

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

January 19, 2009

---

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Great Wolf Lodge in Traverse City, Michigan on January 19, 2009.

Meeting was called to order at 2:45 p.m. by President Van Pelt.

Present: Tom Van Pelt, President  
Terry Lautner, Sr. Vice President  
Melinda Lautner, Secretary  
John Pope, Treasurer  
Rick Deneweth  
Betty Maciejewski  
John Olson  
Tony Anderson, General Manager  
Pat Barone, Assistant Secretary

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

President Van Pelt reviewed the board agenda. The Chamber Annual Dinner was added to the agenda under Upcoming Meetings and Events.

Motion by Mrs. Lautner, supported by Mr. Pope and carried to approve the minutes of the regular board meeting held on December 15, 2008.

Upcoming meetings were discussed. The following board members were appointed as voting representatives for the upcoming NRECA Annual Meeting: CFC - Mrs. Maciejewski, voting delegate; Mrs. Lautner, alternate; Federated - Mrs. Maciejewski, voting delegate; Mrs. Lautner, alternate; NCSC - Mrs. Lautner, voting delegate; Mrs. Maciejewski, alternate; and NRTC - Mr. Olson, voting delegate; Mr. Van Pelt, alternate.

Motion by Mrs. Maciejewski, supported by Mr. Deneweth and carried to approve the slate of candidates for NISC.

Manager Anderson discussed sponsorship for the Chamber Annual Dinner. The following directors expressed an interest in attending with their spouses – Mr. Olson, Mrs. Maciejewski, Mr. Van Pelt and Mrs. Lautner.

Board of Directors Meeting – January 19, 2009

Mr. Wilson, Chief Financial Officer, indicated the financials were not available due to preparation of the 2008 financial audit, but would mail or email the financial report upon completion.

Attorney Chambers report was reviewed.

Wolverine matters were discussed. Everyone agreed Danny Janway of Wolverine gave a great presentation at the All Employee Training Day.

Wolverine's bylaw amendments were discussed. Motion by Mrs. Maciejewski, supported by Mr. Deneweth and carried to approve the resolution to adopt the proposed amendments to Wolverine's bylaws (Resolution 2009-1).

Manager reports were reviewed and discussed.

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

Mr. Pope reported on the Audit Committee meeting held on January 12, 2009. The Audit Committee is working on the Audit Committee Policy for presentation at the March board meeting.

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 Van Pelt in the postage paid envelopes provided at the meeting no later than February 6<sup>th</sup>.

The zero interest loan for Black Star Farms was discussed. The board requested that Manager Anderson contact the officers of the company seeking additional collateral or a personal guarantee from the officers, then bring the matter back before the board at the February board meeting.

The board of directors discussed Public Act 167 of 2008, the Electric Cooperative Member-Regulation Act. The Act allows the board of directors of an electric cooperative to elect to become member-regulated by following the procedures set forth in the Act. Those procedures require the following:

- (a) A proposal by a director of the Cooperative to become member-regulated, when such proposal is made at a properly convened board meeting.
- (b) Action on the proposal taken no earlier than 90 days have passed from the date the proposal was made.
- (c) Action on the proposal taken at a meeting of the board for which written notice is given and the meeting is open to all Cooperative members.
- (d) At the meeting, members of the Cooperative shall have reasonable time to address the board prior to its acting upon the proposal.
- (e) Following member comments, a roll call vote of the board of directors shall be taken.
- (f) For the proposal to be adopted, 2/3 of the members of the board must vote in favor of becoming member-regulated.

Board of Directors Meeting – January 19, 2009

Following a general discussion regarding P.A. 167 and the required procedures, Mr. Lautner proposed that Cherryland become member-regulated in accordance with P.A. 167, and that the proposal to become member-regulated be acted on at a board meeting to take place 90 days from the date of today's board meeting, or as soon thereafter as practical. Staff was directed to provide notice of the board meeting to all members as required by P.A. 167.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 4:30 p.m.

\_\_\_\_\_  
Tom Van Pelt, 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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_