MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

January 20, 2020

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on January 20, 2020.

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

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

Mr. Mark Wilson, CFO; Mr. Frank Siepker, Engineering Manager; Ms. Rachel Johnson, Member Relations Manager; Ms. Kerry Kalbfleisch, Director of Human Resources; and Mr. Greg Jenkins, General Counsel, joined the meeting.

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

No members present for public input.

The January Safety Report was discussed.

The December 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 December 16, 2019.

President Van Pelt welcomed Ms. Cecilia Chesney, Executive Director of Big Brothers Big Sisters of Northwestern Michigan, and Ms. Bonnie Alfonso, Owner of Alfie's Embroidery, to the meeting.

Ms. Chesney gave a short presentation on the organization, the impact it has had on the greater Grand Traverse community, and their 2020 fundraising goals. Ms. Chesney requested a donation in the amount of $50,000 for the Marathon4Kids Sustainer Fund from the cooperative. After the presentation and discussion, President Van Pelt thanked the aforementioned guests for their contributions to the community and excused them from the meeting.

The board discussed Big Brothers Big Sisters of Northwestern Michigan's donation request at length. Motion by Mr. Olson, supported by Mr. Zickert, and carried to approve the request to donate $50,000 to Big Brothers Big Sisters of Northwestern Michigan from unclaimed capital credits.

New business was discussed.

The 2020 Election & Credentials (E&C) Committee was discussed.

Mr. Anderson presented Board Resolution 2020-1, extending the Amended and Restated Wholesale Power Contract between the cooperative and Wolverine Power Supply Cooperative through the year 2057. Motion by Mr. Lautner, supported by Mr. Schneider, and carried to approve Resolution 2020-1 as presented.

Old business was discussed.

The redline version of Policy #122 – Director Compensation, Travel and Expense Reimbursement, was reviewed. Motion by Ms. Lautner, supported by Mr. Schneider, and carried to approve Policy #122 – Director Compensation, Travel and Expense Reimbursement, as presented.

The board recessed for a break at 10:10 a.m. and reconvened at 10:25 a.m.

President Van Pelt welcomed Mr. Alan Hubbard of Pro Image Design to the meeting.

Mr. Hubbard gave a presentation regarding Pro Image Design and the application for a zero-interest economic development loan through the revolving loan fund. The organization applied for $94,000 over a 5-year term. Following the presentation and some discussion, President Van Pelt excused Mr. Hubbard from the meeting.

The board discussed the Pro Image Design economic development loan application. Motion by Mr. Lautner, supported by Mr. Schneider, and carried to approve the loan at $94,000 for a 5-year term.

Managers' reports were reviewed and discussed.

Mr. Wilson brought the board's attention to the cooperative's under collected Power Supply Cost Recovery (PSCR). Motion by Mr. Lautner, supported by Ms. Lautner, and carried to not collect $203,986 in under collected Power Supply Cost Recovery, from the membership.

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

Wolverine and Wolverine Power Marketing matters were discussed.

Spartan Renewable Energy matters were discussed.

Mr. Olson provided an update on MECA.

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

MECA board nominees were needed. Mr. Schneider expressed an interest in being on the Board. Motion by Mr. Lautner, supported by Mr. Zickert to cast a unanimous ballot appointing Mr. Schneider and Mr. Anderson to the MECA Board with Mr. Olson as the alternate.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed. Mr. Van Pelt attended a meeting with Leelanau Energy, formerly known as the Northport Energy Group. Ms. Johnson and Mr. Schneider met with Senator Wayne Schmidt.

Summary and Assignments were discussed. The board will bring any suggestions they have for the 2020 Election & Credentials Committee to the February meeting.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 11:46 a.m.

Thomas Van Pelt, President

Gabriel Schneider, 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.