

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

September 17, 2018

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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 September 17, 2018.

Meeting was called to order at 9:00 a.m. by President Lautner.

Present: Terry Lautner, President  
Tom Van Pelt, Sr. Vice President  
Melinda Lautner, Secretary  
Dave Schweitzer, Treasurer  
John Olson  
Gabe Schneider  
Jon Zickert  
Tony Anderson, General Manager  
Shannon Mattson, Assistant Secretary (absent)

Mr. Mark Wilson, CFO; Mr. Frank Siepker, Engineering Manager; Mr. Jeff Puffer, Safety Director; Ms. Rachel Johnson, Member Relations Manager; Ms. Kerry Kalbfleisch, Director of Human Resources; Mr. Chris Vermeulen, Engineer; and Mr. Rob Marsh, Communications Specialist, joined the meeting. Jim Carpenter was absent.

President Lautner welcomed and introduced Shirley Sprague, a Director for HomeWorks Tri-County Electric Cooperative and Wolverine Power Cooperative.

President Lautner welcomed Rob Marsh and Chris Vermeulen.

President Lautner reviewed the board agenda. Motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried to approve the agenda as presented.

No members present for public input.

The August Safety Report, including the September Safety Committee Meeting Minutes, were discussed.

Cooperative Advocacy issues were discussed. Michigan State Senator Wayne Schmidt and Michigan House Representative Larry Inman visited Cherryland and were each presented with an ACRE check. Mr. Van Pelt attended the Northport Energy Meeting. He informed that he has requested to be on their Public Policy Committee. Mr. Anderson and Ms. Johnson met with Nathan Alger, the new County Administrator. Mr. Olson suggested that we may want to have Matt Morgan, candidate for Michigan's 1<sup>st</sup> congressional district, come in to a board meeting. Mr. Anderson will invite him to our next board meeting.

The August meeting minutes were discussed. Motion by Ms. Lautner, supported by Mr. Zickert, and carried to approve the minutes of the regular board meeting held on August 20, 2018.

Chris Vermeulen presented the cooperative's drone program to the board that involves training various employees to be certified drone pilots to assist with storm work, outages, restoration, right-of-way, etc.

The board recessed for a break at 10:40 a.m. and reconvened at 10:54 a.m.

Managers' reports were reviewed and discussed.

Motion by Mr. Schneider, supported by Mr. Schweitzer, and carried to approve the Managers' reports, including the safety report, as presented.

Old business was discussed.

Discussion was held regarding the Electric Cooperative Governance Task Force Survey.

President Lautner introduced special guest Jack O'Malley, candidate for State Representative. Mr. O'Malley addressed the board regarding his campaign and views on various issues.

The board recessed for lunch at 12:07 p.m. Discussion with the special guest continued during lunch.

President Lautner excused Mr. O'Malley at 12:32 p.m. and reconvened the meeting.

Mr. Anderson recommended that the board approve Mr. Jenkins' recommended verbiage changes to the Retiree Welfare Benefit Plan and Trust policy. The board agreed by consensus that the changes should be made, and the policy be brought back to the board next month.

Mr. Anderson presented a Joint Resolution of Dissolution, 2018-4, to the board for the dissolution of Cherryland Holdings, Inc. Motion by Mr. Olson, supported by Ms. Lautner to approve the resolution as presented.

New business was discussed.

Mr. Anderson presented Board Resolution 2018-3 – Commitment to Zero Contacts. After some discussion, motion by Mr. Olson, supported by Ms. Lautner, and carried to approve the resolution.

Mr. Wilson presented options for a 2018 Patronage Capital Retirement. Motion by Mr. Van Pelt, supported by Ms. Lautner and carried to approve a Patronage Capital Retirement in the amount of \$2,380,102.96. This amount allows for the full retirement of Cherryland patronage capital through 1999 and the full retirement of Wolverine patronage capital through 2000 and partial retirement of year 2001 and 2017. After additional discussion, the board decided by consensus, to also approve an increase in the minimum Patronage Capital check amount mailed to former cooperative members from \$10.00 to \$25.00.

The board also discussed needed amendments to Board Policy #137-Capital Credits, and Bylaws– Article VIII-Patronage Capital, regarding special retirements, equity position and net metering. Mr. Wilson will work on those changes and bring them back to the board.

Wolverine and Wolverine Power Marketing matters were discussed.

Spartan Renewable Energy matters were discussed.

Mr. Olson gave an update on MECA.

The General Counsel report was discussed.

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 1:24 p.m.

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Terry Lautner, 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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