the highest number of votes cast shall be elected, and in the case of a tie vote, the winner shall be determined by a flip of a coin.

Representation on the Board of Directors shall be apportioned equally among the Director ~~d~~Districts in proportion to the number of members residing in each Director ~~d~~District, commencing in the year 2020. The number of members in any one Director ~~d~~District may not vary by more than ten percent (10%) from the average number of members for the Director ~~d~~Districts. At least once every ten (10) years, first beginning in the year 2020, the Board of Directors shall conduct a survey to determine whether the number of members in a Director ~~d~~District has changed. If the number of members in a Director ~~d~~District has changed by fifteen percent (15%) or more from the then most recent apportionment, the Director ~~d~~Districts shall be changed so that representation of the Board of Directors continues to be apportioned equally throughout the Director ~~d~~Districts in proportion to the membership.

BASIS FOR RECOMMENDATIONS

Section 11. This section permits the Board to postpone a membership meeting in the event of inclement weather, the occurrence of a catastrophic event, natural disaster, pandemic, or other good cause.

ARTICLE III DIRECTORS

Section 2. General cleanup and use of consistent terms.

Proposed Bylaws Changes

RECOMMENDATIONS

Section 8. Director Conduct.

A Director shall discharge his or her duties, including duties as a board committee member:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- (c) In a manner the Director reasonably believes to be in the Cooperative's best interests; and
- (d) Consistent with established board policies regarding Director ethics and code of conduct.

The Board of Directors shall have the power to censure, in such form and to such degree as it deems appropriate, any Director who does not conform to the provisions of this section in the discharge of his or her duties. Such censure may, in the discretion of the Board of Directors, include a recommendation to the membership that the Director be removed from office.

ARTICLE IV MEETINGS OF DIRECTORS

Section 6. Meeting Attendance.

Members of the Board of Directors may participate in a board meeting, special meeting or any lawfully constituted committee, may participate in a special meeting of such Board or any meeting of such committee by means of conference telephone or if authorized by the Board, by such other similar means of remote communication by which all persons participating in the meeting can simultaneously hear each other and participate in the meeting. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE VI DISTRIBUTION OF EARNINGS

Section 2. Patronage Capital in Connection with Delivering Electric Energy.

In the delivery of electric energy from facilities owned by the Cooperative, the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs, and expenses, capital reserves, and/or additional reserves properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs, and expenses, capital reserves, and/or additional reserves at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. In accordance with Minnesota Statutes Chapter 308A (and/or all revisions or replacements thereof), the net income of the Cooperative, except for amounts set aside as capital reserves or additional reserves, shall be allocated on the basis of patronage as provided in the Bylaws. The records of this Cooperative may show the interest of patrons and members in the reserves.

The Cooperative is obligated to pay allocate by credits to a capital account for each member all such amounts in excess of operating costs, and expenses, capital reserves, and/or additional reserves. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

Funds and amounts, other than amounts received and receivable from the furnishing of electric service and in excess of operating costs and expenses chargeable against the furnishing of electric energy ("operating margins"), received by the Cooperative that exceed the Cooperative's costs and expenses ("non-operating margins") may be: (i) allocated as capital credits to members in the same manner as the Cooperative allocates operating margins as capital credits to members; or (ii) retained or used by the Cooperative as non-allocated capital and used to pay or offset any indebtedness, cost, expense, or to establish a reserve. Notwithstanding any contrary Bylaw, and to meet the Cooperative's reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses as the Board of Directors determines advisable ("Reasonable Reserves"). The Cooperative must keep records necessary to determine, at any time, each member's rights and interest in Reasonable Reserves.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rate rata basis. If, at any time prior to dissolution or liquidation, the Board of

BASIS FOR RECOMMENDATIONS

Section 8. New language added to ensure directors are performing required duties and following a reasonable code of conduct.

ARTICLE IV MEETINGS OF DIRECTORS

Section 6. Updated language to allow director participation in required meetings by means of electronic communication such as by telephone conference or video conference.

ARTICLE VI DISTRIBUTION OF EARNINGS

Section 2. This section is updated to maintain consistency with Article III, Section 2 of the Cooperative's Restated Articles of Incorporation and Minnesota Statutes Chapter 308A, the "Minnesota Cooperative Law," each of which permits the Cooperative to set aside a portion of net income and/or non-operating margins as the Board of Directors determines advisable to create or maintain a capital reserve or additional reserves for proper purposes.

Additionally, this section is intended to assist the Cooperative in collecting its debts from members or former members who file for bankruptcy. It provides that the Cooperative has a security interest in and recoupment (setoff) right against each member or former member's allocated capital credits and gives the Cooperative a right to perfect that security interest by filing a financing statement.

Proposed Bylaws Changes

RECOMMENDATIONS

Directors shall determine that the financial condition of the Cooperative will not be impaired, thereby, the capital then credited to members' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. In no event, however, shall any capital be retired contrary to the provisions of any unsatisfied mortgage executed by the Cooperative.

Capital credited to the account of each member shall be assignable as the Board of Directors, acting under policies of general application, shall determine.

The members and patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each member and patron, and the Cooperative and the members and patrons are bound by such contract, as fully as though each member and patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each member and patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

An amount not to exceed one dollar (\$1.00) of capital credits accruing to each member each year shall be used for a subscription to the official cooperative newsletter. The Board of Directors is authorized to pay said subscription annually for each member, charging the amount of the subscription against the capital credited to the account of each member.

The Cooperative shall deduct a reasonable service charge against the capital credits of a member who has not claimed them beginning one year after the capital credits are declared payable. The amount of such service charge shall be based on the current cost of handling the capital credit account of the member.

As security for the full and prompt payment and performance when due of any and all obligations or indebtedness that may be owed by a "patron" (member or former member) to the Cooperative, the Cooperative shall have a continuing security interest in and recoupment claim against the patronage capital allocated to a patron. Each patron authorizes the Cooperative to perfect that security interest by any filing required under the Uniform Commercial Code. Regardless of a statute of limitation or other time limitation, after retired capital credits are allocated to a patron or former patron, the Cooperative may recoup, offset, or set off an amount owed to the Cooperative by the patron, including any services fees, by reducing the amount of retired capital credits paid by the amount owed to the Cooperative.

BASIS FOR RECOMMENDATIONS

Strike-Through = delete Underline = add

NOTICE OF ANNUAL MEETING OF THE WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION

TO ALL MEMBERS:

Please take notice that the Annual Meeting of the members of the above Cooperative will be held at its headquarters in Rockford, Minnesota, at 6:30 p.m. on Thursday, April 15, 2021, to take action on the following matters:

- I. The reports of officers, directors, and committees.
- II. The election of three directors, one from District 1, one from District 3, and one from District 9. In connection with the election scheduled for this meeting, candidates have been nominated pursuant to the Bylaws.
- III. In addition to voting for directors, voting will occur in regard to proposed amendments to the Bylaws.
- IV. Any other business that may come before the meeting or any other adjournments thereof.

Due to challenges associated with COVID, in-person ballots will not be accepted at the Annual Meeting. Ballots properly submitted by mail or electronically will be counted. In the event the Annual Meeting is postponed or canceled, the election of directors and Bylaws voting shall continue. Once certified, director election and Bylaws results will be made available on the Cooperative website and communicated to the membership via email from the Cooperative.

If the meeting is canceled due to inclement weather or for any other reason, the meeting will be rescheduled for Thursday, May 6, 2021.

Dale F. Jans, Secretary

Keep in touch with your cooperative!

Member call center:

7:30 a.m. – 5 p.m., Monday - Friday
(763) 477-3000 or (800) 943-2667

To report an outage:

Dispatchers are available 24/7
(763) 477-3100 or (888) 399-1845

WH Security monitoring:

Security dispatchers are available 24/7
(763) 477-4275 or (800) 858-7811

Website: whe.org

Email: info@whe.org

Facebook: @WrightHennepin

Twitter: @WrightHennepin

Instagram: [wrighthennepin](https://www.instagram.com/wrighthennepin)

YouTube: [WrightHennepin](https://www.youtube.com/WrightHennepin)

*This cooperative is an equal
opportunity provider and employer.*

Financial report

for the years ended December 31, 2020 and 2019

Consolidated balance sheet

ASSETS	2020	Restated 2019
Plant assets		
1 Utility plant	\$ 211,629,962	\$ 207,260,174
2 Construction work in progress	241,742	141,021
3 Total utility plant	211,871,704	207,401,195
4 Less accumulated depreciation	79,285,392	78,072,897
5 Net utility plant	132,586,312	129,328,298
Other property and investments		
6 Investments in associated organizations	\$ 54,654,745	\$ 52,918,421
7 Non-utility property-net	1,799,481	1,866,517
8 Notes receivable	13,087	8,254
9 Other investments	1,584,261	1,298,328
10 Total other property and investments	58,051,574	56,091,520
Current and other assets		
11 Cash and cash equivalents	\$ 17,963,359	\$ 14,276,447
12 Accounts receivable	5,570,325	5,179,290
13 Other accounts receivable	1,485,561	1,371,141
14 Accrued unbilled revenue	6,336,313	6,749,810
15 Materials and supplies inventory	2,067,887	1,678,736
16 Other current and accrued assets	448,430	594,705
17 Total current and other assets	33,871,875	29,850,129
18 Deferred debits	1,901,382	1,986,922
19 Total assets	226,411,143	217,256,869

EQUITY	2020	Restated 2019
Members' equity		
20 Patronage capital	\$ 80,451,413	\$ 82,231,493
21 Other equities	11,907,793	10,376,800
22 Total members' equity	92,359,206	92,608,293

LIABILITIES	2020	Restated 2019
Long-term debt (less current maturities)		
23 RUS notes	\$ 57,761,255	\$ 52,543,306
24 Nat. Rural Utilities Co-op Finance Corp	11,241,212	12,357,594
25 CoBank notes	24,828,696	26,590,241
26 Total long-term debt	93,831,163	91,491,141
Current and other liabilities		
27 Current maturities of long-term debt	\$ 4,735,000	\$ 4,745,897
28 Accounts payable	2,121,459	1,822,567
29 Accounts payable-purchased power	9,679,089	9,685,746
30 Consumer deposits	2,000,765	2,060,692
31 Other current and accrued liabilities	7,989,013	7,561,215
32 Total current and other liabilities	26,525,326	25,876,117
33 Deferred credits	13,695,448	7,281,318
34 Total members' equity and liabilities	226,411,143	217,256,869

Statement of operations

	2020	2019
51 Operating revenues	\$ 107,239,326	\$ 105,183,005
52 Deferred revenues	(5,640,711)	(2,089,244)
53 Cost of power	67,675,604	69,402,046
Local operating expenses		
54 Distribution (operations and maintenance)	\$ 8,732,148	\$ 7,761,184
55 Member accounts and service	4,254,880	3,739,682
56 Administrative and general	4,135,646	3,966,085
57 Total local operating expenses	17,122,674	15,466,951
Fixed charges		
58 Property tax	\$ 2,424,468	\$ 1,961,136
59 Depreciation and amortization	6,473,167	6,110,445
60 Interest on long-term debt	3,356,111	3,521,835
61 Total fixed charges	12,253,746	11,593,416
62 Extraordinary items	-	-
63 Net Operating Margins	4,546,591	6,631,348
64 Conservation improvement program	(456,347)	(468,704)
65 Non-operating margins	642,180	675,612
66 Net operating and non-operating margins	4,732,424	6,838,256
67 Generation and transmission and other capital credits	2,826,792	2,276,101
68 Net margins	7,559,216	9,114,357

Letter to the members of Wright-Hennepin Cooperative Electric Association, Rockford, Minn.

Eide Bailly LLP, an independent certified public accounting firm, has audited Wright-Hennepin Cooperative Electric Association's financial statements for the year ended December 31, 2020. The audit firm has issued their unmodified opinion dated March 8, 2021, on the financial statements. Copies of the audited financial statements are on file at the cooperative's office for inspection.



6800 Electric Drive
Rockford, MN 55373

Hotline Update

MARCH 2021 ANNUAL REPORT FOR WRIGHT-HENNEPIN MEMBERS

Commitment to community

\$4,412,883

Donated to **LOCAL CHARITIES AND ORGANIZATIONS** through Operation Round Up since 1994.



\$743,050

SCHOLARSHIPS awarded to students by WH since 1988.



More than 950

Participants entered our **COLORING CONTEST**, played virtual **BINGO** or received a free **ICE CREAM** treat in 2020.



\$6,830 and 703 toys

Donated to **LOCAL CHARITIES AND ORGANIZATIONS** by WH Make A Difference, the WH employee giving program, since 2018.



Here when you need us.

THURSDAY, APRIL 15, 2021
6:30 – 7 P.M.

The meeting will include director elections for districts 1, 3 and 9, a financial report; WH and WH Holding Board Chair reports and the results of the restated Bylaws vote.

Join WH for the 2021 Annual Meeting



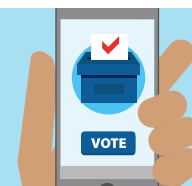
BYLAWS CHANGES

A true act of member governance.



60 MEMBERS

Socially distanced of course.



DIRECTOR ELECTION

Districts 1, 3 and 9.
Who will help shape our co-op's future?

IN PERSON

To attend the in-person event at WH headquarters in Rockford (limited to 60 members), you **must call (763) 477-3000 to register.**

AT THE EVENT

- » Check-in opens: 5:30 p.m.
- » Meeting begins at 6:30 p.m.
- » Member attendance gift: \$20 bill credit
- » Ticket and masks will be required, and social distancing will be enforced.

ONLINE

Watch the livestreamed Annual Meeting! Keep informed with your electric cooperative and have a chance to win big!



HOW TO WATCH

- » <http://vimeo.com/515480733>
- » Check whe.org or social media for the link
- » Hover over the QR code with your phone or tablet camera

Enter for a chance to win one of three \$50 bill credits when you watch online. Entry instructions to be provided during the broadcast.