

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

April 20, 2009

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The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 20, 2009.

Meeting was called to order at 9:00 a.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. Kevin Cragg, Member Service Manager, and Mr. Nick Edson, Key Accounts Representative, joined the meeting. Attorney Chambers was also in attendance, along with Mr. Michael Buda, Director of External Affairs, of Michigan Electric Cooperative Association.

President Van Pelt welcomed members who attended the meeting for their input on member regulation. He stated the purpose of the public meeting was to seek input prior to board consideration of member regulation as authorized under Public Act 167 (P.A. 167).

President Van Pelt asked for member input and the following members offered their input with respect to member regulation: Martin Materkowski, Tom Karas, John Porter and James B. Dalley. The following items were brought up and discussed – effect on construction rates (covers all charges); timeliness of request for member regulation (looking at rate increase later this year and would like to save filing fees and attorney fees associated with MPSC filing); motivation (are we skipping any steps? – just going through MPSC; (not best use of the members' money); competitiveness of our rates/charges with other cooperatives in the state; and energy conservation.

After member input and responses from the board and general manager, President Van Pelt asked for any final words prior to board vote.

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Motion by Mrs. Maciejewski, supported by Mr. Olson to move forward with member regulation. A roll call vote was taken: Mr. Olson – yes; Mr. Pope – yes; Mrs. Lautner – yes; Mrs. Maciejewski – yes; Mr. Deneweth – yes; Mr. Lautner – yes; and Mr. Van Pelt - yes. Motion passed unanimously. President Van Pelt directed Secretary Lautner to sign Board Resolution 2009-2 authorizing Cherryland Electric Cooperative to become member regulated.

Member input meeting adjourned at 9:50 a.m.

The board resumed their regular board meeting at 10:13 a.m.

Attorney Chambers gave his legal report. He also reviewed the Resolution regarding the revolving loan fund request of Black Star Farms in the amount of \$20,000.00. Motion by Mr. Olson, supported by Mrs. Maciejewski and carried to approve the zero interest economic development loan to Black Star Farms and authorize Secretary Lautner to execute said Resolution (copy attached).

President Van Pelt reviewed the board agenda. Annual Meeting Campaign Signs was added under New Business.

Motion by Mr. Olson, supported by Mr. Lautner and carried to approve the minutes of the regular board meeting held on March 16, 2009.

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

Mr. Wilson reviewed the letter from the Harris Group with respect to the assignment of capital credits. Motion by Mrs. Maciejewski, supported by Mr. Lautner and carried to approve the assignment of \$2,669,403 as Wolverine's portion of capital credits, for a total assignment of \$2,643,808. CEC's portion of (\$25,595) is not allocated to members' accounts and future positive net margins to be allocated will be reduced by this amount.

Wolverine matters were discussed.

Mr. Pope and Mrs. Maciejewski gave a report on the NRECA Directors' Conference, including a report on internet voting. There was also discussion on SCADA and Mr. Siepker, Engineering Manager, will put together a presentation explaining SCADA in layman's terms for a future board meeting.

Mrs. Lautner gave a report on the MECA board meeting.

Policy No. 121, Cooperative Audit Committee, was tabled until next month's board meeting.

Board Policy No. 139, Disclosure of Documents, Records and Information, was reviewed and discussed. Motion by Mrs. Lautner, supported by Mr. Pope and carried to approve said policy, as presented.

The June board meeting date was discussed and it was the consensus of the board to move the board meeting to Monday, June 29<sup>th</sup>, because of some scheduling conflicts.

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Annual Meeting campaigning was discussed. Motion by Mr. Lautner, supported by Mr. Olson and carried to suspend the distribution of campaign literature and signs at the meeting location of Wuerfel Park for another year. Mrs. Barone will send letters to all board candidates.

The board recessed for lunch at 11:57 a.m. and reconvened at 12:25 p.m.

Manager reports were reviewed and discussed. Manager Anderson gave an update on facilities planning; he was authorized to proceed with getting some prices/savings on possible construction of a truck garage/warehouse building.

Board candidates, Jerry Keelan, Max Strickland and Marilyn Fleis, 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.

Review and discussion of manager reports continued. Mr. Steve Weaver, IT Supervisor, joined the meeting to discuss changes in board email accounts.

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

Upcoming meetings were discussed.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:56 p.m.

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Tom Van Pelt, President

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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.

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