

MEETING OF THE BOARD OF DIRECTORS  
OF  
CHERRYLAND ELECTRIC COOPERATIVE

September 22, 2008

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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 September 22, 2008.

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

Present: Tom Van Pelt, President  
Terry Lautner, Sr. Vice President  
Melinda Lautner, Secretary  
John Pope, Treasurer  
Rick Deneweth  
Betty Maciejewski  
John Olson  
Tony Anderson, General Manager  
Pat Barone, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Frank Siepker, Engineering Manager; Mr. Jim Carpenter, Operations Manager; Mr. Kevin Cragg, Member Service Manager; and Mr. Nick Edson, Key Accounts Representative, joined the meeting.

Two new employees – Amanda Olds, Member Information Representative, and Bernadette Carney, Marketing Specialist – were introduced to the board.

President Van Pelt reviewed the board agenda. The board agenda was accepted.

Motion by Mrs. Lautner, supported by Mrs. Maciejewski and carried to approve the minutes of the regular board meeting held on August 25, 2008.

Upcoming meetings were discussed.

Mrs. Maciejewski, Mrs. Lautner and President Van Pelt gave a report on the NRECA Region IV meeting.

Mr. Wilson, Chief Financial Officer, reviewed the financials, including the PSCR factor for the remainder of 2008 and for 2009. It was the consensus of the board to leave the PSCR factor for November and December at .00450.

Attorney Chambers legal report was reviewed and discussed.

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Wolverine matters were discussed. Wolverine is expecting the Michigan DEQ to officially post Wolverine's Draft Air Quality Permit tomorrow morning.

The board reviewed the resolution regarding the proposed Wolverine bylaw revisions. Motion by Mr. Olson, supported by Mr. Deneweth and carried to adopt Board Resolution 2008-04.

The board reviewed the resolution regarding the revised All Requirements Contract with respect to the FERC standard of review. Motion by Mrs. Maciejewski, supported by Mr. Olson and carried to adopt Board Resolution 2008-05.

The board recessed at 10:20 a.m. and reconvened at 10:32 a.m.

Manager reports were reviewed and discussed. Manager Anderson discussed the Our Energy, Our Future campaign and indicated it would be included in future member forums.

Motion by Mrs. Maciejewski, supported by Mr. Olson and carried to approve management reports, including the safety report, as presented.

The remaining board meeting dates for 2008, particularly December, were reviewed and discussed. The December board meeting will remain December 15<sup>th</sup>.

The preliminary 2009 board calendar was reviewed. Some dates are still tentative, i.e., annual meeting, and will be updated as necessary.

Kevin Cragg, Member Service Manager, reviewed Board Policy No. 141, Identity Theft Red Flag Policy. This policy is a result of FTC rules and regulations. Motion by Mrs. Lautner, supported by Mr. Pope and carried to adopt said policy.

Manager Anderson discussed the mechanic's facility and possibility of purchasing the Quality Asphalt property for future expansion of the mechanic's needs. Mr. Deneweth volunteered to contact the realtor, Bill Stireman, to set up a time to look at the property to ensure there are no environmental issues. By consensus, Manager Anderson was also authorized to make an offer of \$125,000 for the building and property.

Manager Anderson discussed Blair Township's request for a zero interest loan for the purchase of turn out gear for their fire department in the amount of \$80,000.00, with a 10-year payback. The board authorized Manager Anderson to proceed with the request, but with a 5-year payback.

Manager Anderson distributed a guideline and timeframe for member regulation. The board delayed action on this item and directed Manager Anderson to check with Attorney Ernst on how this could impact the Act 30 process. Manager Anderson will compile a pro/con summary of member regulation for presentation at October's board meeting.

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Mr. Jack Porter's request for appearance at a board meeting was reviewed and discussed. Mr. Porter will be sent a letter informing him of the board's decision to put his request on the October board agenda.

The board recessed for lunch at 11:52 a.m. and resumed at 12:14 p.m.

The board went into executive session at 12:15 p.m. and resumed at 12:48 p.m.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 12:48 p.m.

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Tom Van Pelt, 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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