

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

June 17, 2019

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on June 17, 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. Jeff Puffer, Safety Director; Ms. Rachel Johnson, Member Relations Manager; Ms. Kerry Kalbfleisch, Director of Human Resources; Mr. Greg Jenkins, General Counsel; and Mr. John Metiva, General Accountant, joined the meeting.

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

President Lautner welcomed Mr. Daniel VanHouten to the meeting for public input at 9:02 a.m. After a brief discussion about a bent power pole at the member's home, Mr. VanHouten was excused from the meeting at 9:08 a.m. There were no other members present for public input.

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

Cooperative Advocacy issues were discussed. Mr. Anderson, Ms. Johnson, and Mr. Van Pelt attended a presentation by Mr. Dan Scripps, Commissioner at the Michigan Public Service Commission, to the Northport Energy Group.

The May meeting minutes were discussed. Motion by Mr. Van Pelt, supported by Mr. Schweitzer, and carried to approve the minutes of the regular board meeting held on May 20, 2019.

Mr. Anderson gave a presentation on the Michigan Electric Cooperative Association (MECA).

Managers' reports were reviewed and discussed.

The board recessed for a break at 10:30 a.m. and reconvened at 10:46 a.m.

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

Mr. Lautner welcomed Ms. Wendy Irvin and Ms. Angela Skeans to the meeting.

Ms. Irvin and Ms. Skeans gave a presentation regarding Habit for Humanity Grand Traverse Region and their application for a zero-interest economic development loan through the revolving loan fund. The organization applied for \$80,000 over a 10-year term. Following the presentation and some discussion, Mr. Lautner excused Ms. Irvin and Ms. Skeans from the meeting.

The board discussed the Habit for Humanity Grand Traverse Region economic development loan application. Motion by Mr. Olson, supported by Mr. Schneider, and carried to approve the loan at \$80,000 for a 7-year term. Loan funds are contingent upon verification that the organization received additional funding through the United States Department of Agriculture (USDA).

Old business was discussed.

Ms. Johnson presented the revised Data Privacy Tariff, which included updated verbiage to item #3 Member and #8 Primary Purpose. Motion by Ms. Lautner, supported by Mr. Van Pelt, and carried to adopt the Data Privacy Tariff as presented.

New business was discussed.

Ms. Mattson gave an update on the cooperative's upcoming 81st Annual Meeting.

The redline version of Policy #132 – Member Voting Procedure, was reviewed. It was noted in section E to amend the last sentence to state "The final tally of all votes cast is not official until certified by the Election & Credentials Committee."; and to remove "and presented to those Members present at the Annual Meeting". Motion by Mr. Schneider, supported by Ms. Lautner, and carried to approve Policy #132 – Member Voting Procedure, as amended.

The redline version of Policy #133 – Recount Procedure, was reviewed. It was noted in section D to amend the first sentence to state "Recounts will be conducted by an external auditor selected, and overseen by, the Election and Credentials Committee". Motion by Mr. Schneider, supported by Mr. Van Pelt, and carried to approve Policy #133 – Recount Procedure, as amended.

Policy #134 – Tie Vote Procedure, was reviewed. Mr. Anderson advised the board that this policy is addressed in the cooperative's Bylaws and, therefore, should be eliminated. Motion by Mr. Schneider, supported by Mr. Schweitzer, and carried to eliminate Policy #134 – Tie Vote Procedure.

The redline version of Policy #137 – Capital Credits, was reviewed. Motion by Ms. Lautner, supported by Mr. Schneider, and carried to approve Policy #137 – Capital Credits, as presented.

The draft version of Policy #456 – Eye Protection, Ear Protection, and Seat Belts, was reviewed. It was noted in section 2.a. that "2003" was to be removed from "ANSI Z 87.1-2003" in two locations. Motion by Mr. Schneider, supported by Ms. Lautner, and carried to approve Policy #456 – Eye Protection, Ear Protection, and Seat Belts, as amended.

The board recessed for lunch at 12:31 p.m. and reconvened at 12:56 p.m.

The board reviewed the State of Michigan 2013 PA 95 (Act 95) regarding the Low-Income Energy Assistance Fund (LIEAF) program. After some discussion, Mr. Anderson recommended opting out of collecting the fee and to not disconnect members from November 1 to April 15. Motion by Ms. Lautner, supported by Mr. Van Pelt and carried to opt-out of collecting a low-income energy assistance funding factor.

The cooperative's public input policy was discussed. Mr. Anderson recommended the board increase member input sessions from quarterly to all regularly scheduled monthly board meetings. The board requested that Mr. Anderson update the policy and present it at the July board meeting.

Wolverine and Wolverine Power Marketing matters were discussed. Mr. Siepker will be attending the Wolverine Board Meeting on June 27th in Mr. Anderson's stead. Mr. Schweitzer may be the guest director from the cooperative at the afore-mentioned board meeting.

Spartan Renewable Energy matters were discussed.

Mr. Olson gave an update on MECA. The notes from the MECA Board Meeting, held on June 5th, were discussed.

The General Counsel report was discussed.

Upcoming meetings were discussed. Mr. Wilson requested that the trustees of the Retiree Welfare Plan meet prior to the July 15th board meeting.

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.

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.
