

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

August 25, 2008

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on August 25, 2008.

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. Jim Carpenter, Operations Manager; Mr. Kevin Cragg, Member Service Manager; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

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

Motion by Mrs. Maciejewski, supported by Mrs. Lautner and carried to approve the minutes of the regular board meeting held on July 21, 2008.

Upcoming meetings were discussed.

Mrs. Lautner gave a report on the Michigan Energy Providers Conference.

A video that was presented at the CFC Forum entitled "Culture of Safety" was shown and discussed.

Mr. Wilson, Chief Financial Officer, reviewed the financials, including the PSCR factor for the remainder of the year. The PSCR factor for November and December will be reviewed at the September board meeting.

Mr. Wilson also reviewed the insurance rates for the upcoming year which showed an overall 2.22% reduction in rates.

A PowerPoint presentation on the Key Ratio Trend Analysis (KRTA) for the year ending December 2007 was presented by Mr. Wilson.

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Attorney Chambers legal report was reviewed and discussed.

The board recessed at 10:43 a.m. and reconvened at 10:56 a.m.

Wolverine matters were discussed, including the proposed bylaw revisions. The board did not foresee any problem with the proposed revisions and will take action on a board resolution at the September board meeting.

Manager reports were reviewed and discussed. Manager Anderson discussed the two candidates from Michigan running for election to the CFC board of directors and the board made their recommendation to Cherryland's voting delegate.

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

Manager Anderson reviewed his Marketing Position proposal. Motion by Mr. Deneweth, supported by Mr. Olson and carried to proceed with Manager Anderson's proposal.

Resco's upcoming annual meeting and proposed changes to Articles and Bylaws was discussed. Motion by Mrs. Lautner, supported by Mrs. Maciejewski and carried to allow Manager Anderson to vote on the changes.

CoBank's annual meeting and director election was discussed. Motion by Mr. Olson, supported by Mr. Pope and carried to allow Manager Anderson to vote for said director.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 11:59 a.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.

