

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

July 24, 2023

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on July 24, 2023.

Meeting was called to order at 8:57 a.m. by President Schweitzer.

Present: David Schweitzer, President
Gabe Schneider, Sr. Vice President
Valarie Handy, Secretary
Thomas Van Pelt, Treasurer
Terry Lautner
Melinda Lautner
Dean Adams
Rachel Johnson, CEO
Dawn Garrock, Assistant Secretary

Mr. Mark Wilson, CFO; Mr. Frank Siepker, Engineering Manager; Ms. Deidra Charnes, Human Resources Director; Mr. Jeff Puffer, Safety Director, Mr. Greg Jenkins, General Counsel, Mr. Chase Ely, Apprentice Lineman and Mr. Carter Spoutz, Electrical Engineer, joined the meeting.

President Schweitzer reviewed the board agenda. Mr. Van Pelt requested that 7.1 include a retiree health care review discussion and that 9.4 be added to elect NRECA voting delegates. Motion by Mr. Schneider supported by Ms. Lautner and carried to approve the agenda, as amended.

No members present for public input.

The June Safety Report was discussed.

The June meeting minutes were discussed. Motion by Ms. Lautner, supported by Ms. Handy and carried to approve the minutes of the regular board meeting held on June 26, 2023.

The organizational meeting minutes were discussed. Motion by Ms. Handy, supported by Mr. Schneider and carried to approve the minutes of the organizational board meeting held on June 26, 2023.

Mr. Wilson presented the 2022 Key Ratio Trend Analysis. Cost pressures of labor, supplies, fuel and inflation continue to increase.

Mr. Wilson gave his CFO report. The Retiree Health Care Plan was discussed. The equity holdings in trust assets have grown and it was decided to keep the trust as is, and discuss again in three months.

Managers' reports were reviewed and discussed.

Ms. Johnson reported that there is a lot of conversation but not much progress on the energy legislation package. The package contains three pieces: energy waste reduction; net metering; and a 100% clean energy standard. Ms. Johnson anticipates a compromise on the 100% clean energy standard, either a different percentage or time frame.

Ms. Johnson announced that after several months of due diligence, the USDA Direct Loan to Left Foot Charley was closing that afternoon.

An update on the new property was given. An Amendment to Purchase Agreement was executed by all parties to grant a 180-day extension regarding water and sewer access.

Ms. Johnson addressed the board regarding the automated meter infrastructure and land purchase. Both upcoming projects will require borrowing of money which will drop the Cooperative's equity below 40%, which has traditionally been a Board requirement.

There was no old business to discuss.

The board recessed for a break at 10:23 a.m. and reconvened at 10:34 a.m.

At 10:34 a.m. the board entered into Executive Session to discuss future power supply. Motion by Mr. Van Pelt, supported by Mr. Lautner and carried to enter Executive Session.

At 11:40 a.m. the board ended Executive Session by Motion of Mr. Lautner, supported by Ms. Lautner and carried to end Executive Session.

New business was discussed.

The board discussed the Four Corners Fire which occurred on Monday, July 10, 2023 in Manistee and Wexford Counties. Investigations are ongoing.

A voting delegate was discussed for the upcoming 2023 CoBank Nominating Committee Election. Motion by Mr. Lautner, supported by Mr. Schneider and carried to approve Mr. Van Pelt as the voting delegate.

A CFC voting delegate was discussed for the upcoming District 4 meeting on September 7, 2023. Motion by Mr. Schneider, supported by Mr. Adams and carried to approve Mr. Van Pelt as voting delegate and Ms. Lautner as alternate voting delegate.

A NRECA voting delegate and alternate voting delegate was discussed for the upcoming regional business meetings scheduled for September 6-8, 2023. Motion by Mr. Schneider, supported by Mr. Adams and carried to approve Mr. Lautner as voting delegate and Mr. Van Pelt as alternate voting delegate.

Wolverine Power Supply Cooperative matters were discussed.

Mr. Schneider provided an update on MECA and the Strategic ADHOC committee. The committee will meet in July and August and will provide a recommendation in November or December, based on its findings.

The General Counsel report was discussed.

Upcoming meetings were discussed.

Cooperative advocacy issues were discussed.

There being no further business to come before the board, it was moved to adjourn, supported, and carried. Meeting adjourned at 12:02 p.m.

David Schweitzer, President

Valarie Handy, 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.

