

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

April 15, 2019

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 15, 2019.

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

Mr. Mark Wilson, CFO; Mr. Frank Siepker, Engineering Manager; Mr. Jim Carpenter, Line Superintendent; Mr. Jeff Puffer, Safety Director; Ms. Rachel Johnson, Member Relations Manager; Ms. Kerry Kalbfleisch, Director of Human Resources; Mr. Greg Jenkins, General Counsel; and Mr. Robert Marsh, Communications Specialist, joined the meeting.

President Lautner reviewed the board agenda. Mr. Lautner requested that item 10.1 Electric Cooperative Governance Task Force under Old Business be discussed in an Executive Session. Mr. Anderson requested the addition of item 11.6 Resolution 2019-1 under New Business. Motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried to approve the agenda as amended.

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

Mr. Puffer and Mr. Carpenter gave a presentation on the cooperative's Rural Electric Safety Achievement Program (RESAP) results.

Mr. Lautner welcomed board candidate Ms. Nicola Philpott to the meeting at 9:31 a.m. A session of discussion, questions and answers took place regarding the role of a Cherryland board member. Mr. Lautner thanked the afore-mentioned candidate and excused her from the meeting at 9:46 a.m.

Cooperative Advocacy issues were discussed. Mr. Anderson gave a presentation to the Grand Traverse Humanists; discussion included Cherryland 101, the cooperative's energy portfolio, the environment, and renewables. Mr. Anderson will also be presenting to Cordia at Grand Traverse Commons this month. Mr. Van Pelt met with the Northport Energy Group. Ms. Johnson and Ms. Lautner attended a presentation given by graduate students from the University of Michigan's School of Environment and Sustainability. Ms. Johnson met with Michigan State students who are working on a large-scale solar feasibility study with Groundwork Center for Resilient Communities.

The March meeting minutes were discussed. Motion by Mr. Zickert, supported by Mr. Schweitzer, and carried to approve the minutes of the regular board meeting held on March 18, 2019.

Mr. Wilson gave a presentation on the cooperative's Five-Year Financial Summary.

The board recessed for a break at 10:37 a.m. and reconvened at 10:48 a.m.

Managers' reports were reviewed and discussed.

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

New business was discussed.

Mr. Wilson presented the Capital Credit Allocation letter, as prepared by Rehmann Robson LLC, to the board for review. After some discussion, Mr. Van Pelt moved that, as presented in the letter, \$3,741,526 be assigned and allocated to members, of which \$2,421,463 will be assigned as Wolverine Power Cooperative's portion of the capital credits and the remaining \$1,320,063 as Cherryland's portion. Motion was supported by Mr. Schweitzer and carried.

The CFC Director-Director Region 4 board seat was discussed.

Ms. Johnson presented the revision to the cooperative's Member Regulated Billing Rules. After some discussion, motion by Ms. Lautner, supported by Mr. Olson, and carried to approve the Member Regulated Billing Rules as presented.

The cooperative's building envelope initiative was discussed. Mr. Anderson recommended that the board allocate \$100,000 per year for three years from unclaimed capital credits to Habitat for Humanity. These funds would be used towards the improvement of the building envelope in low income member homes in the cooperative's service territory. These funds would be disbursed quarterly, on the condition that the funds are being used as the cooperative deems appropriate. Motion by Mr. Olson, supported by Mr. Zickert, and carried to approve the General Manager's recommendation.

The Election and Credentials Committee was discussed. Motion by Mr. Schneider, supported by Mr. Van Pelt and carried to formally approve the Election and Credentials Committee members for the 2019 election. Committee members are Craig Meredith, Sue Meredith, Barry Newcomb, Julia Newcomb, and Linda Burton.

Mr. Anderson presented Board Resolution 2019-1 recognizing James "Jim" Carpenter, Line Superintendent and Safety Director, and his significant contributions to the cooperative. Mr. Carpenter is retiring from the cooperative after 39 years of service. Motion by Mr. Olson, supported by Ms. Lautner, and carried to approve Resolution 2019-1 as presented.

Wolverine and Wolverine Power Marketing matters were discussed.

Spartan Renewable Energy matters were discussed. Mr. Lautner attended the Spartan Annual Meeting where the audit was presented.

Mr. Lautner requested nominations for the Wolverine Board. Ms. Lautner and Mr. Schneider both expressed an interest in being on the Board. These being the only nominations, a secret ballot was cast. Ms. Lautner was re-elected to the Wolverine Board of Directors for a two-year term.

Wolverine Annual Meeting voting delegate and alternate were needed. Mr. Lautner appointed Mr. Van Pelt as the Wolverine delegate and Ms. Lautner as the alternate. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried.

Mr. Olson gave an update on MECA.

The General Counsel report was discussed.

Upcoming meetings were discussed.

The board recessed for lunch at 12:27 p.m. and reconvened at 1:15 p.m.

The board went into an Executive Session at 1:15 p.m. and reconvened at 2:08 p.m.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 2:08 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.

