

MEETING OF THE BOARD OF DIRECTORS

OF

CHERRYLAND ELECTRIC COOPERATIVE

December 15, 2008

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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 December 15, 2008.

Meeting was called to order at 9:02 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.

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

Motion by Mr. Olson, supported by Mrs. Lautner and carried to approve the minutes of the regular board meeting held on November 17, 2008.

Upcoming meetings were discussed.

The board gave a report on the MECA Directors' Conference and Mrs. Lautner and Manager Anderson gave a report on the MECA board meeting. There was also discussion on the Energy Optimization program.

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

Mr. Wilson reported on the new Form 990 reporting requirements. Mr. Olson would like a copy of how the board responded to last year's questions. Manager Anderson will provide the board with a copy of the Form 990 after its completion in the spring.

Discussion followed on an additional investment into the Homestead Funds. Mr. Pope gave Mr. Wilson a web site address to check out to see if it might help in the decision-making process on how to invest these additional funds. However, the board left it up to management to make the final decision.

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Wolverine matters were discussed. Mr. Pope and Mrs. Maciejewski reported that the DTE contract expires in 2011 and Wolverine has received a written proposal on an extension of that contract; however, it is not complete.

Mr. Olson gave an update on Spartan Energy.

Attorney Chambers reported on legal matters. He also discussed the proposed amendments to Wolverine's bylaws, indicating the major change was what constituted a quorum. Mr. Chambers will provide Pat with a clean copy of the bylaws which she will provide to the board.

The board recessed at 10:37 a.m. and reconvened at 10:54 a.m.

Manager reports were reviewed and discussed.

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

Mr. Pope reviewed the 2009 board budget; no changes were made.

The board reviewed the revisions to Board Policy No. 114, Director Compensation. Motion by Mrs. Maciejewski, supported by Mr. Pope and carried to approve the revised policy.

Mr. Pope discussed the need for an audit committee meeting. He will meet with the committee after adjournment to get some possible meeting dates.

The board reviewed the revisions to Board Policy No. 310, Whistleblower Policy. Motion by Mr. Olson, supported by Mrs. Maciejewski and carried to approve the revised policy.

The board went into executive session at 11:41 a.m. and resumed at 12:08 p.m.

With respect to Board Policy No. 114, Director Compensation, it was the consensus of the board that a roll call vote be taken. The votes by director were – Olson – yes; Pope – yes; Maciejewski – yes; Van Pelt – yes; Melinda Lautner – yes; Terry Lautner – yes; Deneweth - yes. Motion passed.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 12:09 p.m.

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Tom Van Pelt, President

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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.

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