

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

August 17, 2009

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on August 17, 2009.

Meeting was called to order at 9:01 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; Mr. Jim Carpenter, Line Superintendent; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

President Van Pelt reviewed the board agenda. Rate Design by Mr. Pope was added under New Business.

Motion by Mrs. Maciejewski, supported by Mr. Pope and carried to approve the minutes of the regular board meeting held on July 20, 2009.

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

A PowerPoint presentation on the Key Ratio Trend Analysis (KRTA) for the year ending December 2008 was presented by Mr. Wilson.

Mrs. Maciejewski, Mrs. Lautner and Mr. Van Pelt gave a report on the Michigan Energy Providers Conference.

Manager Anderson reviewed Board Resolution 2009-4, the CFC System Integrity Fund Resolution. Motion by Mr. Deneweth, supported by Mr. Lautner and carried to authorize Secretary Lautner to execute said Resolution (copy attached).

Manager Anderson reviewed the amendments to the Community Caring Fund, Inc. bylaws. Motion by Mrs. Maciejewski, supported by Mr. Pope and carried to approve said amendments. Manager Anderson will review with the Community Caring Fund, Inc.

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board at their September meeting. The Policy and Guidelines were also reviewed and approved for recommendation to the Community Caring Fund board.

The board recessed at 10:34 a.m. and reconvened at 10:47 a.m.

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

Mr. Pope discussed the rate design outlined in NRECA's Electric Co-Op Today and the possibility of using declining block rates for Cherryland. The consensus was to review this option at a future rate increase.

Mr. Eric Baker, President and Chief Executive Officer, and Ms. Kim Molitor, Vice President, Rates & Administrative Services, of Wolverine Power Cooperative joined the meeting for a presentation on Wolverine's rate increase. Motion by Mr. Olson, supported by Mr. Lautner and carried to authorize Secretary Lautner to execute Board Resolution 2009-3 (copy attached).

Other Wolverine matters were discussed. Mr. Baker gave an update on the Rogers City project.

The board recessed for lunch at 11:58 a.m. and reconvened at 12:17 p.m.

Manager reports were reviewed and discussed.

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

Attorney Chambers report was reviewed.

Mrs. Maciejewski was appointed voting delegate for the upcoming CFC District meeting, with Mrs. Lautner appointed as the alternate voting delegate.

The board went into executive session at 12:50 p.m. and reconvened at 1:35 p.m.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:36 p.m.

Tom Van Pelt, President

Melinda Lautner, Secretary

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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.

