

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

January 16, 2006

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on January 16, 2006.

Meeting was called to order at 9:00 a.m. by President Lautner.

Present: Terry Lautner, President
Tom Van Pelt, Sr. Vice President
Melinda Lautner, Secretary
John Pope, Treasurer
Bill Hoxie
Laverne Maginity
Wayne Nordbeck
John Olson
Betty Reynolds-Maciejewski
Tony Anderson, General Manager
Pat Barone, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Frank Siepker, Engineering Manager; Mr. Kevin Cragg, Member Services Manager; and Mrs. Yanska, Member Services Field Supervisor, joined the meeting.

President Lautner reviewed the board agenda. Manager Anderson added Ed Koons' letter under New Business. Motion by Mr. Olson, supported by Mrs. Reynolds-Maciejewski and carried to approve the agenda, as amended.

Mr. Hoxie asked to be excused from the February board meeting and was granted an excused absence.

Motion by Mrs. Lautner, supported by Mr. Van Pelt and carried to approve the minutes of the regular board meeting held on December 19, 2005.

Upcoming meetings were discussed -- Wolverine Symposium, 2006 NRECA Annual Meeting, 2006 NRECA Directors' Conference and NRECA Legislative Conference. Final attendance at the NRECA Annual Meeting was discussed. Mr. Hoxie will attend the NRECA Legislative Conference.

The following board members were appointed as voting representatives for the upcoming NRECA Annual Meeting: NRECA - Mr. Olson, voting delegate; Mr. Hoxie,

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alternate; NRTC - Mr. Hoxie, voting delegate; Mr. Olson, alternate; CFC - Mrs. Reynolds-Maciejewski, voting delegate; Mrs. Lautner, alternate; NCSC - Mrs. Reynolds-Maciejewski, voting delegate; Mrs. Lautner, alternate; and Federated - Mrs. Lautner, voting delegate; Mrs. Reynolds-Maciejewski, alternate.

Mr. Cragg, Member Services Manager, introduced Stacey Myers, Cherryland's new Member Information Representative.

Mr. Cragg and Mrs. Yanska presented the AMR demonstration.

Mr. Wilson, Chief Financial Officer, reviewed the financials.

The board recessed at 10:29 a.m. and reconvened at 10:50 a.m.

Attorney Chambers written legal report was reviewed. The Attorney Fee Agreement proposed by Attorney Chambers was discussed. It was the consensus of the board not to enter into any type of agreement, but to continue the attorney/client relationship as is, i.e., no written contract or agreement.

Attorney Chambers also requested permission to attend the NRECA Legal Update conference in April. It was the consensus of the board that since Cherryland and the board were cutting back on expenses, Attorney Chambers should not attend the conference. Manager Anderson will inform Attorney Chambers of this decision.

Mr. Van Pelt updated the board on Wolverine Power Marketing issues.

Wolverine board minutes were discussed. Mrs. Reynolds-Maciejewski and Mr. Pope reported on power supply issues.

Manager reports were reviewed and discussed. Manager Anderson gave an update on the Great Wolf Lodge and other matters.

Motion by Mr. Van Pelt, supported by Mr. Olson and carried to approve management reports, including the safety report, as presented.

The manager appraisal form was discussed; the same form used last year will be used again this year. All appraisals should be mailed back to President Lautner in the postage paid envelopes provided at the meeting no later than the last week of January.

Manager Anderson discussed possible additions and ideas for our upcoming annual meeting on Thursday, June 15, 2006.

Manager Anderson informed the board that the Community Caring Fund board is looking for a new board member to replace Ann Philips (who represents Manistee and Wexford counties) who is resigning. Mr. Maginity will ask around and see if anyone is interested in filling that position.

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Manager Anderson discussed the complaint from Mr. Ed Koons and his response to the Michigan Public Service Commission and Mr. Koons. The board felt that Manager Anderson handled the matter well and is not interested in getting personally involved in this matter.

Mr. Olson discussed some problems he is having with his current cell phone. Manager Anderson will have Mr. Pahl check into the matter to see what options are available for a new phone.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 12:31 p.m.

Terry Lautner, President

Melinda Lautner, Secretary

We, the undersigned directors of the Cherryland Electric Cooperative, do hereby approve, ratify and conform to all respects of the above and foregoing minutes of this regular meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.

