

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

January 15, 2007

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on January 15, 2007.

Meeting was called to order at 9:04 a.m. by President Olson.

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

Mr. Mark Wilson, Chief Financial Officer; Mr. Jim Carpenter, Operations Manager; Mr. Frank Siepker, Engineering Manager; Mr. Kevin Cragg, Member Service Manager; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

President Olson reviewed the board agenda. Manager Anderson added an item under Executive Session.

Motion by Mr. Hoxie, supported by Mrs. Lautner and carried to approve the agenda and the minutes of the regular board meeting held on December 18, 2006.

Upcoming meetings and events were discussed.

Mr. Lautner and Mrs. Reynolds-Maciejewski were appointed as voting delegates at the MECA Annual Meeting. Motion by Mr. Van Pelt, supported by Mr. Maginity and carried to nominate Mr. Hoxie and Manager Anderson as nominees to the MECA Board, with Mrs. Lautner as the alternate nominee.

The following board members were appointed as voting representatives for the upcoming NRECA Annual Meeting: NRECA - Mrs. Reynolds-Maciejewski, voting delegate; Mr. Van Pelt, alternate; NRTC - Mr. Van Pelt, voting delegate; Mrs. Reynolds-Maciejewski, alternate.

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Mr. Wilson, Chief Financial Officer, reviewed the financials. Discussion ensued on the PSCR under collection. Mr. Lautner would like the PSCR revised to collect all under collections by the end of 2007.

President Olson gave a report on Spartan Renewable Energy. They approved the bylaws and will discuss the business plan at the next meeting scheduled for February 6, 2007 in Lansing.

Wolverine board minutes were discussed. Mrs. Reynolds-Maciejewski and Mr. Pope reported on power supply issues, including an update on Prairie State and the transmission system.

Manager reports were reviewed and discussed. Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Van Pelt and carried to authorize Manager Anderson to proceed with the Elmers bid of \$40,385 for the Silver Lake Road project, subject to no restrictions on the easement.

The board recessed at 10:36 a.m. and reconvened at 10:56 a.m.

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

Motion by Mrs. Lautner, supported by Mrs. Reynolds-Maciejewski and carried to approve Board Policy No. 114, Director Compensation, as amended.

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 Olson in the postage paid envelopes provided at the meeting no later than February 1st.

Manager Anderson discussed strategic planning. The board would like to see list of topics before setting a date.

The NRECA voting member for the election of the NRECA director representing the State of Michigan was discussed.

Motion by Mr. Van Pelt, supported by Mr. Maginity and carried to go into executive session.

The board went into executive session at 11:16 a.m. and reconvened at 11:52 a.m.

Mr. Lautner was appointed voting delegate for the election of the NRECA director representing the State of Michigan and Mr. Hoxie was appointed the alternate voting delegate.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 11:54 a.m.

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John Olson, 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.

