

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

February 18, 2019

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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 February 18, 2019.

Meeting was called to order at 8:55 a.m. by President Lautner.

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

Mr. Frank Siepker, Engineering Manager; Mr. Jim Carpenter, Line Superintendent; Ms. Rachel Johnson, Member Relations Manager; Ms. Kerry Kalbfleisch, Director of Human Resources; Mr. Greg Jenkins, General Counsel; Mr. Brad Pavwoski, Controller; and Mr. Nick Newell, Apprentice Lineman joined the meeting. Mr. Mark Wilson, CFO, and Mr. Jeff Puffer, Safety Director, were absent.

President Lautner reviewed the board agenda. Motion by Mr. Schneider, supported by Ms. Lautner, and carried to approve the agenda as presented.

The January Safety Report, including the February Safety Committee Meeting Minutes, were discussed.

Cooperative Advocacy issues were discussed. Mr. Anderson met with Michigan State Representative, Jack O'Malley, and discussed the Energy Waste Reduction program, renewables, and fiber. Mr. Van Pelt met with the Northport Energy Group. Mr. Anderson is giving a presentation to the Grand Traverse Humanists in April.

The January meeting minutes were discussed. Motion by Mr. Schweitzer, supported by Mr. Van Pelt, and carried to approve the minutes of the regular board meeting held on January 21, 2019.

Managers' reports were reviewed and discussed.

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

Old business was discussed.

Mr. Lautner advised that discussion regarding the Electric Cooperative Governance Task Force Survey will be postponed until the March meeting.

New business was discussed.

MECA Annual Meeting voting delegate was needed. Motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried to appoint Mr. Olson as the MECA delegate.

Strategic Planning was discussed. Mr. Anderson recommended available dates in September and October for Strategic Planning to be held; the board selected October. Motion by Ms. Lautner, supported by Mr. Schweitzer, and carried to move the regular October 21 board meeting to October 22, immediately followed by Strategic Planning on October 22 and October 23.

The 2019 NRECA Directors' Conference was reviewed.

The board recessed for a break at 10:22 a.m. and reconvened in the downstairs meeting room at 10:30 a.m.

Mr. Lautner welcomed Mr. Eric Baker and Mr. Sam Hogg from Wolverine Power Supply Cooperative and the Traverse City Light & Power Board of Directors and staff to the cooperative for a joint meeting. Mr. Anderson gave a presentation on the cooperative, Mr. Baker gave a presentation on power supply, and Mr. Tim Arends gave a presentation on the municipal.

The board recessed for lunch at 11:59 a.m. where discussion with the special guests continued.

Mr. Lautner excused the afore-mentioned guests and thanked them for their time.

The board reconvened in the upstairs board room at 12:44 p.m.

Old business was discussed.

Mr. Lautner welcomed Mr. Dave Sears to the meeting.

Mr. Sears gave a presentation regarding Fieldstone Market and their revised application for a zero-interest economic development loan through the revolving loan fund. The organization applied for \$70,130 over a 7-year term. Following the presentation and some discussion, Mr. Lautner excused Mr. Sears from the meeting.

The board discussed the revised Fieldstone Market economic development loan application at length. Motion by Mr. Schneider, supported by Ms. Lautner, and carried to approve the loan at \$60,000 for a 63-month term.

Mr. Olson gave an update on MECA.

Mr. Jenkins presented the General Counsel report. Mr. Jenkins' board meeting attendance was also discussed. Both parties expressed an interest in increasing the General Counsel's board meeting attendance. Motion by Mr. Van Pelt for General Counsel to attend the cooperative's board meetings quarterly; there being no support, motion withdrawn. Motion by Mr. Schneider, supported by Mr. Zickert, for General Counsel to attend the cooperative's board meetings bi-monthly. Board decision deferred pending a cost proposal, which will be discussed at the March meeting.

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 2:17 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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