

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

November 19, 2018

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on November 19, 2018.

Meeting was called to order at 8:59 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

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. Jim Bunnell, Process Improvement Specialist; Mr. Jason Rice, Metering Supervisor; and Mr. Steve Weaver, IT Specialist, joined the meeting. Mr. Jim Carpenter, Line Superintendent, was absent.

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

The October Safety Report, including the November Safety Committee Meeting Minutes, were discussed.

Cooperative Advocacy issues were discussed. Mr. Anderson and Ms. Johnson recorded a post-election episode of Co-op Energy Talk with Mr. Kent Wood, Director of Government Relations and Community Development of the Traverse City Chamber of Commerce.

The October meeting minutes were discussed. Motion by Ms. Lautner, supported by Mr. Schweitzer, and carried to approve the minutes of the regular board meeting held on October 22, 2018.

Mr. Siepker, Mr. Wilson, and Ms. Mattson gave a presentation on the 2019 Capital Budget.

The board recessed for a break at 10:36 a.m. and reconvened at 10:54 a.m.

Mr. Lautner welcomed Chief Chris Comeaux to the meeting.

Chief Comeaux gave a presentation regarding the Cedar Area Fire & Rescue and their application for a zero-interest economic development loan through the revolving loan fund. The organization applied for \$150,000 over a 10-year term. Following the presentation and some discussion, Mr. Lautner excused Chief Comeaux from the meeting.

The board discussed the Cedar Area Fire & Rescue economic development loan application. Motion by Ms. Lautner, supported by Mr. Schneider, and carried to approve the loan at \$137,250 for a 10-year term.

President Lautner welcomed Mr. Aaron Stallings, Vice President of Strategic Facilitation at CFC, to the meeting. Mr. Stallings gave a presentation on Equity Management.

The board recessed for lunch at 12:08 p.m. Discussion with the special guest continued during lunch.

President Lautner excused Mr. Stallings at 12:36 p.m. and reconvened the meeting.

Discussion regarding the 2019 Capital Budget continued. Motion by Mr. Schweitzer, supported by Mr. Olson and carried to approve the 2019 Capital Budget as presented.

Managers' reports were reviewed and discussed.

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

Old business was discussed.

Discussion regarding the Electric Cooperative Governance Task Force Survey was postponed until the December meeting.

New business was discussed.

Mr. Rice gave a presentation on the revised language for the Efficient Home Heating – Schedule EH-1. After some discussion, Mr. Zickert suggested removing the word "Home" from the name of the rate. Motion by Mr. Schneider, supported by Ms. Lautner, and carried to the language revisions to the Efficient Home Heating – Schedule EH-1 as amended.

Wolverine and Wolverine Power Marketing matters were discussed. Mr. Wilson will attend the Wolverine Strategic Planning Meeting on December 6. Mr. Zickert or Mr. Schweitzer will be the cooperative's guest Director at the Wolverine Board Meeting on December 7.

Spartan Renewable Energy matters were discussed.

Mr. Olson gave an update on MECA. Mr. Olson will be attending the upcoming MECA Board Meeting and Strategic Planning on November 27 & 28 in Cadillac.

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 1:50 p.m.

Terry Lautner, 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.
