

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

June 27, 2008

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on June 27, 2008.

Meeting was called to order at 8:02 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. Jim Carpenter, Operations Manager; Mr. Kevin Cragg, Member Service Manager; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

Mr. Henry Cano, Mr. Charles "Bud" Branham and Mrs. Janet Arnold, consultants with NRECA's National Consulting Group, joined the meeting and presented the results and their recommendations from the Core Business Process Review conducted over the past couple of weeks.

The board recessed at 9:22 a.m. and reconvened at 9:31 a.m.

NRECA representatives continued with their presentation.

The board recessed at 10:22 a.m. and reconvened at 10:37 a.m.

NRECA representatives continued with their presentation.

The board recessed for lunch at 12:05 p.m. and reconvened at 12:50 p.m.

President Van Pelt reviewed the board agenda. The board agenda was accepted.

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Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to approve the minutes of the regular board meeting held on May 20, 2008. Motion by Mr. Olson, supported by Mrs. Maciejewski and carried to approve the minutes of the Organizational Meeting held on June 11, 2008.

Upcoming meetings were discussed. Registration for Michigan Energy Providers Conference and NRECA Region IV meeting was finalized. President Van Pelt was appointed voting delegate for the upcoming NRECA Region IV meeting and CFC meeting, with Mrs. Maciejewski appointed as the alternate voting delegate for both meetings.

Manager Anderson asked if any board member wanted to attend the Dave Camp Fund Raiser at the Music House on July 11th; Mr. Olson will attend.

Mrs. Lautner and Manager Anderson gave a report on their attendance at the MECA board meeting.

Mrs. Maciejewski and Mrs. Lautner gave a report on their attendance at the CFC Forum.

Attorney Chambers joined the meeting for review and discussion of the Wolverine All Requirements Contract amendments. Motion by Mr. Lautner, supported by Mrs. Maciejewski and carried to authorize Secretary Lautner to execute the Board Resolution (copy attached).

Mr. Wilson, CFO, made a presentation on the PSCR factor. This matter will be reviewed again at the August board meeting to determine what, if any, adjustment needs to be made to the PSCR factor for the remainder of the year.

Wolverine matters were discussed. Manager Anderson reported that the meeting in Elmwood Township for public input will be held on July 22nd at 6:00 p.m. at the Knights of Columbus Hall.

Manager reports were reviewed and discussed.

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

Board Policy No. 140, Member Attendance at Board Meetings; Board Policy No. 157, General Manager Succession; and Board Policy No. 159, Investment Management, were discussed. Adoption of these policies was deferred until the July board meeting.

Mr. Wilson presented a letter from the Harris Group regarding assignment of capital credits. Motion by Mr. Lautner, supported by Mr. Deneweth and carried to approve the assignment of \$746,230 as CEC's portion of capital credits and \$2,272,704 as Wolverine's portion of capital credits, for a total assignment of \$3,018,934.

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Mr. Wilson discussed CFC's Revolving Line of Credit. This would be a new revolving line of credit not to exceed \$5,000,000 for a term of 12 months. Rates would adjust weekly and would save Cherryland approximately 50-60 basis points. Motion by Mr. Lautner, supported by Mr. Pope and carried to authorize Secretary Lautner to execute the Certificate of Resolutions and Incumbency (copy attached).

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:32 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.

