

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

April 23, 2007

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 23, 2007.

Meeting was called to order at 9:23 a.m. by President Olson.

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

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

Board candidates, Jan Malik, Allan O'Shea and John Porter, joined the meeting to introduce themselves as candidates running for the upcoming election, answer any questions the board had and ask any questions with respect to the position of board of director.

President Olson reviewed the board agenda.

Motion by Mrs. Reynolds-Maciejewski, supported by Mrs. Lautner and carried to approve the agenda and the minutes of the regular board meeting held on March 26, 2007.

Upcoming meetings and events were discussed. The May board meeting will be held at the Thompsonville Fire Hall, with the dedication of the Thompsonville substation to be held at 1:30 p.m.

The Policy Committee, Chairman Maginity, Mrs. Reynolds-Maciejewski and Mr. Hoxie, reported they reviewed all board policies on April 16, 2007 and reaffirmed all existing policies with the exception of the following policies to be brought before the full board for discussion and approval -- Policy No. 106, Agenda Planning; Policy No. 109, Cost of Governance; and Policy No. 116, Use of Secret Ballot. A new policy, Policy No. 310, Whistleblower Policy, was also brought before the board for discussion and approval.

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The following action was taken: Policy No. 106 - no changes; Policy No. 109 - no changes; however, Manager Anderson to get costs from NRECA on a management audit and report back to the board at the May meeting. Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Van Pelt and carried to approve the revisions to Policy No. 116, as amended, subject to Attorney Chambers' approval. Motion by Mr. Van Pelt, supported by Mrs. Reynolds-Maciejewski and carried to approve Board Policy No. 310, as amended. Policy No. 171, Accountability of the General Manager, was also brought to the attention to the board just as a reminder.

The Audit Committee, Chairman Pope, Mr. Lautner and Mr. Van Pelt, reported they met with the auditors prior to the regular board meeting and received a clean, unqualified opinion letter. The final audited financial statements will be available at next month's board meeting.

Mr. Wilson, Chief Financial Officer, reviewed the financials. Mr. Wilson informed the board the MPSC would be hearing Cherryland's PSCR case on April 24th and render an opinion the same day. Motion by Mr. Pope, supported by Mr. Van Pelt and carried to raise the PSCR factor to whatever the MPSC will allow us to charge.

The board recessed at 11:24 a.m. and reconvened at 11:38 a.m.

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. The May board meeting will be held at the Thompsonville Fire Hall, with the Nordbeck Substation dedication to follow at 1:30 p.m. The June board meeting will be held immediately following the annual meeting on June 14, 2007.

President Olson requested a copy of abbreviations and what they stand for. Mr. Edson mentioned there might be a book available; he will check into this.

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

The board recessed for lunch at 12:35 p.m. and reconvened at 12:53 p.m.

Discussion followed on 24-Hour Accident insurance through NRECA. No action to be taken at this time.

Discussion followed on Board Resolution 2007-1 reducing the number of directors. Motion by Mr. Van Pelt, supported by Mrs. Reynolds-Maciejewski and carried to approve said resolution (copy attached).

Manager Anderson presented the information on the CFC Integrity Fund. Motion by Mrs. Reynolds-Maciejewski, supported by Mr. Maginity and carried to contribute 5% not to exceed \$2,500.00 to be used for All Energy Purposes.

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Manager Anderson presented Board Resolution 2007-2 regarding the Amendment and Restatement of NRECA's Retirement Security (RS) and 401(K) Pension Plans. Motion by Mr. Van Pelt, supported by Mr. Lautner and carried to authorize Secretary Lautner to execute said resolution.

Manager Anderson presented Board Policy No. 308, Safety, which needs to be recertified for accreditation purposes. Motion by Mr. Lautner, supported by Mr. Hoxie and carried to reaffirm Board Policy No. 308.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:05 p.m.

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.

